

United States Bankruptcy Court Southern District of New York				Voluntary Petition	
Name of Debtor (if individual, enter Last, First, Middle): <b>Chrysler Realty Company LLC</b>			Name of Joint Debtor (Spouse) (Last, First, Middle):		
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): <b>See Schedule 1 Attached</b>			All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):		
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN. (if more than one, state all): <b>38-1852134</b>			Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN. (if more than one, state all):		
Street Address of Debtor (No. & Street, City, State & Zip Code):  <b>1000 Chrysler Drive Auburn Hills, MI</b>			Street Address of Joint Debtor (No. & Street, City, State & Zip Code):		
ZIP CODE <b>48326</b>			ZIP CODE		
County of Residence or of the Principal Place of Business: <b>Oakland</b>			County of Residence or of the Principal Place of Business:		
Mailing Address of Debtor (if different from street address):			Mailing Address of Debtor (if different from street address):		
ZIP CODE			ZIP CODE		
Location of Principal Assets of Business Debtor (if different from street address above): <b>See Schedule 1 Attached</b>					
ZIP CODE					
<b>Type of Debtor</b> (Form of Organization) (Check one box.)  <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and provide the information requested below.)		<b>Nature of Business</b> (Check one box.)  <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other <b>Automotive Manufacturer</b> <b>Tax-Exempt Entity</b> (Check Box, if applicable) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code.)		<b>Chapter of Bankruptcy Code Under Which The Petition is Filed</b> (Check one box)  <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13  <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding  <b>Nature of Debts</b> (Check one box)  <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 191(8) as "incurred by an individual primarily responsible for a Personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts.	
<b>Filing Fee</b> (Check one box)  <input checked="" type="checkbox"/> Full Filing Fee attached.  <input type="checkbox"/> Filing Fee to be paid in installments (Applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A.  <input type="checkbox"/> Filing Fee waiver requested (Applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.			<b>Chapter 11 Debtors</b>  <b>Check one box:</b> <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D). <b>Check if:</b> <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,190,000. <hr/> <b>Check all applicable boxes:</b> <input type="checkbox"/> A plan is being filed with this Petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126 (b).		
<b>Statistical/Administrative Information</b> <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.					THIS SPACE IS FOR COURT USE ONLY  <div style="writing-mode: vertical-rl; transform: rotate(180deg);">           2009 APR 30 PM 1:06            U.S. BANKRUPTCY COURT            SOUTHERN DISTRICT OF NEW YORK            FILED         </div>
<b>Estimated Number of Creditors</b> <input type="checkbox"/> 1-49 <input type="checkbox"/> 50-99 <input type="checkbox"/> 100-199 <input type="checkbox"/> 200-999 <input type="checkbox"/> 1,000-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-25,000 <input type="checkbox"/> 25,001-50,000 <input type="checkbox"/> 50,001-100,000 <input checked="" type="checkbox"/> Over 100,000					
<b>Estimated Assets</b> <input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1 million to \$10 million <input type="checkbox"/> \$10 million to \$50 million <input type="checkbox"/> \$50 million to \$100 million <input type="checkbox"/> \$100 million to \$500 million <input type="checkbox"/> \$500 million to \$1 billion <input checked="" type="checkbox"/> More than \$1 billion					
<b>Estimated Liabilities</b> <input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1 million to \$10 million <input type="checkbox"/> \$10 million to \$50 million <input type="checkbox"/> \$50 million to \$100 million <input type="checkbox"/> \$100 million to \$500 million <input type="checkbox"/> \$500 million to \$1 billion <input checked="" type="checkbox"/> More than \$1 billion					

Note – The estimated assets and debts indicated herein are estimated on a consolidated basis for the Debtor and certain of its debtor and non-debtor subsidiaries and affiliates. The Debtor will file schedules and a statement of financial affairs pursuant to Fed. R. Bankr. P. 1007(c) by a date to be determined by this Court.

<b>Voluntary Petition</b> <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): <b>Chrysler Realty Company LLC</b>	
<b>All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than one, attach additional sheet)</b>			
Location Where Filed: <b>None</b>	Case Number: <b>N/A</b>	Date Filed: <b>N/A</b>	
Location Where Filed: <b>N/A</b>	Case Number: <b>N/A</b>	Date Filed: <b>N/A</b>	
<b>Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor (If more than one, attach additional sheet)</b>			
Name of Debtor: <b>See Schedule I Attached</b>		Case Number: <b>Pending</b>	Date Filed: <b>Date Hereof</b>
District: <b>Southern District of New York</b>		Relationship: <b>Affiliate</b>	Judge:

<p style="text-align: center;"><b>Exhibit A</b></p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)</p> <p><input type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>	<p style="text-align: center;"><b>Exhibit B</b></p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts.)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. § 342(b).</p> <p>X _____          Signature of Attorney for Debtor(s)                      Date</p>
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**Exhibit C**

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?

☐ Yes, and Exhibit C is attached and made a part of this petition.

☒ No.

**Exhibit D**

(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)

☐ Exhibit D completed and signed by the debtor is attached and made a part of this petition.

If this is a joint petition:

☐ Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.

**Information Regarding the Debtor – Venue**  
 (Check the Applicable Boxes)

☒ Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.

☐ There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

☐ Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.

**Certification by a Debtor Who Resides as a Tenant of Residential Property**  
 (Check all applicable boxes.)

☐ Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)

\_\_\_\_\_  
 (Name of landlord that obtained judgment)

\_\_\_\_\_  
 (Address of landlord)

☐ Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and

☐ Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.

☐ Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(1)).



**Voluntary Petition**

(This page must be completed and filed in every case)

Name of Debtor(s):

Chrysler Realty Company LLC

**Signatures****Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct.

[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.

[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X \_\_\_\_\_  
Signature of Debtor

X \_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Telephone Number (if not represented by attorney)

\_\_\_\_\_  
Date

**Signature of Attorney**

\_\_\_\_\_  
Signature of Attorney for Debtor

**Corinne Ball**  
Jones Day  
222 East 41st Street  
New York, New York 10017  
Telephone: (212) 326-3939

**David G. Heiman**  
Jones Day  
North Point  
901 Lakeside Avenue  
Cleveland, Ohio 44114  
Telephone: (216) 586-3939

April 30, 2009  
Date

**Signature of Debtor (Corporation/Partnership)**

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X \_\_\_\_\_  
Signature of Authorized Individual

**Holly E. Leese**  
Printed Name of Authorized Individual

**Secretary**  
Title of Authorized Individual

April 30, 2009  
Date

**Signature of a Foreign Representative**

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

☐ I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by § 1515 of title 11 are attached.

☐ Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X \_\_\_\_\_  
(Signature of Foreign Representative)

\_\_\_\_\_  
(Printed Name of Foreign Representative)

\_\_\_\_\_  
Date

**Signature of Non-Attorney Bankruptcy Petition Preparer**

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

\_\_\_\_\_  
Printed Name and title, if any, of Bankruptcy Petition Preparer

\_\_\_\_\_  
Social Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

\_\_\_\_\_  
Address

X \_\_\_\_\_

\_\_\_\_\_  
Date

Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

*A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both (11 U.S.C. § 110; 18 U.S.C. § 156).*

## SCHEDULE 1

A. All Other Names Used by the Debtor and Debtor Affiliates in the last 8 years (including trade names):

The Debtor is part of a global enterprise that has used the following trade names:

Chrysler Aspen	Dodge Nitro
Chrysler Town & Country	Dodge Ram
Chrysler 300	Dodge Sprinter
Chrysler Sebring	Dodge Viper
Chrysler PT Cruiser	Jeep
Dodge	Jeep Commander
Dodge Avenger	Jeep Compass
Dodge Caliber	Jeep Grand Cherokee
Dodge Challenger	Jeep Liberty
Dodge Charger	Jeep Patriot
Dodge Dakota	Jeep Wrangler
Dodge Durango	Mopar
Dodge Grand Caravan	Plymouth
Dodge Journey	

B. Location of Principal Assets of Business Debtor (if different from street address):

The Debtor's principal assets are located at:

New York, New York	Cheektowaga, New York
Los Angeles, California	San Jose, California

C. Pending Bankruptcy Cases Filed by Affiliates of the Debtor:

On the date hereof, each of the affiliated entities listed below, including the Debtor in this chapter 11 case (collectively, the "Debtors"), filed a petition in this Court for relief under chapter 11 of title 11 of the United States Code. Contemporaneously with the filing of their petitions, the Debtors filed a motion requesting that the Court consolidate their chapter 11 cases for administrative purposes only.

1. Chrysler LLC
2. Chrysler Aviation Inc.
3. Chrysler Dutch Holding LLC
4. Chrysler Dutch Investment LLC
5. Chrysler Dutch Operating Group LLC
6. Chrysler Institute of Engineering
7. Chrysler International Corporation
8. Chrysler International Limited, L.L.C.
9. Chrysler International Services, S.A.
10. Chrysler Motors LLC

11. Chrysler Realty Company LLC
12. Chrysler Service Contracts Florida, Inc.
13. Chrysler Service Contracts Inc.
14. Chrysler Technologies Middle East Ltd.
15. Chrysler Transport Inc.
16. Chrysler Vans LLC
17. DCC 929, Inc.
18. Dealer Capital, Inc.
19. Global Electric Motorcars, LLC
20. NEV Mobile Service, LLC
21. NEV Service, LLC
22. Peapod Mobility LLC
23. TPF Asset, LLC
24. TPF Note, LLC
25. Utility Assets LLC

**CHRYSLER REALTY COMPANY LLC**  
**(a Delaware limited liability company)**

**ACTION BY UNANIMOUS WRITTEN CONSENT**  
**OF THE SOLE MEMBER AND BOARD OF DIRECTORS OF**  
**CHRYSLER REALTY COMPANY LLC**

Chrysler Motors LLC, a Delaware limited liability company (the "Company"), as sole member of Chrysler Realty Company LLC, a Delaware limited liability company (the "LLC"), and the undersigned, being all of the members of the Board of Directors of the LLC (the "Board"), do hereby unanimously adopt and consent in writing to the following resolutions, which actions shall have the same force and effect as if taken by an affirmative vote at a duly called and held meeting and do hereby waive any notice required in connection therewith:

WHEREAS, the Board and the Company, as sole member of the LLC, have evaluated the LLC's alternatives in connection with a possible restructuring and have determined that the filing of a voluntary petition under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") is in the best interests of the LLC;

RESOLVED, that the LLC and the Company, as sole member of the LLC, shall be, and each hereby is, authorized to cause the LLC to file a voluntary petition (the "Petition") for relief under the Bankruptcy Code, in the United States Bankruptcy Court for the Southern District of New York or such other court as the LLC, Company or appropriate officer or officers of the Company or LLC shall determine to be appropriate (the "Bankruptcy Court") and perform any and all such acts as are reasonable, advisable, expedient, convenient, proper or necessary to effect any of the foregoing;

FURTHER RESOLVED, that any officer of the Company and the LLC, including any chief executive officer, any chief financial officer, any president, any executive vice president, any senior vice president, any vice president, any manager, any secretary, any assistant secretary or any treasurer (each, a "Designated Officer"), shall be, and each of them, acting alone, hereby is, authorized, directed and empowered on behalf of, and in the name of, the Company, in its capacity as sole member of the LLC, or the LLC to: (a) execute, acknowledge, deliver and verify the Petition and all other ancillary documents, and cause the Petition to be filed with the Bankruptcy Court and make or cause to be made prior to execution thereof any modifications to the Petition or ancillary documents as any such Designated Officer, in such officer's discretion, deems necessary or desirable to carry out the intent and accomplish the purposes of these resolutions (such

approval to be conclusively established by the execution thereof by such Designated Officer); (b) execute, acknowledge, deliver, verify, and file or cause to be filed all petitions, schedules, statements, lists, motions, applications, and other papers or documents necessary or desirable in connection with the foregoing; (c) execute, acknowledge, deliver, and verify any and all other documents necessary or appropriate in connection therewith or to administer the LLC's chapter 11 case in such form or forms as any such Designated Officer may approve; and (d) cause any of the LLC's direct subsidiaries to take any action consistent with these resolutions, including the filing of petitions for relief under chapter 11, the retention of professionals and the incurrence of debt by such subsidiaries;

FURTHER RESOLVED, that the Designated Officers shall be, and each of them hereby is, authorized, directed and empowered to retain, on behalf of the LLC: (a) Jones Day; (b) Capstone Advisory Group LLC; (c) Greenhill & Co., LLC; (d) Togut, Segal & Segal LLP; (e) Epiq Bankruptcy Solutions, LLC; and (f) such additional professionals, including attorneys, accountants, financial advisors, investment bankers, actuaries, consultants or brokers, in each case as in such Designated Officer's or Designated Officers' judgment may be necessary in connection with the LLC's chapter 11 case and other related matters, on such terms as such officer or officers shall approve;

FURTHER RESOLVED, that the law firm Jones Day and any additional special or local counsel selected by a Designated Officer, if any, shall be, and hereby are, authorized, empowered and directed to represent the LLC, as debtor and debtor in possession, in connection with any chapter 11 case commenced by or against it under the Bankruptcy Code;

FURTHER RESOLVED, that the LLC, as debtor and debtor in possession under chapter 11 of the Bankruptcy Code, shall be, and hereby is, authorized to: (a) enter into a new debtor in possession financing facility or agreement regarding the use of cash collateral and any associated documents, or otherwise obtain Bankruptcy Court authority to use cash collateral, and consummate the transactions contemplated therein or thereby (collectively, the "Financing Transactions") with such lenders and on such terms as may be approved by any one or more of the Designated Officers, as may be reasonably necessary for the continuing conduct of the affairs of the LLC; and (b) pay related fees and grant security interests in and liens upon some, all or substantially all of the LLC's assets, as may be deemed necessary by any one or

more of the Designated Officers in connection with the Financing Transactions;

FURTHER RESOLVED, that: (a) the Designated Officers shall be, and each of them, acting alone, hereby is, authorized, directed and empowered in the name of, and on behalf of the LLC, as debtor and debtor in possession, the Company, in its capacity as the sole member of the LLC, to take such actions and execute, acknowledge, deliver, and verify such agreements, certificates, instruments, guaranties, notices and any and all other documents as the Designated Officers may deem necessary or appropriate to facilitate the Financing Transactions (collectively, the "Financing Documents"); (b) Financing Documents containing such provisions, terms, conditions, covenants, warranties and representations as may be deemed necessary or appropriate by the Designated Officers are approved; and (c) the actions of any Designated Officer taken pursuant to this resolution, including the execution and delivery of all agreements, certificates, instruments, guaranties, notices and other documents, shall be conclusive evidence of the approval thereof by such officer, and by the LLC;

FURTHER RESOLVED, that, in addition to the specific authorizations heretofore conferred upon the Designated Officers, each of the officers of the LLC and the Company or their designees shall be, and each of them, acting alone, hereby is, authorized, directed and empowered, in the name of, and on behalf of, the LLC (in the case of Company, in its capacity as sole member of the LLC) to take or cause to be taken any and all such further actions, to execute, acknowledge, deliver and verify any and all such agreements, certificates, instruments, amendments and other documents and to pay all expenses, including filing fees, in each case as in such officer's or officers' judgment shall be necessary or desirable in order to fully carry out the intent and accomplish the purposes of the resolutions adopted herein;

FURTHER RESOLVED, that all acts lawfully done or actions lawfully taken or to be taken by any officer or officers of the LLC or the Company in connection with the implementation of these resolutions in all respects are hereby ratified, confirmed and approved; and

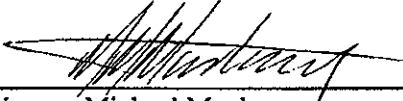
FURTHER RESOLVED, that the secretary and any assistant secretary of the LLC or the Company, in its capacity as sole member of the LLC, are hereby authorized to certify and deliver, to any person to whom such certification and delivery may be deemed necessary or appropriate in the opinion of such

secretary or assistant secretary, a true copy of the foregoing resolutions.

[Signature Page follows]

IN WITNESS WHEREOF, each of the undersigned has caused this consent to be executed as of the 30<sup>th</sup> day of April, 2009.

CHRYSLER REALTY COMPANY LLC

  
\_\_\_\_\_  
Name: Michael Manley  
Title: Director

\_\_\_\_\_  
Name: Patrick White  
Title: Director

CHRYSLER MOTORS LLC


\_\_\_\_\_  
Name: Holly E. Leese  
Title: Secretary of Chrysler Motors LLC, the  
sole member of Chrysler Realty  
Company LLC



IN WITNESS WHEREOF, each of the undersigned has caused this consent to be executed as of the 30<sup>th</sup> day of April, 2009.

CHRYSLER REALTY COMPANY LLC

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Name: Michael Manley  
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CHRYSLER MOTORS LLC

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Name: Holly E. Leese  
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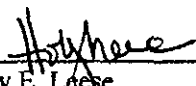
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CHRYSLER REALTY COMPANY LLC

\_\_\_\_\_  
Name: Michael Manley  
Title: Director

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Name: Patrick White  
Title: Director

CHRYSLER MOTORS LLC

  
\_\_\_\_\_  
Name: Holly E. Leese  
Title: Secretary of Chrysler Motors LLC, the  
sole member of Chrysler Realty  
Company LLC

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re	: Chapter 11
Chrysler Realty Company LLC,	: Case No. 09-____ (____)
Debtor.	:
	: -----X

**CONSOLIDATED LIST OF CREDITORS  
HOLDING 50 LARGEST UNSECURED CLAIMS**

The Debtor in this chapter 11 case and certain affiliated entities (collectively, the "Debtors") each filed a petition in this Court on the date hereof for relief under chapter 11 of title 11 of the United States Code. Contemporaneously with the filing of their petitions, the Debtors filed a motion requesting, among other things, authority to file a consolidated list of the 50 largest unsecured creditors of the Debtors (the "Top 50 List") in lieu of a separate list for each of the Debtors. The Top 50 List is based on the Debtors' books and records as of approximately April 30, 2009 and was prepared in accordance with Rule 1007(d) of the Federal Rules of Bankruptcy Procedure for filing in the Debtors' chapter 11 cases. The Top 50 List does not include: (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101(31); or (2) secured creditors, unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 50 largest unsecured claims. The information presented in the Top 50 List shall not constitute an admission by, nor is it binding on, the Debtors.

	Name of creditor and complete mailing address, including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	Indicate if claim is contingent, unliquidated, disputed or subject to setoff	Amount of claim (if secured, also state value of security)
1.	OHIO MODULE MFG CO LLC 3900 STICKNEY AVENUE TOLEDO, OHIO 43608	OHIO MODULE MFG CO LLC ATT: GENERAL COUNSEL 3900 STICKNEY AVENUE TOLEDO, OHIO 43608  (419) 729-6700	Trade		\$70,337,248.48
2.	BBDO DETROIT INC 840 W LONG LAKE ROAD TROY, MICHIGAN 48098-6360	BBDO DETROIT INC ATT: GENERAL COUNSEL 840 W LONG LAKE ROAD TROY, MICHIGAN 48098-6360  (212) 415-3600	Trade		\$58,055,133.44

	Name of creditor and complete mailing address, including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	Indicate if claim is contingent, unliquidated, disputed or subject to setoff	Amount of claim (if secured, also state value of security)
3.	JOHNSON CONTROLS ONE PRINCE CENTER HOLLAND, MICHIGAN 49423	JOHNSON CONTROLS INC SPD & PAB ATT: GENERAL COUNSEL ONE PRINCE CENTER HOLLAND, MICHIGAN 49423  JOHNSON CONTROLS- ROCKWOOD PLT JIT ATT: GENERAL COUNSEL 20201 WOODRUFF ROAD ROCKWOOD, MICHIGAN 48173  JOHNSON CONTROLS TAYLOR PLANT-JIT ATT: GENERAL COUNSEL 13500 HURON TAYLOR, MICHIGAN 48180  JOHNSON CONTROLS- SYCAMORE - P A B ATT: GENERAL COUNSEL 1701 WEST BETHANY ROAD SYCAMORE, ILLINOIS 60178  (414) 228-1200 (734) 454-6889	Trade		\$50,312,511.30
4.	CONTINENTAL AUTOMOTIVE HUNTSVILLE ONE CONTINENTAL DR AUBURN HILLS, MICHIGAN 48326	CONTINENTAL AUTOMOTIVE HUNTSVILLE ATT: GENERAL COUNSEL ONE CONTINENTAL DR AUBURN HILLS, MICHIGAN 48326  (256) 464-1200 +49 51 19 381 4016	Trade		\$46,995,802.25
5.	CUMMINS ENGINE COMPANY INC. 500 JACKSON STREET PO BOX 3005 COLUMBUS, INDIANA 47202-3005	CUMMINS ENGINE COMPANY INC. ATT. GENERAL COUNSEL 500 JACKSON STREET PO BOX 3005 COLUMBUS, INDIANA 47202-3005  (812) 377-1766 (812) 377-7897	Trade		\$43,912,930.30
6.	GERMERSHEIM SPARE PARTS INDUSTRIEGEBIEL NORD ABL 900 HAFENSTRASSE 1 GERMERSHEIM RHEINLAND-PFALZ 76725 GERMANY	GERMERSHEIM SPARE PARTS ATT: GENERAL COUNSEL INDUSTRIEGEBIEL NORD ABL 900 HAFENSTRASSE 1 GERMERSHEIM RHEINLAND-PFALZ 76725 GERMANY  +49 72 74 560 3791	Trade		\$36,231,566.07

	Name of creditor and complete mailing address, including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	Indicate if claim is contingent, unliquidated, disputed or subject to setoff	Amount of claim (if secured, also state value of security)
7.	COMAU INC 21000 TELEGRAPH ROAD SOUTHFIELD, MICHIGAN 48034-4280	COMAU INC ATT: GENERAL COUNSEL 21000 TELEGRAPH ROAD SOUTHFIELD, MICHIGAN 48034-4280  (039) 116-5651	Trade		\$32,069,462.86
8.	VISTEON 4 EAST LASKEY ROAD TOLEDO, OHIO 43612  VISTEON CORPORATION 50 W MAIN BLDG 1 VILLAGE CTR DR VAN BUREN TWP, MICHIGAN 48111-5711	VISTEON - PAY AS BUILT ATT: GENERAL COUNSEL 4 EAST LASKEY ROAD TOLEDO, OHIO 43612  VISTEON CORPORATION ATT: GENERAL COUNSEL 50 W MAIN BLDG 1 VILLAGE CTR DR VAN BUREN TWP, MICHIGAN 48111-5711  (734) 736-5506 (734) 710-7250	Trade		\$25,608,790.94
9.	NEW PROCESS GEAR DIVISION 6600 NEW VENTURE GEAR DRIVE EAST SYRACUSE, NEW YORK 13057	NEW PROCESS GEAR DIVISION ATT: GENERAL COUNSEL 6600 NEW VENTURE GEAR DRIVE EAST SYRACUSE, NEW YORK 13057  (905) 726-7046 (905) 726-2593	Trade		\$19,636,149.95
10.	DENSO INTERNATIONAL AMERICA INC. MAIL CODE 1100 PO BOX 5133 SOUTHFIELD, MICHIGAN 48086-5047	DENSO INTERNATIONAL AMERICA INC. ATT: GENERAL COUNSEL MAIL CODE 1100 PO BOX 5133 SOUTHFIELD, MICHIGAN 48086-5047  (248) 372-8550	Trade		\$18,704,831.23
11.	YAZAKI NORTH AMERICA 6801 HAGGERTY ROAD CANTON, MICHIGAN 48187-3599	YAZAKI NORTH AMERICA ATT: GENERAL COUNSEL 6801 HAGGERTY ROAD CANTON, MICHIGAN 48187-3599  (734) 983-5186	Trade		\$18,301,816.13
12	BRIDGEWATER INTERIORS LLC 4617 W FORT STREET DETROIT, MICHIGAN 48209	BRIDGEWATER INTERIORS LLC ATT: GENERAL COUNSEL 4617 W FORT STREET DETROIT, MICHIGAN 48209  (414) 228-1200	Trade		\$17,996,260.29

	Name of creditor and complete mailing address, including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	Indicate if claim is contingent, unliquidated, disputed or subject to setoff	Amount of claim (if secured, also state value of security)
13.	UNITED STATES STEEL CORPORATION 600 GRANT STREET ROOM 6100 PITTSBURGH, PENNSYLVANIA 15219-4776	UNITED STATES STEEL CORPORATION ATT: GENERAL COUNSEL 600 GRANT STREET ROOM 6100 PITTSBURGH, PENNSYLVANIA 15219-4776  (412) 433-1121 (412) 433-2015	Trade		\$16,182,772.22
14.	MBTECH AUTODIE LLC 44 COLD BROOK N W GRAND RAPIDS, MICHIGAN 49503	MBTECH AUTODIE LLC ATT: GENERAL COUNSEL 44 COLD BROOK N W GRAND RAPIDS, MICHIGAN 49503  (039) 116-5651	Trade		\$13,488,125.48
15.	HARMAN/BECKER AUTOMOTIVE SYS-US 1201 S OHIO MARTINSVILLE, INDIANA 46151-2914	HARMAN/BECKER AUTOMOTIVE SYS-US ATT: GENERAL COUNSEL 1201 S OHIO MARTINSVILLE, INDIANA 46151-2914  (202) 393-1101	Trade		\$13,474,376.41
16.	DECOMA TEAM SYSTEMS 14253 FRAZHO WARREN, MICHIGAN 48089	DECOMA TEAM SYSTEMS ATT: GENERAL COUNSEL 14253 FRAZHO WARREN, MICHIGAN 48089  (905) 726-7046 (905) 726-2593 (248) 729-2650 (248) 729-2828	Trade		\$12,979,451.51
17.	COSMA INTERNATIONAL GROUP CANADA 2550 STEELES AVE EAST BRAMPTON, ONTARIO L6T 5R3 CANADA	COSMA INTERNATIONAL GROUP CANADA ATT: GENERAL COUNSEL 2550 STEELES AVE EAST BRAMPTON, ONTARIO L6T 5R3 CANADA  (905) 726-7046 (905) 726-2593 (248) 729-2650 (248) 729-2828	Trade		\$11,446,479.16
18.	TATA AMERICA INTERNATIONAL CORPORATION 101 PARK AVENUE 26TH FLOOR NEW YORK, NEW YORK 10178	TATA AMERICA INTERNATIONAL CORPORATION ATT: GENERAL COUNSEL 101 PARK AVENUE AVENUE 26 <sup>TH</sup> FLOOR NEW YORK, NEW YORK 10178  (212) 557-8038	Trade		\$11,338,715.61

	Name of creditor and complete mailing address, including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	Indicate if claim is contingent, unliquidated, disputed or subject to setoff	Amount of claim (if secured, also state value of security)
19.	METALSA S A DE C V AV CONSTITUCION 405 PTE MONTERREY, NUEVO LEON 64000 MEXICO	METALSA S A DE C V ATT: GENERAL COUNSEL AV CONSTITUCION 405 PTE MONTERREY, NUEVO LEON 64000 MEXICO  +52 (818) 369-7405 +52 (818) 369-7232	Trade		\$11,019,457.33
20.	VARITY KELSEY-HAYES 12025 TECH CENTER DRIVE LIVONIA, MICHIGAN 48150	VARITY KELSEY-HAYES ATT: GENERAL COUNSEL 12025 TECH CENTER DRIVE LIVONIA, MICHIGAN 48150  (734) 855-2660 (734) 855-2473	Trade		\$10,099,570.7
21.	MAYCO INTERNATIONAL 42400 MERRILL STERLING HEIGHTS, MICHIGAN 48314	MAYCO INTERNATIONAL ATT: GENERAL COUNSEL 42400 MERRILL STERLING HEIGHTS, MICHIGAN 48314  (586) 803-6000 (586) 803-6113 (586) 254-1550 (586) 254-1555	Trade		\$8,391,564.5
22.	FLEX-N-GATE CORPORATION 1306 E UNIVERSITY P O BOX 727 URBANA, ILLINOIS 61801	FLEX-N-GATE CORPORATION ATT: GENERAL COUNSEL 1306 E UNIVERSITY P O BOX 727 URBANA, ILLINOIS 61801  (217) 278-2611 (217) 278-2318 (586) 759-8975 (586) 759-8995	Trade		\$8,340,684.75
23.	CARAVAN/KNIGHT FACILITIES MGT LLC 304 S NIAGARA STREET SAGINAW, MICHIGAN 48602	CARAVAN/KNIGHT FACILITIES MGT LLC ATT: GENERAL COUNSEL 304 S NIAGARA STREET SAGINAW, MICHIGAN 48602  (989) 737-4290 (898) 921-9353 (517) 793-8820 (517) 921-9353	Trade		\$8,148,788.61
24.	MAGNA POWERTRAIN INC 1000 TESMA WAY CONCORD, ONTARIO L4K5R8 CANADA	MAGNA POWERTRAIN INC ATT: GENERAL COUNSEL 1000 TESMA WAY CONCORD, ONTARIO L4K5R8 CANADA  (905) 726-7046 (905) 726-2593 (248) 729-2650 (248) 729-2828	Trade		\$8,111,474.35

	Name of creditor and complete mailing address, including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	Indicate if claim is contingent, unliquidated, disputed or subject to setoff	Amount of claim (if secured, also state value of security)
25.	PRIME WHEEL CORPORATION 17705 S MAIN STREET GARDENA, CALIFORNIA 90248	PRIME WHEEL CORPORATION ATT: GENERAL COUNSEL 17705 S MAIN STREET GARDENA, CALIFORNIA 90248  (310) 516-9126 (310) 532-3700 (310) 819-4125 (310) 532-3700	Trade		\$7,947,028.73
26.	SHELL OIL PRODUCTS US 1100 LOUSINIA HOUSTON, TEXAS 77210	SHELL OIL PRODUCTS US ATT: GENERAL COUNSEL 1100 LOUSINIA HOUSTON, TEXAS 77210  (713) 241-7200 (248) 693-5360 (281) 212-3055	Trade		\$7,792,570.19
27.	VENCHURS PACKAGING INC 800 CENTER STREET ADRIAN, MICHIGAN 49221  VENCHURS PACKAGING INC-PFK 800 LIBERTY STREET ADRIAN, MICHIGAN 49221	VENCHURS PACKAGING INC ATT: GENERAL COUNSEL 800 CENTER STREET ADRIAN, MICHIGAN 49221  VENCHURS PACKAGING INC-PFK ATT: GENERAL COUNSEL 800 LIBERTY STREET ADRIAN, MICHIGAN 49221  (517) 264-4346 (517) 265-7468 (517) 266-5766 (517) 265-7468	Trade		\$7,737,523.21
28.	TEMIC AUTOMOTIVE OF NORTH AMERICA 21440 WEST LAKE COOK RD DEER PARK, ILLINOIS 60010	TEMIC AUTOMOTIVE OF NORTH AMERICA ATT: GENERAL COUNSEL 21440 WEST LAKE COOK RD DEER PARK, ILLINOIS 60010  (847) 862-5000 +495 119 381 4016	Trade		\$7,644,496.83
29.	CONTINENTAL TEVES ONE CONTINENTAL DRIVE AUBURN HILLS, MICHIGAN 48326	CONTINENTAL TEVES ATT: GENERAL COUNSEL ONE CONTINENTAL DRIVE AUBURN HILLS, MICHIGAN 48326  (248) 393-5300 +495 119-381 4016	Trade		\$7,420,363.15
30.	KUKA TOLEDO PRODUCTION OPS - P A B 3770 STICKNEY AVE TOLEDO, OHIO 43608	KUKA TOLEDO ATT: GENERAL COUNSEL PRODUCTION OPS - P A B3770 STICKNEY AVE TOLEDO, OHIO 43608  (049) 721-1430	Trade		\$7,318,878.69



	Name of creditor and complete mailing address, including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	Indicate if claim is contingent, unliquidated, disputed or subject to setoff	Amount of claim (if secured, also state value of security)
31.	THE WACKENHUT CORPORATION 4200 WACKENHUT DRIVE SUITE 100 PALM BEACH GARDENS, FLORIDA 33410	THE WACKENHUT CORPORATION ATT: GENERAL COUNSEL 4200 WACKENHUT DRIVE SUITE 100 PALM BEACH GARDENS, FLORIDA 33410  (800) 749-5686 (561) 691 6511	Trade		\$7,094,023.32
32.	COMPUTER SCIENCES CORPORATION 3170 FAIRVIEW FALLS CHURCH, VIRGINIA 22042	COMPUTER SCIENCES CORPORATION ATT: GENERAL COUNSEL COMPUTER SCIENCES CORPORATION 3170 FAIRVIEW FALLS CHURCH, VIRGINIA 22042  (703) 641-3300 (401) 965-2579	Trade		\$6,905,182.02
33.	AK STEEL CORPORATION 703 CURTIS STREET MIDDLETOWN, OHIO 45043	AK STEEL CORPORATION ATT: GENERAL COUNSEL 703 CURTIS STREET MIDDLETOWN, OHIO 45043  (513) 425-5412 (513) 425-5392	Trade		\$6,608,908.21
34.	MAHAR TOOL SUPPLY COMPANY INC 112 WILLIAMS STREET P O BOX 1747 SAGINAW, MICHIGAN 48605	MAHAR TOOL SUPPLY COMPANY INC ATT: GENERAL COUNSEL 112 WILLIAMS STREET P O BOX 1747 SAGINAW, MICHIGAN 48605  (517) 799-5530 (517) 799-0830	Trade		\$6,418,103.12
35.	GAGGENEAU PLANT SULZBACHERSTRASSE TOR 4 GAGGENAU 76571 GERMANY	GAGGENEAU PLANT ATT: GENERAL COUNSEL SULZBACHERSTRASSE TOR 4 GAGGENAU 76571 GERMANY  +49 722 5610	Trade		\$6,222,741.93
36.	FAURECIA AUTO SEATING INC ST H PAB2380 MEIJER DR TROY, MICHIGAN 48084	FAURECIA AUTO SEATING INC ST H ATT: GENERAL COUNSEL PAB2380 MEIJER DR TROY, MICHIGAN 48084  (705) 727-1909	Trade		\$5,942,278.42

	Name of creditor and complete mailing address, including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	Indicate if claim is contingent, unliquidated, disputed or subject to setoff	Amount of claim (if secured, also state value of security)
37.	ARCELORMITTAL BURNS HARBOR LLC 3250 INTERSTATE DRIVE RICHFIELD, OHIO 44286	ARCELORMITTAL BURNS HARBOR LLC ATT: GENERAL COUNSEL 3250 INTERSTATE DRIVE RICHFIELD, OHIO 44286  (330) 659-9110 (610) 694-5198	Trade		\$5,843,083.91
38.	VALIANT INTERNATIONAL INC 1511 E 14 MILE ROAD TROY, MICHIGAN 48083	VALIANT INTERNATIONAL INC ATT: GENERAL COUNSEL 1511 E 14 MILE ROAD TROY, MICHIGAN 48083  (519) 974-5200	Trade		\$5,629,386.39
39.	HI LEX CONTROLS – INC. 15780 STEIGER INDUSTRIAL DR HUDSON, MICHIGAN 49247	HI LEX CONTROLS – INC. ATT: GENERAL COUNSEL 15780 STEIGER INDUSTRIAL DR HUDSON, MICHIGAN 49247  (517) 448-2752	Trade		\$5,594,001.17
40.	BORG WARNER EMISSIONS/THERMAL SYS 3800 AUTOMATION AVE AUBURN HILLS, MICHIGAN 48326	BORG WARNER EMISSIONS/THERMAL SYS ATT: GENERAL COUNSEL 3800 AUTOMATION AVE AUBURN HILLS, MICHIGAN 48326  (312) 322-8550 (247) 754-0500	Trade		\$5,537,893.48
41.	NEMAK S-A APDO POSTAL 100 GARZA GARCIA 66221 MEXICO	NEMAK S-A ATT: GENERAL COUNSEL APDO POSTAL 100 GARZA GARCIA 66221 MEXICO  +52 818 748 5208 +52 818 748 5240 +52 818 748 5296 +52 818 748 5230	Trade		\$5,510,106.53
42.	CONTINENTAL AUTOMOTIVE GUADALAJARA ONE CONTINENTAL DR AUBURN HILLS, MICHIGAN 48326	CONTINENTAL AUTOMOTIVE GUADALAJARA ATT: GENERAL COUNSEL ONE CONTINENTAL DR AUBURN HILLS, MICHIGAN 48326  +495 119 381 4016	Trade		\$5,504,798.92

	Name of creditor and complete mailing address, including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	Indicate if claim is contingent, unliquidated, disputed or subject to setoff	Amount of claim (if secured, also state value of security)
43.	AUTOLIV ASP INC. 3350 AIRPORT ROAD OGDEN, UTAH 84405	AUTOLIV ASP INC ATT: GENERAL COUNSEL 3350 AIRPORT ROAD OGDEN, UTAH 84405  (248) 475-0468 (248) 475-9115 + 46 858 720 656 + 46 824 4416	Trade		\$5,403,471.00
44.	THE WORTHINGTON STEEL COMPANY 1205 DEARBORN DRIVE COLUMBUS, OHIO 43085-4769	THE WORTHINGTON STEEL COMPANY GENERAL COUNSEL 1205 DEARBORN DRIVE COLUMBUS, OHIO 43085-4769  (614) 438-3210 (614) 438-3210	Trade		\$5,202,569.80
45.	MAGNA STEYR LLC 600 WILSHIRE DR TROY, MICHIGAN 48084	MAGNA STEYR LLC GENERAL COUNSEL 600 WILSHIRE DR TROY, MICHIGAN 48084  (248) 729-2650 (248) 729-2828 (905) 726-7046 (905) 726-2593	Trade		\$5,125,253.96
46.	GT TECHNOLOGIES INC. 5859 E EXECUTIVE DR WESTLAND, MICHIGAN 48185	GT TECHNOLOGIES GENERAL COUNSEL 5859 E EXECUTIVE DR WESTLAND, MICHIGAN 48185  (419) 661-1333 (419) 661-1337	Trade		\$5,116,460.86
47.	ROBERT BOSCH CORPORATION 2800 S 25TH AVENUEB ROADVIEW, ILLINOIS 60153-4532	ROBERT BOSCH CORPORATION GENERAL COUNSEL 2800 S 25TH AVENUE BROADVIEW, ILLINOIS 60153-4532  (248) 848-2363 (248) 848-6505 (248) 876-1426 (248) 876-1439	Trade		\$5,100,395.28
48.	DIESEL RECON COMPANY DIVISION 4155 QUEST WAY MEMPHIS, TENNESSEE 38115	DIESEL RECON COMPANY DIVISION GENERAL COUNSEL 4155 QUEST WAY MEMPHIS, TENNESSEE 38115  (812) 377-1766 (812) 377-7897	Trade		\$5,079,870.46

	Name of creditor and complete mailing address, including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	Indicate if claim is contingent, unliquidated, disputed or subject to setoff	Amount of claim (if secured, also state value of security)
49.	NIPPEI TOYOMA CORP C/O NTC AMERICA 46605 MAGELLAN DR NOVI, MICHIGAN 48377	NIPPEI TOYOMA CORP C/O NTC AMERICA GENERAL COUNSEL 46605 MAGELLAN DR NOVI, MICHIGAN 48377  (248) 560-1220 (248) 560-0215	Trade		\$5,065,021.88
50.	TRW CHASSIS SYSTEM 42315 MANCINI STERLING HEIGHTS, MICHIGAN 48314	TRW CHASSIS SYSTEM GENERAL COUNSEL 42315 MANCINI STERLING HEIGHTS, MICHIGAN 48314 BOB EVANS, GLOBAL ACCOUNT DIRECTOR  (734) 855-2912 (734) 855-2600 (734) 855-2473 (734) 855-2999	Trade		\$5,050,331.35

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK


-----X  
In re : Chapter 11  
Chrysler Realty Company LLC, : Case No. 09-\_\_\_\_ ( )  
Debtor. :  
-----X

**DECLARATION REGARDING CONSOLIDATED LIST OF  
CREDITORS HOLDING 50 LARGEST UNSECURED CLAIMS**

I, Holly E. Leese, Secretary of the above-captioned Debtor, declare under penalty of perjury that I have reviewed the foregoing "Consolidated List of Creditors Holding 50 Largest Unsecured Claims" and that it is true and correct to the best of my knowledge, information and belief.

Date: Apr. 30, 2009

Signature

  
\_\_\_\_\_  
Holly E. Leese  
Secretary

*Penalty for making a false statement or concealing property:* Fine of up to \$500,000 or imprisonment for up to 5 years or both 18 U.S.C. §§ 152 and 3571.

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re	: Chapter 11
Chrysler Realty Company LLC,	: Case No. 09-____ ( )
Debtor.	:
-----X	

**LIST OF EQUITY SECURITY HOLDERS**

Name	Address	% Membership Interest
Chrysler Motors LLC	1000 Chrysler Drive Auburn Hills, MI 48326	100%

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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

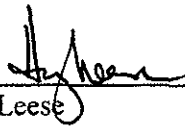
-----X	
	:
In re	: Chapter 11
	:
Chrysler Realty Company LLC,	: Case No. 09-____ ( )
	:
Debtor.	:
	:
-----X	

**DECLARATION REGARDING LIST OF EQUITY SECURITY HOLDERS**

I, Holly E. Leese, Secretary of the above-captioned Debtor, declare under penalty of perjury that I have reviewed the foregoing "List of Equity Security Holders" and that it is true and correct to the best of my knowledge, information and belief.

Date: April 30, 2009

Signature

  
\_\_\_\_\_  
Holly E. Leese  
Secretary

*Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both 18 U.S.C. §§ 152 and 3571.*

**U.S. Bankruptcy Court  
Southern District of New York (Manhattan)  
Bankruptcy Petition #: 09-50000-ajg**

*Date filed:* 04/30/2009

*Assigned to:* Judge Arthur J. Gonzalez  
Chapter 11  
Voluntary  
Asset

***Debtor***

**Chrysler Realty Company LLC**

1000 Chrysler Drive  
Auburn Hills, MI 48326  
Tax ID / EIN: 38-1852134

***aka***

**Chrysler Aspen**

***aka***

**Chrysler Town & Country**

***aka***

**Chrysler 300**

***aka***

**Chrysler Sebring**

***aka***

**Chrysler PT Cruiser**

***aka***

**Dodge**

***aka***

**Dodge Avenger**

***aka***

**Dodge Caliber**

***aka***

**Dodge Challenger**

***aka***

**Dodge Charger**

***aka***

**Dodge Dakota**

***aka***

**Dodge Durango**

***aka***

**Dodge Grand Caravan**

***aka***

**Dodge Journey**

***aka***

**Dodge Nitro**

***aka***

**Dodge Ram**

***aka***

**Dodge Sprinter**

***aka***

**Dodge Viper**

***aka***

**Jeep**

***aka***

**Jeep Commander**

represented by **Corinne Ball**

Jones Day  
222 East 41st Street  
New York, NY 10017  
(212)326-3939  
Fax : (212)755-7306  
Email: cball@jonesday.com



**aka**  
**Jeep Compass**  
**aka**  
**Jeep Grand Cherokee**  
**aka**  
**Jeep Liberty**  
**aka**  
**Jeep Patriot**  
**aka**  
**Mopar**  
**aka**  
**Plymouth**  
**aka**  
**Jeep Wrangler**

**U.S. Trustee**  
**United States Trustee**  
 33 Whitehall Street  
 21st Floor  
 New York, NY 10004  
 (212) 510-0500

Filing Date	#	Docket Text
04/30/2009	<a href="#">1</a>	Voluntary Petition (Chapter 11). Order for Relief Entered.Fee Amount \$ 1039, Receipt Number 179136 Schedule A due 5/15/2009. Schedule B due 5/15/2009. Schedule C due 5/15/2009. Schedule D due 5/15/2009. Schedule E due 5/15/2009. Schedule F due 5/15/2009. Schedule G due 5/15/2009. Schedule H due 5/15/2009. Schedule I due 5/15/2009. Schedule J due 5/15/2009. Summary of schedules - Page 1 due 5/15/2009. Statement of Financial Affairs due 5/15/2009. Atty Disclosure State. due 5/15/2009. Local Rule 1007-2 Affidavit due by: 5/15/2009. Incomplete Filings due by 5/15/2009, Chapter 11 Plan due by 8/28/2009, Disclosure Statement due by 8/28/2009, Initial Case Conference due by 6/1/2009, Filed by Corinne Ball of Jones Day on behalf of Chrysler Realty Company LLc . (Porter, Minnie) (Entered: 04/30/2009)
04/30/2009		Judge Arthur J. Gonzalez added to the case. (Porter, Minnie). (Entered: 04/30/2009)

## PACER Service Center

### Transaction Receipt

04/30/2009 14:20:41

<b>PACER Login:</b>	nt0014	<b>Client Code:</b>	
<b>Description:</b>	Docket Report	<b>Search Criteria:</b>	09-50000-ajg Fil or Ent: filed From: 4/16/2009 To: 4/30/2009 Doc From: 0 Doc To: 99999999 Format: html

<b>Billable Pages:</b>	1	<b>Cost:</b>	0.08
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**09-50000-ajg** Chrysler Realty Company LLC**Case type:** bk **Chapter:** 11 **Asset:** Yes **Vol:** v **Judge:** Arthur J. Gonzalez**Date filed:** 04/30/2009 **Date of last filing:** 04/30/2009 **Date of last filing:** 04/30/2009

## Deadlines/Hearings

<b>Doc. No.</b>	<b>Deadline/Hearing</b>	<b>Event Filed</b>	<b>Due/Set</b>	<b>Satisfied Terminated Hearing Judge</b>
1	● <b>Atty Disclosure State.</b>	04/30/2009	05/15/2009	
1	● <b>Local Rule 1007-2 Afdt</b>	04/30/2009	05/15/2009	
1	● <b>Schedule A</b>	04/30/2009	05/15/2009	
1	● <b>Schedule B</b>	04/30/2009	05/15/2009	
1	● <b>Schedule C</b>	04/30/2009	05/15/2009	
1	● <b>Schedule D</b>	04/30/2009	05/15/2009	
1	● <b>Schedule E</b>	04/30/2009	05/15/2009	
1	● <b>Schedule F</b>	04/30/2009	05/15/2009	
1	● <b>Schedule G</b>	04/30/2009	05/15/2009	
1	● <b>Schedule H</b>	04/30/2009	05/15/2009	
1	● <b>Schedule I</b>	04/30/2009	05/15/2009	
1	● <b>Schedule J</b>	04/30/2009	05/15/2009	
1	● <b>Stmnt of Fin. Affairs</b>	04/30/2009	05/15/2009	
1	● <b>Summ. of Schedules Pg 1</b>	04/30/2009	05/15/2009	
1	● <b>Incomplete Filings Due</b>	04/30/2009	05/15/2009	
1	● <b>Initial Case Conference</b>	04/30/2009	06/01/2009	
1	● <b>Chapter 11 Plan</b>	04/30/2009	08/28/2009	
1	● <b>Disclosure Statement Due</b>	04/30/2009	08/28/2009	

## PACER Service Center

### Transaction Receipt

04/30/2009 14:23:50

**PACER Login:** nt0014**Client Code:****Description:** Deadline/Schedule**Search Criteria:** 09-50000-ajg**Billable Pages:** 1**Cost:** 0.08

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Jeffrey B. Ellman

Proposed Attorneys for Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X	:	
In re	:	Chapter 11
	:	
Chrysler LLC, <i>et al.</i> , <sup>1</sup>	:	Case No. 09-50002 (AJG)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----X	:	

**NOTICE OF CHAPTER 11 FILING AND OF CERTAIN "FIRST DAY" MOTIONS**

PLEASE TAKE NOTICE THAT:

1. On April 30, 2009, Chrysler LLC and 24 of its domestic subsidiaries (collectively, the "Debtors"), filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, in the United States Bankruptcy Court for the Southern District of New York (the "Court").

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<sup>1</sup> A list of the Debtors, their addresses and tax identification numbers is located on the docket for Case No. 09-50002 (AJG), Docket No. 21, and also can be found at <http://chapter11.epiqsystems.com/chrysler>.

2. Together with their petitions, the Debtors also filed and requested a prompt Court hearing on May 1, 2009 at 10:00 a.m., Eastern Time (the "Hearing"), on certain motions seeking court orders (i) authorizing the Debtors to pay certain prepetition wage and benefits claims of their employees; (ii) authorizing the Debtors to pay certain warranty claims of their customers; (iii) authorizing the Debtors to continue to use their cash management system; (iv) directing the joint administration of the Debtors' chapter 11 cases; and (v) confirming the protections of sections 362, 365 and 525 of the Bankruptcy Code (collectively, the "Motions"), listed on the proposed Hearing agenda attached hereto.

3. The Court scheduled the Hearing for May 1, 2009 at 10:00 a.m., Eastern Time, in Courtroom 523 at the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004-1408.

4. A copy of each of the Motions can be viewed on the Court's website [www.ecf.nysb.uscourts.gov](http://www.ecf.nysb.uscourts.gov) or at <http://chapter11.epiqsystems.com/chrysler>.

**Your rights may be affected. You should read these papers carefully and discuss them with your attorney if you have one in these bankruptcy cases. (If you do not have an attorney in these bankruptcy cases, you may wish to consult one.)**

If you do not want the Court to grant the relief requested in the Motions, or if you want the Court to consider your view on the Motions, you or your attorney must attend the Hearing. **If you or your attorney do not attend the Hearing, the Court may grant the relief requested in the Motions.**

Dated: April 30, 2009  
New York, New York

Respectfully submitted,

/s/ Corinne Ball

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and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11
	:	
Chrysler LLC, <i>et al.</i> ,	:	Case No. 09-50002 (AJG)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----X	:	

**PROPOSED (MAY 1, 2009 AT 10:00 A.M.) HEARING AGENDA**

Location of Hearings:	United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004-1408
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## **I. Introduction and Request for First Day Hearing**

1. **"First Day Affidavit"** — Affidavit of Ronald E. Kolka In Support of First Day Pleadings.

\* **Introductory Presentation**

## **II. First Day Matters**

### **A. Motions Regarding Administrative and Procedural Matters**

2. **"Joint Administration"** — Motion of Debtors and Debtors in Possession, Pursuant to Bankruptcy Rule 1015(b), for an Order Directing the Joint Administration of Their Chapter 11 Cases (Final Order).
3. **"Confirming Automatic Stay"** — Motion of Debtors and Debtors in Possession, Pursuant to Section 105 of the Bankruptcy Code, for an Order Confirming the Protections of Sections 362, 365 and 525 of the Bankruptcy Code (Final Order).

### **B. Motions Regarding Commercial Relations**

4. **"Employee Wages"** — Motion of Debtors and Debtors in Possession, Pursuant to Sections 105(a), 363, 507(a)(4), 507(a)(5) and 541(d) of the Bankruptcy Code, for an Order Authorizing Them to Pay: (A) Prepetition Regular Employee Wages, Salaries and Related Items; (B) Prepetition Regular Employee Business Expenses; (C) Prepetition Contributions to, and Benefits Under, Employee Benefit Plans; (D) Prepetition Regular Employee Payroll Deductions and Withholdings; (E) Prepetition Additional Workforce Costs; and (F) All Costs and Expenses Incident to the Foregoing Payments and Contributions (Final Order); and
5. **"Customer and Dealer Obligations"** — Motion of Debtors and Debtors in Possession, Pursuant to Sections 105(a) and 363(c) of the Bankruptcy Code, for Interim and Final Orders Authorizing the Debtors to Honor or Pay Prepetition Obligations to or for the Benefit of Their Dealers and Other Customers, and for Related Relief (Interim Order regarding Warranties and Extended Service only).

### **C. Motions Regarding Cash Management**

6. **"Cash Management"** — Motion of Debtors and Debtors in Possession, Pursuant to Sections 345, 363(c)(1), 503(b)(1) and 553 of the Bankruptcy Code, for Interim and Final Orders: (A) Approving the Continued Use of Their Cash Management System, Bank Accounts and Business Forms; (B) Granting Approval of Investment and Deposit Guidelines; (C) Authorizing Banks Participating in the Debtors' Cash Management System to Honor Certain Transfers and Charge Certain Fees and Other Amounts; (D)



Permitting Continued Intercompany Transactions and Granting  
Administrative Expense Status to Postpetition Intercompany Claims; and  
(E) Preserving and Permitting the Exercise of Intercompany Setoff Rights  
(Interim Order).

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Dated: April 30, 2009  
New York, New York

Respectfully submitted,

/s/ Corinne Ball

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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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	::	
In re:	::	Chapter 11
	::	
Chrysler LLC, <i>et al.</i> ,	::	Case No. 09-50002 (AJG)
	::	
Debtors.	::	(Jointly Administered)
-----	X	

**STATEMENT OF THE UNITED STATES  
DEPARTMENT OF THE TREASURY IN SUPPORT  
OF THE COMMENCEMENT OF CHRYSLER LLC'S CHAPTER 11 CASE**

TO THE HONORABLE ARTHUR J. GONZALEZ,  
UNITED STATES BANKRUPTCY JUDGE:

The United States of America, through the United States Department of the Treasury ("Treasury"), by its attorney, Acting United States Attorney Lev L. Dassin, submits this statement (a) in support of the cases commenced under chapter 11 of title 11, United States Code

(the “Bankruptcy Code”) by Chrysler LLC and certain of its affiliates (collectively, “Chrysler”), and certain of the related relief being or to be sought by Chrysler; (b) to set forth the relevant statutory authority pursuant to which Treasury intends to participate in this case as a post-petition lender to Chrysler; and (c) to set forth the facts regarding Treasury’s role in these cases.

### **Preliminary Statement**

1. For more than a century, factory workers, engineers, technicians, secretaries and others in the American auto industry have joined together to build cars and, more importantly, middle class lives and communities which have strengthened the American fabric. Now, in the midst of exceptional economic uncertainty, the automotive industry faces a crisis. The importance of this industry to the American economy and, indeed, the American way of life cannot be overstated. Recognizing this, the United States of America, through Treasury and its Presidential Task Force on the Auto Industry (the “Auto Task Force”),<sup>1</sup> has implemented unprecedented programs to support the domestic automotive industry through this difficult period, including credit support for receivables issued by certain major domestic vehicle manufacturers,<sup>2</sup> support for consumer warranties,<sup>3</sup> and direct loans to manufacturers, including \$4 billion in loans to Chrysler.<sup>4</sup>

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<sup>1</sup> The Auto Task Force is a cabinet-level group led by Treasury Secretary Timothy F. Geithner and National Economic Council Director Laurence H. Summers, which includes the Secretaries of Transportation, Commerce, Labor and Energy. It also includes the Chair of the President’s Council of Economic Advisors, the Director of the Office of Management and Budget, the Environmental Protection Agency Administrator and the Director of the White House Office of Energy and Climate Change. The members of the Auto Task Force, along with their official designees and the Auto Task Force’s advisors, are charged with advising the President of the United States on the state of, and support for, the domestic auto industry. See Press Release, The White House Office of the Press Secretary, Geithner, Summers Convene Official Designees to Presidential Task Force on Auto Industry (Feb. 20, 2009) [http://www.whitehouse.gov/the\\_press\\_office/Geithner-Summers-Convene-Official-Designees-to-Presidential-Task-Force-on-the-Auto/](http://www.whitehouse.gov/the_press_office/Geithner-Summers-Convene-Official-Designees-to-Presidential-Task-Force-on-the-Auto/).

<sup>2</sup> See Press Release, Auto Supplier Support Program: Stabilizing the Auto Industry at a Time of Crisis, [http://www.treas.gov/press/releases/docs/supplier\\_support\\_program\\_3\\_18.pdf](http://www.treas.gov/press/releases/docs/supplier_support_program_3_18.pdf).

2. Treasury, however, has always been cognizant of the fact that these programs, while integral to supporting the domestic auto industry through this difficult economic period, do not alone provide a long term solution for the industry in general, and Chrysler in particular. Treasury is also aware that this long term solution does not exist absent significant concessions from all parties in interest, and that the American public cannot and should not be put in the position of funding indefinitely companies that have no realistic chance of being viable without public assistance. As the President has stated:

The situation at Chrysler is more challenging. It's with deep reluctance but also a clear-eyed recognition that we've determined, after careful review, that Chrysler needs a partner to remain viable. . . . Still, such a deal would require an additional investment of taxpayer dollars, and there are a number of hurdles that must be overcome to make it work. I'm committed to doing all I can to see if a deal can be struck in a way that upholds the interests of American taxpayers. . . . But if [Chrysler] and their stakeholders are unable to reach such an agreement . . . we will not be able to justify investing additional tax dollars to keep Chrysler in business.

Barack Obama, President of the U.S., Remarks by the President of the United States on the American Automotive Industry (Mar. 30, 2009), [http://www.whitehouse.gov/the\\_press\\_office/Remarks-by-the-President-on-the-American-Automotive-Industry-3/30/09/](http://www.whitehouse.gov/the_press_office/Remarks-by-the-President-on-the-American-Automotive-Industry-3/30/09/).

3. Accordingly, irrespective of how Chrysler came to this point, it, along with its employees, vendors, dealers, customers and the communities built around Chrysler's operations, now face two sharply divergent possibilities: Chrysler can liquidate, wind down its operations, and end its long history of building American cars; or Chrysler can consummate a

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<sup>3</sup> See <http://www.treas.gov/initiatives/eesa/AIFP/WarrantyCommitmentProgram.pdf>.

<sup>4</sup> Pursuant to the Loan and Security Agreement dated December 31, 2008, by and between Chrysler Holding LLC and Treasury, Treasury loaned to Chrysler Holding LLC, the parent of Chrysler, \$4 billion.

sale within the next sixty days to an appropriate industry partner and embark on a course to reestablishing itself as a viable and successful business.

4. In its declarations, affidavits and filings in this case, Chrysler has painted a vivid picture of the negative consequences of a liquidation: directly and indirectly, hundreds of thousands of jobs may be lost, other businesses may fail and cities and towns across the country that have long relied on the automotive industry as a bedrock for their way of life will be changed forever. *See* Affidavit of Ronald E. Kolka In Support of First Day Pleadings at ¶ 4, *In re Chrysler Corp. LLC*, 09-50002 (AJG) (April 30, 2009, Bankr. S.D.N.Y.) (hereafter cited to as “Kolka Aff. at ¶ \_\_\_\_”). Chrysler has also, however, articulated the promise and potential of a new company, transformed through the bankruptcy process into a vital and growing business as part of a global alliance. As Chrysler makes clear, time is of the essence in order to achieve this future; the window on creating a viable Chrysler will rapidly disappear after sixty days, as the reputational, operational and other harms to Chrysler of the bankruptcy filing compound exponentially. Kolka Aff. at ¶¶ 90-92.

5. If Chrysler succeeds, the new Chrysler will preserve and create tens of thousands of jobs, continue to provide important benefits to workers and retirees, and be an innovator and leader in new automotive technologies. Hard choices and painful consequences may well result even from a sale of Chrysler to an appropriate partner within the next sixty days. However, the alternative is far worse.

6. Treasury has agreed to support Chrysler’s efforts to become viable through a sale to an appropriate partner, and Chrysler has made the most of that opportunity. With assistance from the Auto Task Force, Chrysler has convinced stakeholders – including the United Auto Workers, its network of dealers, a majority of its secured lenders and other

constituencies – to make meaningful concessions and to agree to shared sacrifices, and has driven a hard bargain with Fiat S.p.A. (“Fiat”), the company’s proposed global partner, for important technological and operational commitments and contributions to a revamped Chrysler.

7. As Chrysler has met the requirements set by the President for the receipt of additional federal funds, Treasury will participate in funding Chrysler’s chapter 11 case and its sale to Fiat or another appropriate partner.<sup>5</sup> Treasury must be a careful and vigilant guardian of the public’s money, however, and accordingly its support for Chrysler’s revitalization must be limited. The President has made clear that the United States cannot commit to fund Chrysler if the company’s restructuring lacks a realistic probability of success. Treasury cannot and will not make an open-ended commitment to Chrysler for billions of dollars more, especially in light of the myriad other meritorious, competing demands for the public’s resources; its commitment to fund Chrysler’s bankruptcy must be contingent on Chrysler achieving the milestones necessary to close a sale in sixty days. Simply put, this time period for a sale is a necessary and critical condition to government funding.

**Relevant Statutory Authority  
Pursuant to Which Treasury Is Acting**

8. Treasury is participating in these cases in its capacity as an existing lender to Chrysler, as a lender under a proposed debtor-in-possession financing agreement with Chrysler, as a partial owner of the stalking horse bidder (the “Stalking Horse”) in a proposed sale of substantially all of Chrysler’s assets pursuant to section 363 of the Bankruptcy Code (the “363”

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<sup>5</sup> Treasury’s postpetition loans to Chrysler will be made pursuant to the Troubled Asset Relief Program, established by the Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-343, 122 Stat. 3765 (Oct. 8, 2008) (“Emergency Economic Stabilization Act” or “EESA”). Further, as explained more fully in the Kolka Affidavit, Treasury will make available to the new company the working capital necessary for it to operate after a successful restructuring as well as funding to ensure an orderly wind-down of Chrysler’s bankruptcy estate. Kolka Aff. at ¶ 12.

Sale”), and as a proposed lender to the new Chrysler (“New Chrysler”) if the Stalking Horse consummates the 363 Sale.

9. Treasury is acting pursuant to the following authority, promulgated in response to the current economic difficulties:

- Emergency Economic Stabilization Act of 2008 (EESA). Section 101 of the EESA generally provides for the purchase by the United States of “troubled assets,” see 12 U.S.C.A. § 5211 (West Supp. 2009), which is defined as “(A) residential or commercial mortgages and any securities, obligations, or other instruments that are based on or related to such mortgages, that in each case was originated or issued on or before March 14, 2008, the purchase of which the Secretary determines promotes financial market stability; and (B) any other financial instrument that the Secretary, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, determines the purchase of which is necessary to promote financial market stability, but only upon transmittal of such determination, in writing, to the appropriate committees of Congress.” Pub. L. No. 110-343 § 3(9), 122 Stat. at 3767; 12 U.S.C.A. § 5202(9) (West Supp. 2009).
- Guidelines for Automotive Industry Financing Program. Treasury has promulgated guidelines pursuant to section 101(d) of the EESA, 12 U.S.C.A. § 5211(d) (West Supp. 2009), for allocation of resources under the EESA to “prevent a significant disruption of the American automotive industry that poses a systemic risk to financial market stability and will have a negative effect on the real economy of the United States.” See Guidelines for Automotive Industry Financing Program, [http://www.financialstability.gov/docs/AIFP/AIFP\\_guidelines.pdf](http://www.financialstability.gov/docs/AIFP/AIFP_guidelines.pdf).
- Written Determination. On December 19, 2008, Treasury issued a written determination that certain holding companies engaged in the manufacturing of automotive vehicles were eligible for funding under the TARP Significant Failing Institutions Program. See Determination of the Secretary of the Treasury, Dec. 19, 2008 (attached hereto as Exhibit A). By letters dated December 23, 2008, to the Chairmen and Ranking Members of the Committees on Finance, the Budget, Banking, Housing & Urban Affairs and Appropriations of the United States Senate and the Chairmen and Ranking Members of the Committees on Appropriations, the Budget, Financial Services and Ways and Means of the United States House of Representatives, then-Secretary of Treasury, Henry M. Paulson, delivered a written notification of that determination pursuant to section 3(9)(B) of the EESA, 12 U.S.C.A. § 5202(9)(B) (West Supp. 2009). See Exhibit A. On April 29, 2009, the Secretary of the Treasury issued a written determination that has the effect of providing notice that the postpetition financing to be provided by Treasury to Chrysler, and the working capital financing to be provided by Treasury to New Chrysler, each satisfies the requirements of the EESA for use of funds authorized by that statute. See



Determination of the Secretary of the Treasury, Apr. 29, 2009 (attached hereto as Exhibit B).

### **Treasury's Role In These Cases**

10. On December 2, 2008, Chrysler submitted to the United States Congress a Plan for Short-Term and Long-Term Viability, as part of its request for a \$7 billion working capital loan from the United States government. On January 2, 2009, Chrysler Holding LLC received from Treasury \$4 billion pursuant to a Loan and Security Agreement dated December 31, 2008, by and between Chrysler Holding LLC and Treasury (the "LSA"). Pursuant to the LSA, Treasury holds claims against Chrysler, which are secured by substantially all of Chrysler's assets.

11. Additionally, Treasury intends to undertake the following roles with respect to these cases:

- Post-petition Lender. Treasury has agreed to provide to Chrysler, as co-lender with Export Development Canada ("EDC"), in excess of \$4 billion in post-petition financing, \$1.8 billion of which will be made available on an interim basis. The post-petition loan will provide for, among other things, events of default should Chrysler fail to (a) file a motion to approve the 363 Sale by May 4, 2009; (b) have held a hearing on the proposed bidding procedures for the 363 Sale by May 9, 2009; (c) have entered a final and non-appealable order approving bidding procedures with respect to the 363 Sale within 10 days after commencement of these cases; (d) accept all bids for parties participating in the in-court auction with respect to the 363 Sale by May 20, 2009; (e) have determined the lead bid for the in-court auction with respect to the 363 Sale by May 29, 2009; (f) have held a hearing to approve the 363 Sale on or before June 1, 2009; (g) have entered a final and non-appealable order approving the 363 Sale no later than June 15, 2009; and (h) close the 363 Sale on or before June 27, 2009.
- Partial Owner of Purchaser in 363 Sale. Chrysler has entered into a stalking horse agreement for the 363 Sale with the Stalking Horse, the membership interests of

which are expected to be allocated as follows: Fiat (35%), the existing Chrysler Voluntary Employee Benefit Association (55%), Treasury (8%) and EDC (2%).<sup>6</sup>

- New Chrysler Working Capital Facility. If Chrysler successfully consummates the 363 Sale with the Stalking Horse, Treasury will provide to New Chrysler a \$4.7 billion first lien working capital facility. It is anticipated that EDC will also provide to New Chrysler a first lien working capital facility (if the Stalking Horse consummates the 363 Sale with Chrysler).

### **Conclusion**

12. Treasury recognizes that this is an extraordinary and unprecedented case.

Given the importance of Chrysler to the American economy, and the path to viability Chrysler has presented to Treasury, Treasury stands prepared to support Chrysler in this endeavor. Its support, however, is limited, and in the end it will be the actions of Chrysler and its constituents, and their willingness and ability to resolve their issues under the supervision of this Court, that will determine whether Chrysler survives.

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<sup>6</sup> Ownership percentages are approximations on a fully diluted basis. Fiat's initial ownership is 20% and will increase after certain conditions are met. In no event while Treasury is a lender or equity holder in the Stalking Horse will Fiat obtain a greater than 49% interest.

Dated: April 30, 2009  
New York, New York

LEV L. DASSIN  
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Attorney for United States Department of  
Treasury

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- Of Counsel to the Presidential  
Task Force on the Auto Industry -



**DEPARTMENT OF THE TREASURY**  
**WASHINGTON, D.C.**

**SECRETARY OF THE TREASURY**

**DETERMINATION**

WHEREAS, section 101 of the Emergency Economic Stabilization Act of 2008 (the “Act”) authorizes the Secretary of the Treasury (the “Secretary”) to establish the Troubled Asset Relief Program (the “TARP”) to purchase, and to make and fund commitments to purchase, troubled assets from any financial institution, on such terms and conditions as are determined by the Secretary, and in accordance with the Act and the policies and procedures developed and published by the Secretary;

WHEREAS, section 3(5) of the Act defines the term “financial institution” to mean any institution, including, but not limited to, any bank, savings association, credit union security broker or dealer, or insurance company, established and regulated under the laws of the United States, the District of Columbia, Commonwealth of Puerto Rico, Commonwealth of Northern Mariana Islands, and having significant operations in the United States, but excluding any central bank of, or institution owned by, a foreign government.

WHEREAS, section 3(9)(A) of the Act defines the term “troubled assets” to mean residential or commercial mortgages and any securities, obligations, or other instruments that are based on or related to such mortgages, that in each case was originated or issued on or before March 14, 2008, the purchase of which the Secretary determines promotes financial market stability;

WHEREAS, section 3(9) (B) of the Act further defines the term “troubled assets” to mean any other financial instrument that the Secretary, after consultation with the Chairman of the Board of Governors of the Federal Reserve System (the “Chairman”), determines the purchase of which is necessary to promote financial market stability, but only upon transmittal of such determination, in writing, to the appropriate committees of Congress;

WHEREAS, section 3(1) of the Act defines the term “appropriate committees of Congress” to mean the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, the Committee on the Budget, and the Committee on Appropriations of the Senate; and the Committee on Financial Services, the Committee on Ways and Means, the Committee on the Budget, and the Committee on Appropriations of the House of Representatives;

WHEREAS, certain thrift and other holding companies which are engaged in the manufacturing of automotive vehicles and the provision of credit and financing in connection with the manufacturing and purchase of such vehicles have applied under the TARP Systemically Significant Failing Institutions Program (the “SSFI”) requesting that the Department of the Treasury purchase obligations of such companies consistent with the SSFI;

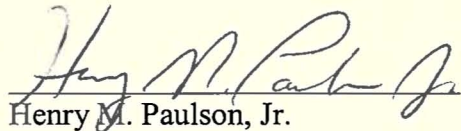
WHEREAS, such thrift and other holding companies engaged in the manufacturing of automotive vehicles and the provision of credit and financing in connection with the

manufacturing and purchase of such vehicles are “financial institutions” for purposes of section 3(5) of the Act as they are “institution[s]” established and regulated under the laws of the United States and have significant operations in the United States; and,

WHEREAS, as Secretary, I have consulted with the Chairman, and we have jointly concluded that the TARP’s purchase of the obligations is necessary to promote stability to the financial system of the United States.

NOW, THEREFORE, I HEREBY DETERMINE that the obligations of such financial institutions are financial instruments the purchase of which is necessary to promote stability to the financial system of the United States, and, as such, are “troubled assets,” as that term is defined in section 3(9)(B) of the Act, and eligible to be purchased under the TARP; and

I HEREBY direct that this determination be transmitted to the appropriate committees of Congress.



Henry M. Paulson, Jr.

December 19, 2008



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 23, 2008

The Honorable Richard Shelby  
Ranking Member  
Committee on Banking, Housing, and Urban Affairs  
United States Senate  
Washington, DC 20510

Dear Senator Shelby:

The Emergency Economic Stabilization Act of 2008 authorizes the Treasury Department to purchase troubled assets from any financial institution as part of the Troubled Assets Relief Program (TARP). Under Section 3(9)(B) of the Act, the Secretary of the Treasury may designate as a troubled asset any financial instrument that he determines, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, the purchase of which is necessary to promote financial market stability.

After consulting with the Chairman of the Board of Governors of the Federal Reserve System, I have determined that the purchase of obligations of certain thrift and other holding companies which are engaged in the manufacturing of automotive vehicles and the provision of credit and financing in connection with the manufacturing and purchase of such vehicles is necessary to promote financial market stability.

In accordance with Section 3(9)(B) of the Act, I am enclosing my determination and informing you that this purchase will be made under the TARP Systemically Significant Failing Institution Program.

Sincerely,

Henry M. Paulson, Jr.

Enclosure





DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 23, 2008

The Honorable Paul Ryan  
Ranking Member  
Committee on the Budget  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Ryan:

The Emergency Economic Stabilization Act of 2008 authorizes the Treasury Department to purchase troubled assets from any financial institution as part of the Troubled Assets Relief Program (TARP). Under Section 3(9)(B) of the Act, the Secretary of the Treasury may designate as a troubled asset any financial instrument that he determines, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, the purchase of which is necessary to promote financial market stability.

After consulting with the Chairman of the Board of Governors of the Federal Reserve System, I have determined that the purchase of obligations of certain thrift and other holding companies which are engaged in the manufacturing of automotive vehicles and the provision of credit and financing in connection with the manufacturing and purchase of such vehicles is necessary to promote financial market stability.

In accordance with Section 3(9)(B) of the Act, I am enclosing my determination and informing you that this purchase will be made under the TARP Systemically Significant Failing Institution Program.

Sincerely,

Henry M. Paulson, Jr.

Enclosure



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 23, 2008

The Honorable Charles Rangel  
Chairman  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

The Emergency Economic Stabilization Act of 2008 authorizes the Treasury Department to purchase troubled assets from any financial institution as part of the Troubled Assets Relief Program (TARP). Under Section 3(9)(B) of the Act, the Secretary of the Treasury may designate as a troubled asset any financial instrument that he determines, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, the purchase of which is necessary to promote financial market stability.

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Sincerely,

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Enclosure





DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 23, 2008

The Honorable David Obey  
Chairman  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

The Emergency Economic Stabilization Act of 2008 authorizes the Treasury Department to purchase troubled assets from any financial institution as part of the Troubled Assets Relief Program (TARP). Under Section 3(9)(B) of the Act, the Secretary of the Treasury may designate as a troubled asset any financial instrument that he determines, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, the purchase of which is necessary to promote financial market stability.

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Sincerely,

Henry M. Paulson, Jr.

Enclosure



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 23, 2008

The Honorable Jim McCrery  
Ranking Member  
The Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. McCrery:

The Emergency Economic Stabilization Act of 2008 authorizes the Treasury Department to purchase troubled assets from any financial institution as part of the Troubled Assets Relief Program (TARP). Under Section 3(9)(B) of the Act, the Secretary of the Treasury may designate as a troubled asset any financial instrument that he determines, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, the purchase of which is necessary to promote financial market stability.

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In accordance with Section 3(9)(B) of the Act, I am enclosing my determination and informing you that this purchase will be made under the TARP Systemically Significant Failing Institution Program.

Sincerely,

Henry M. Paulson, Jr.

Enclosure



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 23, 2008

The Honorable Jerry Lewis  
Ranking Member  
The Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Lewis:

The Emergency Economic Stabilization Act of 2008 authorizes the Treasury Department to purchase troubled assets from any financial institution as part of the Troubled Assets Relief Program (TARP). Under Section 3(9)(B) of the Act, the Secretary of the Treasury may designate as a troubled asset any financial instrument that he determines, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, the purchase of which is necessary to promote financial market stability.

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In accordance with Section 3(9)(B) of the Act, I am enclosing my determination and informing you that this purchase will be made under the TARP Systemically Significant Failing Institution Program.

Sincerely,

Henry M. Paulson, Jr.

Enclosure



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 23, 2008

The Honorable Judd Gregg  
Ranking Member  
The Committee on the Budget  
United States Senate  
Washington, DC 20510

Dear Senator Gregg:

The Emergency Economic Stabilization Act of 2008 authorizes the Treasury Department to purchase troubled assets from any financial institution as part of the Troubled Assets Relief Program (TARP). Under Section 3(9)(B) of the Act, the Secretary of the Treasury may designate as a troubled asset any financial instrument that he determines, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, the purchase of which is necessary to promote financial market stability.

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In accordance with Section 3(9)(B) of the Act, I am enclosing my determination and informing you that this purchase will be made under the TARP Systemically Significant Failing Institution Program.

Sincerely,

Henry M. Paulson, Jr.

Enclosure





DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 23, 2008

The Honorable Charles Grassley  
Ranking Member  
Committee on Finance  
United States Senate  
Washington, DC 20510

Dear Senator Grassley:

The Emergency Economic Stabilization Act of 2008 authorizes the Treasury Department to purchase troubled assets from any financial institution as part of the Troubled Assets Relief Program (TARP). Under Section 3(9)(B) of the Act, the Secretary of the Treasury may designate as a troubled asset any financial instrument that he determines, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, the purchase of which is necessary to promote financial market stability.

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Enclosure



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 23, 2008

The Honorable Barney Frank  
Chairman  
Committee on Financial Services  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

The Emergency Economic Stabilization Act of 2008 authorizes the Treasury Department to purchase troubled assets from any financial institution as part of the Troubled Assets Relief Program (TARP). Under Section 3(9)(B) of the Act, the Secretary of the Treasury may designate as a troubled asset any financial instrument that he determines, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, the purchase of which is necessary to promote financial market stability.

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In accordance with Section 3(9)(B) of the Act, I am enclosing my determination and informing you that this purchase will be made under the TARP Systemically Significant Failing Institution Program.

Sincerely,

Henry M. Paulson, Jr

Enclosure



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 23, 2008

The Honorable Kent Conrad  
Chairman  
Committee on the Budget  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

The Emergency Economic Stabilization Act of 2008 authorizes the Treasury Department to purchase troubled assets from any financial institution as part of the Troubled Assets Relief Program (TARP). Under Section 3(9)(B) of the Act, the Secretary of the Treasury may designate as a troubled asset any financial instrument that he determines, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, the purchase of which is necessary to promote financial market stability.

After consulting with the Chairman of the Board of Governors of the Federal Reserve System, I have determined that the purchase of obligations of certain thrift and other holding companies which are engaged in the manufacturing of automotive vehicles and the provision of credit and financing in connection with the manufacturing and purchase of such vehicles is necessary to promote financial market stability.

In accordance with Section 3(9)(B) of the Act, I am enclosing my determination and informing you that this purchase will be made under the TARP Systemically Significant Failing Institution Program.

Sincerely,

Henry M. Paulson, Jr.

Enclosure



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 23, 2008

The Honorable Christopher Dodd  
Chairman  
Committee on Banking, Housing, and Urban Affairs  
United States Senate  
Washington, DC 20510

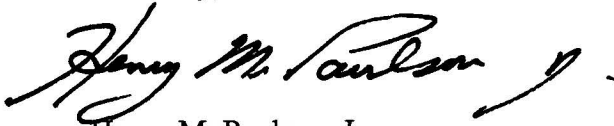
Dear Mr. Chairman:

The Emergency Economic Stabilization Act of 2008 authorizes the Treasury Department to purchase troubled assets from any financial institution as part of the Troubled Assets Relief Program (TARP). Under Section 3(9)(B) of the Act, the Secretary of the Treasury may designate as a troubled asset any financial instrument that he determines, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, the purchase of which is necessary to promote financial market stability.

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In accordance with Section 3(9)(B) of the Act, I am enclosing my determination and informing you that this purchase will be made under the TARP Systemically Significant Failing Institution Program.

Sincerely,



Henry M. Paulson, Jr.

Enclosure





DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 23, 2008

The Honorable Thad Cochran  
Ranking Member  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

Dear Senator Cochran:

The Emergency Economic Stabilization Act of 2008 authorizes the Treasury Department to purchase troubled assets from any financial institution as part of the Troubled Assets Relief Program (TARP). Under Section 3(9)(B) of the Act, the Secretary of the Treasury may designate as a troubled asset any financial instrument that he determines, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, the purchase of which is necessary to promote financial market stability.

After consulting with the Chairman of the Board of Governors of the Federal Reserve System, I have determined that the purchase of obligations of certain thrift and other holding companies which are engaged in the manufacturing of automotive vehicles and the provision of credit and financing in connection with the manufacturing and purchase of such vehicles is necessary to promote financial market stability.

In accordance with Section 3(9)(B) of the Act, I am enclosing my determination and informing you that this purchase will be made under the TARP Systemically Significant Failing Institution Program.

Sincerely,

Henry M. Paulson, Jr.

Enclosure



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 23, 2008

The Honorable Robert Byrd  
Chairman  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

The Emergency Economic Stabilization Act of 2008 authorizes the Treasury Department to purchase troubled assets from any financial institution as part of the Troubled Assets Relief Program (TARP). Under Section 3(9)(B) of the Act, the Secretary of the Treasury may designate as a troubled asset any financial instrument that he determines, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, the purchase of which is necessary to promote financial market stability.

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In accordance with Section 3(9)(B) of the Act, I am enclosing my determination and informing you that this purchase will be made under the TARP Systemically Significant Failing Institution Program.

Sincerely,

Henry M. Paulson, Jr.

Enclosure



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 23, 2008

The Honorable Max Baucus  
Chairman  
Committee on Finance  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

The Emergency Economic Stabilization Act of 2008 authorizes the Treasury Department to purchase troubled assets from any financial institution as part of the Troubled Assets Relief Program (TARP). Under Section 3(9)(B) of the Act, the Secretary of the Treasury may designate as a troubled asset any financial instrument that he determines, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, the purchase of which is necessary to promote financial market stability.

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In accordance with Section 3(9)(B) of the Act, I am enclosing my determination and informing you that this purchase will be made under the TARP Systemically Significant Failing Institution Program.

Sincerely,

Henry M. Paulson, Jr.

Enclosure



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 23, 2008

The Honorable Spencer Bachus  
Ranking Member  
Committee on Financial Services  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Bachus:

The Emergency Economic Stabilization Act of 2008 authorizes the Treasury Department to purchase troubled assets from any financial institution as part of the Troubled Assets Relief Program (TARP). Under Section 3(9)(B) of the Act, the Secretary of the Treasury may designate as a troubled asset any financial instrument that he determines, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, the purchase of which is necessary to promote financial market stability.

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In accordance with Section 3(9)(B) of the Act, I am enclosing my determination and informing you that this purchase will be made under the TARP Systemically Significant Failing Institution Program.

Sincerely,

Henry M. Paulson, Jr.

Enclosure





DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 23, 2008

The Honorable John Spratt  
Chairman  
Committee on the Budget  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

The Emergency Economic Stabilization Act of 2008 authorizes the Treasury Department to purchase troubled assets from any financial institution as part of the Troubled Assets Relief Program (TARP). Under Section 3(9)(B) of the Act, the Secretary of the Treasury may designate as a troubled asset any financial instrument that he determines, after consultation with the Chairman of the Board of Governors of the Federal Reserve System, the purchase of which is necessary to promote financial market stability.

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In accordance with Section 3(9)(B) of the Act, I am enclosing my determination and informing you that this purchase will be made under the TARP Systemically Significant Failing Institution Program.

Sincerely,

Henry M. Paulson, Jr.

Enclosure



**DEPARTMENT OF THE TREASURY**  
**WASHINGTON, D.C.**

**SECRETARY OF THE TREASURY**

**DETERMINATION**

WHEREAS, section 101 of the Emergency Economic Stabilization Act of 2008 (the “Act”) authorizes the Secretary of the Treasury (the “Secretary”) to establish the Troubled Assets Relief Program (the “TARP”) to purchase, and to make and fund commitments to purchase, troubled assets from any financial institution, on such terms and conditions as are determined by the Secretary, and in accordance with the Act and the policies and procedures developed and published by the Secretary;

WHEREAS, section 3(5) of the Act defines the term “financial institution” to mean any institution, including, but not limited to, any bank, savings association, credit union security broker or dealer, or insurance company, established and regulated under the laws of the United States or any State, territory, or possession of the United States, the District of Columbia, Commonwealth of Puerto Rico, Commonwealth of Northern Mariana Islands, Guam, American Samoa, or the United States Virgin Islands, and having significant operations in the United States, but excluding any central bank of, or institution owned by, a foreign government;

WHEREAS, section 3(9)(A) of the Act defines the term “troubled assets” to mean residential or commercial mortgages and any securities, obligations, or other instruments that are based on or related to such mortgages, that in each case was originated or issued on or before March 14, 2008, the purchase of which the Secretary determines promotes financial market stability;

WHEREAS, section 3(9)(B) of the Act further defines the term “troubled assets” to mean any other financial instrument that the Secretary, after consultation with the Chairman of the Board of Governors of the Federal Reserve System (the “Chairman”), determines the purchase of which is necessary to promote financial market stability, but only upon transmittal of such determination, in writing, to the appropriate committees of Congress;

WHEREAS, section 3(1) of the Act defines the term “appropriate committees of Congress” to mean the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, the Committee on the Budget, and the Committee on Appropriations of the Senate; and the Committee on Financial Services, the Committee on Ways and Means, the Committee on the Budget, and the Committee on Appropriations of the House of Representatives;

WHEREAS, the TARP has established the Automotive Industry Financing Program (“AIFP”) to purchase and fund commitments to purchase troubled assets from holding companies and other companies engaged in the manufacturing of automotive vehicles in order to prevent a significant disruption of the American automotive industry, a risk to financial market stability and a negative effect on the real economy of the United States;

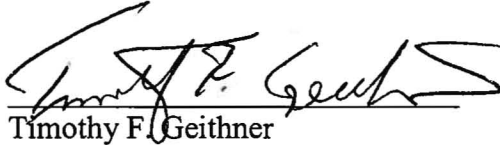
WHEREAS, certain companies engaged in the manufacturing of automotive vehicles have applied under the TARP AIFP requesting that the Department of the Treasury purchase debt obligations or equity of such holding companies and other companies consistent with the AIFP;

WHEREAS, such holding companies and other companies are "financial institutions" for purposes of section 3(5) of the Act as they are "institutions" established and regulated under the laws of the United States and have significant operations in the United States; and

WHEREAS, as Secretary, I have consulted with the Chairman, and we have jointly concluded that the TARP's purchase of the debt obligations or equity is necessary to promote financial market stability.

NOW, THEREFORE, I HEREBY DETERMINE that the debt obligations or equity of such institutions are financial instruments the purchase of which is necessary to promote financial market stability, and, as such, are "troubled assets," as that term is defined in section 3(9)(B) of the Act, and eligible to be purchased under the TARP; and

I HEREBY direct that this determination be transmitted to the appropriate committees of Congress.



Timothy F. Geithner

April 29, 2009

JONES DAY  
222 East 41st Street  
New York, New York 10017  
Telephone: (212) 326-3939  
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Corinne Ball  
Veerle Roovers

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Atlanta, Georgia 30309  
Telephone: (404) 521-3939  
Facsimile: (404) 581-8309  
Jeffrey B. Ellman

Proposed Attorneys for Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----	x	
	:	
In re	:	Chapter 11
	:	
Chrysler LLC, <i>et al.</i> ,	:	Case No. 09-_____ ( )
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	x	

**DECLARATION OF THOMAS W. LASORDA**

I, Thomas W. LaSorda, make this Declaration under 28 U.S.C. § 1746 and state:

1. Since August 2007, I have served as the Vice Chairman and President of the Board of Managers for Chrysler. In those roles, I am responsible for Chrysler's global business development and alliances, procurement and supply, manufacturing, and employee relations.



2. In my capacity as Vice Chairman and President of the Board of Managers and due to my over 30 years in the automotive industry, I am familiar with all aspects of Chrysler's business, including the proposed transaction with Fiat, the negotiations leading up to that deal and the extended discussions Chrysler had with numerous other OEMs during the course of the last two years in an effort to find a viable way forward for Chrysler. Except as otherwise indicated, my testimony in this Declaration is based upon my personal knowledge, my review of business records or my first-hand experience and knowledge acquired in the ordinary and regular course of Chrysler's business as to the matters described in this Declaration. If I were called upon to testify, I could and would testify competently to the facts set forth in this Declaration.

3. I have grown up in the automobile industry. My entire professional life has been spent working for American automobile manufacturers and their subsidiaries, beginning with General Motors Corporation. I worked for GM full-time from 1977 until 2000 in a variety of positions of increasing responsibility, including Director of Production, Vice-President for Production of a GM/Suzuki Joint Venture, President of the Opel Eisenach (Germany), and GM Vice-President for Quality, Reliability and Competitive Operations Implementation.

4. In 2000, I left GM to serve as Senior Vice President—Powertrain Operations at Chrysler. Over the course of five years, I was promoted three times, first to Executive Vice President—Manufacturing, then to Chief Operating Officer in 2004, and, finally to President and Chief Executive Officer of the Chrysler Group, Chrysler's corporate predecessor. I held that position until August 2007, when Chrysler Group was acquired by the private investment firm, Cerberus Capital Management, L.P. ("Cerberus").

5. I have received a number of awards that reflect my longevity and achievement within the automotive industry. In 2004, I was honored by the Automotive Hall of Fame with its

oldest award, the Distinguished Service Citation, which recognizes an individual who has significantly improved the automotive industry or his organization. I am also involved in a number of Michigan non-profit organizations through my work in the automotive industry.

**Proposed Alliance with Fiat Automotive Group, S.p.A.**

6. Chrysler is seeking approval from the Court to proceed with a sale to Fiat because an alliance of this type is the best and only way for Chrysler to survive and compete as an independent car company in the United States. The products, technology and international distribution that Fiat will provide solve strategic problems that Chrysler has been wrestling with for years. The core of the enterprise that emerges from this proceeding will possess the core of Chrysler's most profitable product portfolio, with not only an improved balance sheet and improved productivity, but a new ability to compete, especially against OEMs with smaller, more fuel-efficient vehicles, particularly abroad. The proposed Fiat transaction has been the subject of a process of intense negotiation and scrutiny among all of the stakeholders in Chrysler as well as Fiat and the U. S. Treasury for the past four months and it is something we have been exploring for longer than that.

7. Without approval of the proposed transaction with Fiat, Chrysler may be forced to liquidate. Should Chrysler liquidate, the reverberations throughout the American economy (and NAFTA economies generally) will be severe in both breadth and depth. A Chrysler bankruptcy would mean the immediate loss of 38,500 Chrysler jobs in the United States—including 27,600 union members—and 55,000 Chrysler jobs worldwide. Chrysler's workers and retirees and their surviving spouses will lose over \$9.8 billion in health care and other benefits as well as \$2 billion in annual pension payments. Chrysler's annual cash payments of nearly one billion dollars per year to over 106,000 retirees will disappear. Twenty-three Chrysler manufacturing facilities and 20 parts depots in the United States will close immediately. Chrysler's \$35 billion dollars in

annual automotive supplier payments will evaporate, bankrupting many of these suppliers. Indeed, over \$5.3 billion currently owed to automotive suppliers will go unpaid. The effects on dealers will be similarly far-reaching—over 3,200 dealers would close, taking with them 140,000 jobs—and the dealers' local communities will likely lose \$100 billion in annual sales. Moreover, the 31 million owners of Chrysler automobiles will see their vehicles lose their warranties, and their ability to get parts and service for the cars, which will translate to a significant loss in their value.

8. Not only Chrysler is at stake. The fate of GM and Ford is largely tied to Chrysler through their common supplier base, and many if not most of those suppliers are not financially stable enough to withstand the shutdown of one of the Big Three. Ninety-six of Chrysler's top 100 suppliers are used by at least one of the other big three American automobile companies; eighty-four of the top 100 are used by all three companies.

9. According to the Center for Automotive Research ("CAR"), if at least one of the three major American automakers fails in 2009, the United States economy could see the loss of nearly 2.5 million jobs this year – about 239,000 direct jobs at the three OEMs, nearly 800,000 supplier/indirect jobs and over 1.4 million spin-off (that is, expenditure-induced) jobs.<sup>1</sup> The effect in those cities where the automotive industry is centered (the Great Lakes region and the Southern U.S.) will be particularly devastating. In metropolitan Detroit nearly one out of every seven jobs is in the auto and auto parts industries.<sup>2</sup> But the effect will not be localized. Should

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<sup>1</sup> David Cole & Sean McAlinden & Kristin Dziczek & Debra Maranger, CAR Research Memorandum: The Impact on the U.S. Economy of a Major Contraction of the Detroit Three Automakers, Center for Automotive Research, Nov. 4, 2008.

<sup>2</sup> Howard Wial, How a Metro Nation Would Feel the Loss of the Detroit Three Automakers, Metropolitan Policy Program at Brookings, [http://www.econ.wayne.edu/agoodman/7500/functions/automakers\\_wial.pdf](http://www.econ.wayne.edu/agoodman/7500/functions/automakers_wial.pdf)

the industry collapse, it is estimated that during the first three years following the collapse, \$65 billion in personal income taxes and \$55 billion of social security receipts will be lost.

10. The strategic value of the Fiat transaction is clear. Chrysler's primary challenges are its restricted product mix, limited geographic reach, and relatively small size. Over the past several years, Chrysler has become increasingly reliant on the success of its larger vehicle lines, such as the Dodge Ram pickup truck and Chrysler Town & Country minivan. While these vehicles are some of our most profitable lines, they present many challenges in terms of fuel economy. Both in the marketplace and in the current regulatory environment, Chrysler needs more fuel efficient vehicles. Over the past two years, Congress and the National Highway, Traffic and Safety Administration have established more stringent emissions standards for automobiles, known as Corporate Average Fuel Economy ("CAFE") standards. These new standards are driving OEMs to aggressively seek ways to increase the fuel efficiency of their automobiles to meet these standards. The new, tougher CAFE standards will apply to light trucks, SUVs and passenger vehicles. Because Chrysler's product mix and corresponding technological expertise is concentrated in the larger vehicle categories, I have believed for some time that the company needs a partner with expertise in smaller, fuel efficient vehicles to have a cost-effective, long-term approach to these challenges.

11. The automobile industry is now global, but Chrysler has a very limited dealer and distribution network outside of North America. Ninety percent of Chrysler sales are in North America, with 72% in the United States. By contrast, in Europe, South America, and Asia, Chrysler's market share is less than 1.0%. This U.S.-centric approach to our business makes the company particularly vulnerable to fluctuations in this nation's economy. As events in recent

months have shown, Chrysler has little in the way of non-domestic sales to fall back on when the United States economy goes into recession. We need to expand into emerging markets.

12. Chrysler has maintained a relatively stable market share for some time based on the enduring appeal of its core product portfolios, but its relatively small size is a continuing challenge in competing with larger OEMs. Chrysler is currently the eleventh largest automobile manufacturer in the world, measured by 2008 annual unit sales. To put this in perspective, Chrysler sold 2 million automobiles in 2008, as compared with GM's 7.7 million and Toyota's 8.7 million.

13. This relatively low product volume affects the company's ability to succeed in three ways. First, Chrysler's significant costs of research and development, in which any OEM must invest, has to be spread only over a much smaller base than most of our competitors. This increases Chrysler's R&D costs per vehicle and cuts into its margins. Second and similarly, the capital and fixed costs borne by Chrysler must be recouped through a smaller number of sales than its competitors, thus resulting in lower margins. Third and finally, Chrysler's scale makes it a smaller player in the procurement area and compromises its ability to exert leverage on suppliers to reduce its cost of goods.

14. These challenges point strongly to collaboration with another OEM in a business alliance as a solution, and Chrysler began investigating and researching the possibility of creating such alliances in the Fall of 2007.

15. In March 2008, during a meeting with Sergio Marchionne, Fiat's CEO, and Alfredo Altavilla, Fiat's Senior VP of Business Development, I proposed that Fiat and Chrysler investigate the possibility of joint projects on small cars in the United States market. The companies' initial discussions focused on the manufacture and sale of Fiat's F500, a potential

joint venture allowing Chrysler dealers to sell Alfa Romeo vehicles, and other possible vehicle sharing agreements. By April 2008, our discussions with Fiat widened to include potential collaboration in the products, powertrain, markets, and manufacturing areas.

16. Beginning in the Summer of 2008, teams of Chrysler and Fiat personnel analyzed potential synergies in a Chrysler-Fiat partnership and in November 2008 produced their findings. The synergies analysis revealed the potential for operational synergies of over \$3.7 billion in cash flow (on a net present value basis) over an eight-year period. The study confirmed our qualitative judgment that the two companies were ideally matched. For instance, the companies' product offerings and international distribution networks have little overlap, thus offering complementary product and market portfolios.

17. Recognizing these realities and Chrysler's immediate needs, on December 23, 2008, Robert Nardelli, CEO of Chrysler, sent a letter to Mr. Marchionne, asking Fiat if it would be interested in engaging in a formal alliance with Chrysler as part of the viability plan Chrysler would be submitting to the United States Government and invited Fiat to submit a draft term sheet.

18. Fiat was interested and submitted a detailed proposal on December 30, 2008. The December proposal recognized that Chrysler would benefit by gaining access to small car platforms, fuel efficient technology, and cost savings in purchasing and other areas due to economies of scale and a global purchasing partnership. Fiat proposed that, in return, it should receive an initial 35% equity ownership interest in Chrysler on a fully diluted basis, with the ability to acquire an additional 20% fully diluted equity ownership interest provided certain business objectives were achieved over 3-5 years.

19. Weeks of intense negotiations ensued and Chrysler and Fiat eventually agreed to a term sheet in January 2009 that forms the basis for the current proposed transaction and the best hope for a new, fully competitive Chrysler. The Fiat Alliance would: (a) create the sixth largest global automaker by volume with combined vehicle sales in excess of 4 million; (b) dramatically enhance Chrysler's geographic footprint, specifically in Europe and South America, providing access to Fiat's 3,800 dealers; (c) provide sales volume benefits from leveraging geographic and product complementarity; (d) provide immediate cost savings from sharing technologies relating to, among others, small engines and powertrain; (e) immediately eliminate redundant capital and engineering spending; and (f) provide procurement and other scale-related savings. Fiat, in turn, would acquire an initial 20% stake in Chrysler, with rights to receive up to an additional 15% equity interest upon the attainment of certain performance targets related to technology sharing, distribution and fuel efficient cars. Fiat would also be granted an option to acquire up to an additional 16% fully diluted equity interest, exercisable on or after January 1, 2013 and on or prior to June 30, 2016 if the UST loan exposure does not exceed \$3 billion at the time of exercise. If the full UST loan is paid off before January 1, 2013, Fiat would be able to exercise its option before that date, but in no case would Fiat hold 50% or more equity until the UST loan is paid in full. This proposal was reviewed by the U.S. Treasury, where negotiations began in March 2009 to adjust the terms of original term sheet.

20. Access to Fiat technology and platforms is a critical benefit of the alliance. Fiat would give Chrysler access to its 3.0 liter diesel engine and 1.4 liter gas engine technology, critical pieces for Chrysler to meet the new fuel economy standards. Chrysler would also be better able to meet its environmental regulation requirements through its access to Fiat's Multi-Air systems, which can increase engine power by 10% while reducing CO<sub>2</sub> emissions by a

quarter.<sup>3</sup> Chrysler's proposed partner is a recognized leader in developing technologies to reduce emissions and increase fuel efficiency, including advances in engines, transmissions, electric power steering and lightweight technologies. Indeed, among the ten top selling brands in Europe, Fiat brand has the lowest level of CO<sub>2</sub> emissions.

21. The plans are concrete and specific. Chrysler and Fiat have identified four vehicle platforms and two engine and transmission families that can be used in the alliance. Among those platforms are Fiat's highly successful C-EVO platform, which Fiat and Chrysler have agreed to manufacture at one of Chrysler's U.S. plants, and Fiat's small car F500 and Fiat's hatchback. These shared platforms will result in substantial savings to Chrysler while accelerating an entry into the small car market. Without Fiat, it would cost approximately \$8 - \$10 billion and 4 - 5 years for Chrysler to develop four new platforms, two new engine families and two new transmission families. The Fiat alliance would result in access to the same number of new platforms and engine and transmission families at least two years earlier and would save Chrysler the approximately \$4 - 5 billion it would cost if Chrysler were to pursue and develop that technology on its own.

22. The purchasing power benefits would begin immediately. Together, as the sixth largest automotive company in the world, a Chrysler-Fiat alliance would purchase over \$46 billion per year in combined direct materials. Chrysler will profit from the cost savings that participation in Fiat group joint purchasing programs will bring.

23. Finally, the alliance will open the global marketplace to Chrysler. Chrysler will gain access, through Fiat's distribution network, to a number of markets in which Chrysler is minimally present. These markets, some of them emerging and potentially very profitable, are

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<sup>3</sup> Tony Lewin, *Fiat Does Detroit*, WALL ST. J., Apr. 2, 2009 available at <http://online.wsj.com/article/SB123862048645679781.html>.



Europe, Latin America, and Russia. Based on current data, Chrysler could achieve an approximate 8% share of the European market, and a 19% share in the South America.

**No Other Viable Better Option**

24. This proposed alliance with Fiat will not only maximize the value of Chrysler's business assets for the benefit of its stakeholders, it is Chrysler's last best hope. I know, because I have spent over two years looking for, talking to, and evaluating potential partners for Chrysler.

25. Despite continual efforts over the course of approximately two and a half years, no party except Fiat has emerged as a viable and willing alliance partner for us. Chrysler's efforts to form different alliances with Nissan, GM, Volkswagen, Tata Motors, Magna, GAZ, Hyundai, Honda, and Toyota have been determined and undertaken in good faith but have met uniformly without success. Similarly, Chrysler has attempted in recent weeks to sell product lines and other units to a number of Chinese companies, but these efforts too have been unsuccessful.

26. It is probable that the potential bankruptcies of Chrysler and GM – and the fact that Chrysler needs a partner to survive – have received as much media coverage and Executive Branch attention as any bankruptcy in the history of this country. Despite this extensive coverage of our situation over the past several months, no company has come forward to propose a better deal than the one we have worked so hard on with Fiat.

27. Furthermore, I am not aware of any financing available for any other deal. No party other than the United States Government is willing to provide the necessary DIP financing. Chrysler's cash situation is dire and it continues to function only because of the \$4 billion it has already received from the U.S. Government. Without the Government's support over the past four months, Chrysler would not have had the cash flow to continue and would already be in bankruptcy. And without the Government's support going forward, Chrysler will have no choice

but to liquidate. In short, no private party can come forward with a better deal for Chrysler and all of its constituencies because no bank or other private entity can provide the financing underpinning this deal at this time. The United States Government has been involved in the negotiations with Fiat for months and has made its continued financing—in the amount of \$6 billion—contingent on the consummation of this deal. That, in and of itself, makes this the best deal for Chrysler at this critical time.

### **Chrysler's Other Efforts to Find Alliance Partners**

#### **Potential Alliance with Nissan Motor Company**

28. In Fall 2006, I first shared my concerns about the future viability of Chrysler and its need for some sort of business alliance with executives at DaimlerChrysler, which then owned Chrysler. When I suggested to Daimler executives that we should explore possible partnerships, they consented, and we began identifying and researching a number of potential partners, with a primary focus on Nissan-Renault, due to their global reach and product mix.

29. We began discussions with Nissan-Renault in Spring 2007, but Chrysler's sale to Cerberus delayed meaningful progress. In late June 2007, I contacted Nissan's Executive Vice President, Carlos Tavares, to introduce myself. That introduction led to several face-to-face meetings between Mr. Tavares and myself, which eventually resulted in an agreement to design, build and sell the Nissan Titan pick-up truck and the Dodge Hornet compact car.

30. Under the agreement between the two companies, Nissan agreed to build a fuel-efficient Dodge Hornet on a Nissan platform, that Chrysler would sell in North America and Europe. Chrysler, in turn, would build a full-size pick-up truck for Nissan, the Titan, on a Chrysler platform, which Nissan would then market and sell through its distribution network in North and South America. Nissan and Chrysler worked throughout 2008 to bring both of these

vehicles to market, but recent economic conditions and forecasts put the projects on hold earlier this year.

31. In August 2007, soon after Daimler sold Chrysler to Cerberus, Cerberus executives and Chrysler personnel, including myself, quickly came to the conclusion that we needed a partner in order to stay competitive in the marketplace. Cerberus executives encouraged me to pursue other OEMs to explore alliances or purchases of Chrysler assets, and I promptly reached out to other companies.

32. In early 2008, our talks with Nissan-Renault broadened to include discussions of a wide-ranging alliance. In February of last year, both Chrysler and Nissan assembled teams of executives, engineers, technicians and other personnel to analyze the synergies that would result from a merger across different areas. At this time, we formed a new division called Global Alliance Operations, and I asked Scott Garberding, then our Vice President for Supplier Quality, to head it up. The establishment of a Global Alliance Operations division reaffirmed Chrysler's institutional commitment to finding suitable business partners, and quickly.

33. The synergies team spent three months internally analyzing potential costs savings across a range of areas. In May 2008, the teams reported that a global alliance between Chrysler and Nissan could generate operational synergies on a gross cash basis of more than \$11.8 billion in cash flow for Chrysler only, and with both companies combined the synergies exceeded \$18 billion over an eight-year period.

34. With these healthy synergies in mind, the parties continued their dialogue, holding more than a half-dozen face-to-face meetings between top-level executives in Tokyo, Auburn Hills, Paris and New York City. There were also regular phone calls, usually on a weekly basis, in which I regularly participated. The companies exchanged term sheets in July

2008, but subsequently the discussions broke down due to the inability of Nissan's finance company to provide the needed support.

35. In September 2008, principals of both companies, including Nissan's Carlos Taveres and top executives from Cerberus, returned to the negotiating table and met in Paris for a full day of face-to-face negotiation, particularly centered on the financing arm. Negotiations in Paris were extensive, but no deal could be achieved. The parties continued to talk periodically after that, but in late October and November negotiations again broke down after Nissan, due to the changes in the economic environment, could not commit to providing financial services support for new vehicles and dealer floor planning.

36. After the U.S. government agreed to loan Chrysler \$4 billion in early January 2009, I again contacted Nissan at the request of our CEO, Robert Nardelli, regarding the proposed deal that had such attractive synergies. I inquired whether Nissan would be interested in restarting negotiations and, if they were, to submit a term sheet to us. Mr. Tavares responded that Nissan was not interested.

#### **Potential Alliance with General Motors Corporation**

37. In June 2008, at the same time that Chrysler was pursuing alliance talks with Nissan, we began to investigate a potential alliance with GM. I initiated these efforts with a phone call to GM Senior V.P. of Product Planning and Business Development, John Smith, whom I knew from my many years at GM. GM expressed interest and agreed to pursue a synergistic analysis of a possible alliance similar to the one we had just conducted with Nissan.

38. In early August 2008, Chrysler and GM executives, including Fritz Henderson, GM's then-President and COO, and myself, held a meeting to kick-off the synergy study. Similar to the Nissan talks, Chrysler and GM sought to identify synergies within a number of functional areas. Both GM and Chrysler appointed teams of executives, engineers and other

personnel who analyzed their areas and produced a final synergies report at the end of that month. It revealed that synergies could save the companies between \$26.3 billion and \$37.8 billion in gross cash flow over a six year period.

39. After the study was completed, the two companies continued to work towards an agreement, but no deal could be reached. In November 2008, as economic conditions in the United States worsened, GM suspended merger negotiations with Chrysler to focus on increasing its own liquidity.

40. In early January 2009, Mr. Nardelli called GM's CEO, Rick Wagoner, to suggest that the companies re-engage, but Mr. Wagoner said that GM was not interested. Since that time, GM has consistently remained uninterested in reopening the discussions about a potential merger.

#### **Other Potential Partnerships**

41. Throughout 2008, while we were involved with Nissan, GM and Fiat to varying degrees, I sought out a number of other OEMs and manufacturing suppliers to determine if any would be interested in partnering with Chrysler or buying Chrysler assets.

42. Chrysler reached out to Toyota in June 2008 when Jim Press, Chrysler's Vice Chairman and President and a former Toyota executive, and I submitted a formal request to discuss potential joint opportunities. We suggested in our letter that the opportunities could include using excess capacity in a Toyota or Chrysler plant to build new products, small vehicles, and/or trucks, as well as working to develop advanced technology such as hybrids and electric vehicles. In July 2008, Toyota rejected our request because of its need to remain focused on its own business, coupled with the existence of new leadership in its U.S. operations.

43. Chrysler engaged in discussions with Volkswagen throughout the first quarter of 2008. I met personally with the CEO of Volkswagen of America, Stefan Jacoby, in January and

with its Chairman, Martin Winterkorn during the March Geneva Auto Show. The parties committed to working together on a project to have Chrysler produce a minivan for sale by Volkswagen. Beyond that single project, Volkswagen expressed no interest in expanding the relationship.

44. Chrysler also spent three months in discussions with Tata Motors regarding a potential projects, including the licensing of Jeep and other Chrysler products to Tata in India. I traveled to Geneva between March and May 2008 to meet with Ratan Tata, Chairman of Tata Motors. I also was part of a team of Chrysler personnel who flew to India to discuss a deal with Tata's CEO and Managing Director. The discussions eventually failed because Tata was consumed with its purchase of Jaguar and Land Rover and its planned launch of the Tata Nano.

45. Also in the spring of 2008, we conducted discussions with Hyundai-Kia Automotive Group. Hyundai and Chrysler, along with Mitsubishi, were already partners in a joint venture called the Global Engine Manufacturing Alliance ("GEMA"). The GEMA facility in Dundee, Michigan was not being used to capacity in mid-2008 because of restrictions in the joint venture contract that barred Chrysler from selling the engine to third parties. After an unsuccessful effort to end the joint venture, Chrysler offered to sell its interest in the joint venture to Hyundai. Hyundai rejected the offer in November 2008, and no discussions about any type of potential collaboration have been undertaken since.

46. In 2008, Chrysler also commenced discussions with Kia, a company within the Hyundai-Kia Automotive Group, about a possible partnership involving compact and small cars, including the Kia Rio. We negotiated from June until September 2008, when Kia informed us that it was ending the partnership discussions because our proposals did not fit with their manufacturing plans and they were concerned with their own NAFTA Sales Group.

47. During the first half of 2008, Chrysler also discussed a possible alliance with Magna, a Canadian automobile parts manufacturer, and GAZ, a Russian automobile manufacturer to create a new car company in Russia. Chrysler would license GAZ to manufacture small cars and sell certain vehicles through their dealer network. We executed a memorandum of understanding with GAZ in August 2008, but the effort ended later in the year due to weaknesses in the Russian economy.

48. Magna separately submitted a proposal to Chrysler in November 2008. That proposal had several features, including an offer to buy GEMA, certain sales companies (owned by Chrysler in Russia), and the intellectual property rights of Chrysler's C-Platform products (Jeep Patriot, Dodge Caliber) for manufacture and sale in Russia. Magna also proposed an alliance involving the distribution of Chrysler vehicles in Russia and Eastern Europe. The parties sought to close the deal by end of 2008. No agreement was reached, however, again due to weaknesses in the Russian economy, which made the venture far less appealing.

49. At my insistence, Chrysler began discussions with Mitsubishi Motors in October 2008 that continued into December 2008. In January 2009, after the initial loan from the U.S. government, Mitsubishi and Chrysler resumed discussions for the purpose of obtaining small cars and purchasing the rights to distribute a small electric car with our own design, the "Peapod-Design Concept." Under the proposed agreement, Mitsubishi would design, develop, manufacture and sell the Peapod Mobility to a Chrysler subsidiary, Peapod Mobility LLC, which in turn would distribute the car through a separate network, under the Peapod brand name. Discussions continued through April, but Mitsubishi is waiting for decisions by the U.S. Treasury on Chrysler's fate.

50. On behalf of Chrysler, I reached out to the President of Honda Motor Company on December 10, 2008 and requested a meeting to explore the possibility that Honda could provide Chrysler with small and mid-size vehicle platforms and the use of the Honda group's supplier network. One day later, Honda Mr. Kimura responded by letter rejecting the request in light of the current business environment.

51. In February 2009, Chrysler sent letters to parties, primarily in China, whom we thought would be potentially interested in purchasing our assets. Over the next two months, several companies, including Beijing Automotive Industry Holding Co., Tempo International Group, Hawtai Automobiles, and Chery Automobile Co., expressed interest in purchasing specific vehicles, powertrains, intellectual property rights, distribution channels, and automotive brands.

52. To streamline this sale process, Chrysler hosted interested buyers at our Auburn Hills headquarters for a five-day presentation that was led by Joseph Chao, Chrysler's Vice President, Advanced Manufacturing Engineering & Supply, and me. A number of representatives from Chinese business interests attended. Chrysler offered to sell engines and transmissions; different lines of vehicles, including the PT Cruiser, Sebring, 300, Grand Cherokee, Commander, Durango, and Aspen; and Chrysler's Newark Paint Shop Facility. Though there were active discussions over the course of these five days, no final agreements were reached at that time or subsequently due to Chrysler's financial situation.

53. For almost two and a half years, I have pursued all manner of business transactions so as to secure Chrysler's future. Now, in the midst of worldwide economic problems unparalleled in my lifetime, and having fully considered the proposed transaction with Fiat, it is my judgment that this deal will provide Chrysler, its 55,000 employees, and the



hundreds of thousands of people who, in their work as suppliers, dealers or support personnel, substantially rely on Chrysler for their livelihood an opportunity to move forward.

54. The proposed deal is the only one I am aware of that can be accomplished. It has come about through hard-nose, determined negotiations, as well as the shared sacrifice of all of the company's employees, including members of the UAW and CAW, the company's owners Cerberus and Daimler, and the public at large, through the necessary support of the U.S. government. With Fiat, Chrysler has a way forward.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: April 30, 2009

By: /s/ Thomas W. LaSorda  
Thomas W. LaSorda

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Proposed Attorneys for Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11
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Chrysler LLC, <i>et al.</i> ,	:	Case No. 09-____ ( )
	:	
	:	(Jointly Administered)
Debtors.	:	
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**DECLARATION OF FRANK J. EWASYSHYN**

I, Frank J. Ewasyshyn, make this Declaration under 28 U.S.C. § 1746 and state:

1. I have worked for Chrysler LLC (“Chrysler,” the “Company,” or the “Debtors”) for more than 32 years. For the past five years I have held the title Executive Vice President of Manufacturing, which means I am responsible for all assembly, stamping, and powertrain manufacturing operations at our more than thirty facilities worldwide.

2. I have spent my entire professional life working for Chrysler and, more particularly, in and around its manufacturing facilities. Except as otherwise indicated, my testimony in this Declaration is based upon my personal knowledge, my review of business records or my first-hand experience and knowledge acquired in the ordinary and regular course of Chrysler’s business as to the matters described in this Declaration. If I were called upon to testify, I could and would testify competently to the facts set forth in this Declaration.

3. I began with Chrysler as a Maintenance Foreman in 1976 and over the next 10 years worked in various manufacturing management and planning positions. In 1986 and 1987 I was the Production Manager at two of our assembly plants. From 1988 to 1991 I was the Director of Advanced Manufacturing Engineering and, in 1991, became the General Manager of Large and Small Car Platform Assembly, a position I held until October 1994 when I became the Vice President of Advance Manufacturing Engineering. In September 1999 I became the Senior Vice President of Advance Manufacturing Engineering and, finally, in May 2004 was appointed to my current position, Executive Vice President of Manufacturing.

4. I earned a B.S. (in 1974), a Masters in Electrical Engineering (in 1976), and an M.B.A (in 1989), all from the University of Windsor, Ontario, Canada. In 2001, the University of Windsor awarded me an honorary doctorate degree.

5. I am a member of the Society of Manufacturing Engineers, Society of Automotive Engineers, Engineering Society of Detroit, Institute of Electrical & Electronic Engineers, and the Association of Professional Engineers of Ontario, Canada (where I am a licensed engineer).

6. Due to my professional background and experience I am intimately familiar with automotive manufacturing, plant operations, machinery and equipment, processes and logistics. Essentially I oversee the management and operation of all of our plants to ensure that we are building quality cars on time. In this capacity, I can speak with expertise about the impact that an extended shutdown would have on our business, especially during this time of year. I can also detail the crucial role we play for our suppliers and dealers and, equally important, the crucial role they play for us.

7. I am advised that a sale of the Company's assets to Fiat could take a year or more if standard chapter 11 procedures are followed. In my opinion, such a sale would be rendered moot as our business will perish well before then. While no one can predict with definitiveness the precise breaking point, one thing is certain: the longer the delay the greater the probability that (a) we will lose hundreds of millions in revenue to be realized from new models, Chrysler's parts division (called Mopar), and its Parts Depot Centers (PDCs), (b) existing customers will suffer terribly as replacement parts for their cars become unavailable, further deteriorating brand value and compromising the government's Warranty Commitment Program, (c) our key employees will seek greener pastures and (d) our suppliers and dealers will either transition to other partners or, more likely, fail themselves. As I explain below, the players in this industry – the suppliers, manufacturers and dealers – are all inextricably linked together. An extended temporary shutdown for Chrysler may create a domino effect that will irreparably injure our

partners and jeopardize our existence. Once that occurs, no new owner or management, no matter how experienced or committed, will be able to make meaningful use of our assets.

**Delay Poses Grave Risks to Product Development,  
Revenue, and The Future of New Chrysler**

8. Worldwide, Chrysler operates 14 assembly plants, 3 central stamping plants, 1 die shop, and 13 powertrain plants. We also operate 23 PDCs in the United States, Canada, and Mexico which provide parts for our dealers.

9. I am advised that the shutdown to occur upon Chrysler's bankruptcy filing will differ significantly from our usual shutdowns because we will be stopping all of the work we are presently doing in connection with next year's models, and will be doing so during the most critical part of our year. This will delay the launch of next year's models, thereby jeopardizing hundreds of millions of dollars in revenue. I cannot stress enough the need for us to complete the sale quickly and return to production.

10. We can, and indeed do, bi-annually institute managed shutdowns. Our annual summer shutdown is more aptly described as a transition period, a week or two during which we transition to producing the next year's model. Our December shutdown is a holiday hiatus that has been tradition in our industry for many years. While automotive assembly ceases during both these periods, much continues to be done and, importantly, they do not occur during spring, the most important part of our year.

11. Traditionally, Chrysler begins the development process approximately two years prior to launch of a new model. In broad terms, product development involves two phases: (a) virtual engineering and design and (b) durability, reliability, and validation testing. In the engineering and design phase, concepts are created for new models in order to meet consumer preferences in style, reliability, and performance. In the durability, reliability, and validation

phase, pilots are constructed and physically tested in our labs and on our test tracks (for things such as performance and impact scenarios) and are examined to ensure they meet emission standards and other regulatory requirements. During this process, we work regularly with our suppliers on part approval, tooling, certification and product improvements to ensure the quality of each new model. This collaboration becomes even more constant and important as we near actual production.

12. Prior to instituting these proceedings, we were in the midst of developing the 2011 Jeep Grand Cherokee pilots for assembly at our Jefferson North plant. All the virtual engineering for this model took place back in 2008. In January 2009, we began the initial phase of testing at Chrysler Technology Center in Auburn Hills. At that time we conducted various impact and performance tests. We were planning to proceed as we usually do during May and June. That is, continue to test and work with our suppliers to refine the pilots so that we could tool and stamp this September to allow for a launch in April 2010.

13. Due to the shutdown, this phase of this development will cease completely, something that has never happened before and that will obviously jeopardize our launch. A week's delay during this period does not simply translate into an additional week when we restart. The longer we are down the greater the multiplier that must be used to calculate the amount of time to achieve launch. We will lose some of the learning and expertise we have developed with regard to the new model. We cannot simply restart months from now and expect to return to where we are in the process today. The top portion of the graphic attached as Exhibit A reflects production sequencing for the 2011 Grand Cherokee and the 1.5 times delay multiplier that I believe to be a reasonable assumption.

14. In addition, the actual production of the new 2010 models can proceed only after this year's cars are finished. For example, once operations restart, we would need to first finish this year's models presently sitting on the assembly line. Only then could we turn our attention back to future models. Adjustments to the manufacturing processes to permit the manufacture and assembly of 2011 models (as well as the modification of existing models) would be delayed further by any tooling improvements that Chrysler and our suppliers would need to attend to in order to begin assembly on those vehicles, assuming such suppliers still exist and remain committed to us.

15. Consider, for example, our Brampton assembly plant, which was scheduled to have been converted to the tooling specifications for the 2011 Dodge Charger over the period we are shutdown. That conversion will now be delayed and will take four weeks. The bottom half of Exhibit A depicts how, in my opinion, an interruption during this critical period will result in a much longer delay on the back end, perhaps delaying our planned September 2010 launch of this model well into the first quarter of 2011.

16. If the new Dodge Charger model launch is delayed significantly, our "new" models (when eventually launched) would be late to the market compared to our competitors, severely undermining our ability to compete. Thus, delay will cost us significant revenue, perhaps totaling over \$100 million and could jeopardize the success of the new company.

**Delay Poses Grave Risks to Existing Customers, Brand Value  
And the Effectiveness of the Government's Warranty Commitment Program**

17. In addition to the devastating effect of an extended temporary interruption on new model launch, the planned shutdown, unlike our normal shutdowns, will reduce our PDCs' inventory levels. Within weeks our dealers' ability to repair and service vehicles will, in large part, discontinue. In most cases, dealers attain parts from the 23 PDCs that can deliver within

twenty-four hours. If operations are shutdown, the PDCs will not be able to get parts to the dealers who, in turn, will be unable to service customer vehicles. In my opinion, existing inventory for perishable items like oil filters, wiper blades, and bulbs will likely run out in 28 days. Non-perishable parts like transmission components and torque converters can only be attained by our PDCs from our manufacturing plants, but those plants will be shutdown. Once that inventory runs out, the only likely source for such parts is a junk-yard.

18. So, 4 weeks from today a customer who purchased a Chrysler 300 will pull into his local dealer to have a tail light repaired or a windshield wiper replaced and will be unable to get the parts necessary to service his warranty claim. The same scenario will occur daily at thousands of dealer locations throughout the country. The inability to service warranty claims will severely compromise the government's Warranty Commitment Program. And the inability of our dealers to stand behind and service and repair the cars we have sold will greatly injure customers and further devalue our brand name. The longer the sale of assets to Fiat is delayed the more likely this devastating scenario will occur.

#### **Delay Poses Grave Risks to Our Ability To Retain Talent**

19. We must move quickly if we expect to retain our best and brightest. As it is, each plant will run on a skeleton staff of 18 people during the hibernation period, as opposed to the 3,500 employees that normally staff each plant. In particular, managers, engineers, and younger employees, those that Chrysler depends on for the viability of its future, will move on to pursue other opportunities. As a result, Chrysler's ability to restart manufacturing would be even more challenging, without such skilled, bright, experienced workers. Because of the uncertainty in filling those positions, each plant would need to be restarted slowly in what is referred to as a



“loss authorization” period. This period will last three days and could result in the loss of 21,249 units at a cost of \$23.2 million and a profit loss of \$108.4 million.

**Delay Poses Grave Risks To Chrysler’s Suppliers and Dealers**

20. Our business depends on a special relationship that automotive manufacturers have with their suppliers. Each supplier contributes a unique product that fits into a precise, sequenced assembly process. Internally, we group and refer to suppliers in tiers, such as “Tier 1” and “Tier 2” suppliers. Tier 2 suppliers typically supply components to Tier 1 suppliers that, in turn, assemble those components and sell them as assembled to Chrysler.

21. Regardless of tier position, suppliers in our network are dependent on our continued operation. An extended interruption of Chrysler’s operations will have a catastrophic effect on our already severely distressed suppliers. Chrysler’s suppliers, in addition to the suppliers of Ford and General Motors, are on the verge of collapse. After several months of low car sales, reduced car production and limited availability of credit, suppliers are in a precarious position and are nearing the breaking point. When a car manufacturer’s production facilities are closed, no parts are ordered. After a few weeks without new orders, our suppliers will be compelled to terminate workers to stave off bankruptcy. As a result, the supplier’s restart becomes even more difficult without the skilled and knowledgeable workers it was forced to release. Additionally, the longer a supplier keeps its doors closed, the more expensive it is to resume operations, assuming it can resume at all.

22. Even if a supplier is able to survive in this environment it will need to retool and begin work with another manufacturer. As times goes by, with no end in sight, suppliers will have to turn their attention to other manufacturers, leaving Chrysler unable to procure parts when it restarts operations. Thus, a Chrysler shutdown will jeopardize suppliers which, in turn, will

threaten the emergence of a new Chrysler. Put another way, this is a symbiotic relationship in which we all need each other to survive. The loss of a single supplier, just one, can cripple our production. Because of the highly engineered nature of Chrysler's vehicles, the goods and services purchased from suppliers for use in the operation of Chrysler's facilities are available, as a practical matter, from a single supplier only. In other words, we do not "dual tool," which means there is a lack of redundancy in the supply chain. We have worked for years with specific suppliers to create and manufacture various components. This time-consuming, iterative process requires the development and continuing refinement of technical specifications. For that reason, we are dependent on our vast and integrated supplier network for our continued viability. We cannot simply switch suppliers quickly.

23. To manufacture a single car requires the effort of numerous suppliers, and the absence of some could render it impossible to produce vehicles in a timely fashion. Each completed automobile is comprised of parts that come from hundreds of different suppliers scattered across the nation, as well as our own geographically dispersed plants. For example, there is no "Dodge Ram Truck plant" that manufactures and assembles a completed Dodge Ram Truck. The engine, transmission and stamping each come from separate plants. Our Saltillo and Mack engine plants provide the engine, our Kokomo and Indiana 1 plants supply the transmission, and our Warren, Sterling, and Twinsburg plants provide the stamping. In addition, we need components from over 4,000 supplier locations and parts from another 500 supplier locations for this one vehicle. The engine itself involves a combination of the efforts of hundreds of companies. Components from over 200 different Tier 2 supplier locations are shipped to either Saltillo or Mack Engine to manufacture the engine which, once completed, is shipped using rail and truck to our Warren Truck Assembly. Many of these suppliers are, at least

in the near term, irreplaceable and their demise could destroy us. Exhibit B is a graphic I prepared to visually demonstrate the numerous companies that must work together to produce this one truck.

24. I am aware that GM recently announced sequenced down-weeks, that vary in duration, at thirteen of their plants for a nine week period. I understand that production will continue in the plants that remain open and, importantly, that there will be no disruption of operations that are in the process of launching new products. While this will help alleviate some of the impact of GM's shutdown, the combined effect of Chrysler's and GM's interruptions will only exacerbate the harm to suppliers.

25. Chrysler's dealer network will also be devastated by an extended temporary shutdown. Chrysler's revenue is solely and exclusively dependent on its dealers. Dealers both sell and service our vehicles. If Chrysler operations cease, consumer traffic will slow, if not stop, and subsequent sales and revenues will drop precipitously. Dealer cash flow and working capital will shrink from the loss of sales.

#### **Risks to Plant Assets**

26. During our regular shutdowns, development and production continues (albeit at a slower pace), plants remain staffed (with reduced manpower), fluids continue to flow, PDCs remain open (to support dealers), and dealers continue to sell. Most importantly, every part of the chain knows we are returning at a date certain. That is not the case with the current planned shutdown where development and production will cease entirely and PDCs will be forced to close.

27. A complete "lights out" shutdown, one where all activity halts, including the flow of liquids, would be disastrous even in the short term. Paint, coolants and sealers – the fluids

that flow through the lines and equipment – are perishable lubricants that must continue to flow, even when we are not producing cars, such as during our bi-annual shutdowns (described above). After just a few weeks of stagnation, coolants will separate and sealers will harden. Paint must continually move through circulation lines with other additives and fluids in order to avoid disaster. Paint thickens and separates and can paralyze equipment after just 24 hours if it is not circulating. Chrysler has never instituted an uncontrolled “lights out” shutdown and it would be catastrophic, in my opinion, to do so.

28. The longer a shutdown continues, even if managed as described above, the greater the expense of restarting. Paint should be removed and stored (even if flowing) after 21 days at a cost of \$2 million if the downtime is scheduled to continue after that 21 day period. After 69 days, paint would need to be replaced at a cost of \$15 million, including the cost to clean all the systems.

29. If I knew the precise duration of a shutdown, and was granted enough resources to care for the facilities during this period and enough capital to restart on a date certain, such hibernation would not be problematic. I am very concerned about our facilities where, as here, we are facing an extended shutdown period of indefinite duration, even if managed as described above.

#### **Potential Lienholders**

30. Prior to the Petition Date, and in the ordinary course of Chrysler’s operations, certain parties with commercial relationships with Chrysler had the ability to – and did – obtain liens on and interests in property owned by Chrysler, including, in some cases, a right to a lien by virtue of possession of Chrysler’s property (collectively, the “Lienholders”). I believe that the failure to pay the claims of these parties (collectively, the “Lienholder Claims”) could have a

significant adverse impact on Chrysler's chapter 11 estates and on Chrysler's ability to consummate a sale that would maximize the value of its assets. In particular, the failure to pay these claims could result in a lack of access to both personal property and services necessary to implement a sale transaction and a smooth transition to New Chrysler or other purchaser (the "Purchaser"), as well as undermine Chrysler's ability to maintain critical operations at PDCs pending a sale.

31. I refer here to three categories of Lienholder Claims – Shipper Claims, Warehouse Claims, and Customs Claims. With respect to each of these categories of Lienholder Claims, Chrysler's inability to obtain either the personal property of Chrysler in a Lienholder's possession (which is to be sold and transferred to the Purchaser or may be needed for the ongoing operation of PDCs) or the necessary services provided by such Lienholders would impair the ability to complete a sale transaction to the ultimate detriment of all stakeholders. As such, I believe that payment of the Lienholders (in Chrysler's sole discretion) is important to preserve the going concern value of Chrysler's brands and assets in anticipation of a sale transaction.

32. To the extent a Lienholder provides Chrysler with goods or services pursuant to a purchase order or contract, it is my understanding that approval of the payment of related Lienholder Claims at this time generally will not alter the ultimate recovery for such Lienholders, but simply will alter the timing of such payments.

**The Seamless Transfer of Chrysler's Facilities to the Purchaser and the Need for Parts, Materials, and Goods Will Require the Payment of Shipper Claims**

33. When operating in the ordinary course, Chrysler relies on hundreds of foreign and domestic commercial common carriers, shippers, logistics providers and other third party service providers (collectively, the "Shippers") to transport production parts, raw materials and other

goods before, during and after the manufacturing and assembly process.<sup>1</sup> As a result, and based on the analysis provided to me, I estimate that as of the Petition Date, the Shippers maintained possession of approximately \$510 million of Chrysler's raw materials and component parts.

34. In addition, many of the Shippers have claims for transportation and logistics related services previously provided to Chrysler (collectively, the "Shipper Claims"). If Chrysler fails to pay the Shipper Claims, many of the Shippers may immediately cease providing their essential services to Chrysler and, moreover, refuse to provide such services to Chrysler in advance of a sale.<sup>2</sup> Any such interruption in obtaining the services and cooperation of the Shippers would: (a) delay the shipment of necessary service parts to Chrysler's operating parts depot, thereby damaging Chrysler's business reputation during a period of intense public scrutiny; (b) delay the delivery of goods already in transit (including goods being delivered from overseas); and (c) adversely affect Chrysler's ability to recommence operations in the period immediately preceding the implementation of any sale.

35. It is my understanding that Shippers typically are entitled to certain liens for the transport or storage of the goods in their possession. I anticipate that Shippers will refuse to deliver such goods before their claims have been satisfied and their liens extinguished. Moreover, even if suitable alternative freight carriers are available, identifying these replacement

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<sup>1</sup> In addition to the transportation and logistics services that Chrysler obtains from outside providers, Chrysler Transport Inc. maintains an estimable trucking operation of its own, which employs nearly 950 people (e.g., staff, drivers, mechanics and dispatch personnel), leases approximately 2,500 tractors and trailers, operates three terminals and, in 2008, provided approximately \$120 million to \$150 million worth of annual logistics and transportation services in shipping raw materials and component parts from Chrysler's suppliers to Chrysler's manufacturing facilities and from those facilities to Chrysler's assembly plants. The overwhelming majority of Chrysler's transportation and logistics needs, however, are served by outside providers.

<sup>2</sup> Even in certain circumstances where Chrysler has contractual relationships with their Shippers, the agreements between the parties do not guarantee that Chrysler will continue to receive necessary transportation services on a continuing basis (e.g., many of Chrysler's agreements with their trucking suppliers are terminable at will by either party upon 30 days' notice).

providers and integrating them into Chrysler's logistics network in the brief period between the Petition Date and the contemplated sale likely would prove impossible.

36. In light of all this, it is imperative that Chrysler be authorized to pay, in their sole discretion, the Shipper Claims. This is necessary to ensure that the essential transportation and logistics services provided by the Shippers, and the valuable goods they control, are available to Chrysler without interruption immediately after the Petition Date (and in advance of a sale). It is also necessary to preserve the going concern value of Chrysler's businesses to the fullest extent possible.

37. Based on the analysis provided to me, I estimate that, as of the Petition Date, the aggregate amount of Shipper Claims was approximately \$170 million.

**The Seamless Transfer of Chrysler's Facilities to the Purchaser and the Need for Storage Will Require the Payment of Warehouse Claims**

38. As an indispensable adjunct to our transportation and logistics operations, Chrysler further engages certain outside providers that supplement our own storage facilities by storing component parts and finished vehicles used in or produced by our manufacturing and assembly operations at a variety of warehouse and storage facilities (collectively, the "Warehouses"). As a result, the owners of the Warehouses (collectively, the "Warehousemen") maintain possession of certain of Chrysler's goods in the ordinary course of their businesses. As of the Petition Date, many of the Warehousemen had claims for storage and related services previously provided to Chrysler (collectively, the "Warehouse Claims").

39. Chrysler's needs for Warehouses fall into two broad categories. First, there are the "In Bound Warehouses" that store component parts prior to the delivery of such goods to our manufacturing and assembly facilities. Second there are the so called "Shipping Holds" that store finished vehicle inventory prior to its delivery to Chrysler's dealerships or other customers.

40. Based on the analysis provided to me, I estimate that the aggregate amount of Warehouse Claims attributable to In Bound Warehouses is approximately \$12.5 million and the aggregate amount of Warehouse Claims attributable to Shipping Holds is approximately \$6 million.

41. It is my understanding that Warehousemen typically are entitled to certain liens for the storage of the goods in their possession. I anticipate that, in the period immediately preceding the consummation of a sale, Warehousemen will refuse to deliver or release goods to Chrysler prior to their claims having been satisfied and their liens extinguished.

42. It is my opinion that any interruption in obtaining the services and cooperation of the Warehousemen would impair Chrysler's ability to ensure the efficient functioning of their manufacturing and assembly facilities in anticipation of a sale. Moreover, given the extent to which the Warehousemen's services are integrated into Chrysler's just in time inventory system (e.g., the adjacent location of certain of the In Bound Warehouses), it is unlikely that, even if suitable alternative warehouse facilities were available in advance of a sale, the increased costs generated by sacrificed efficiency would be warranted by the benefits of transitioning to alternate providers.

43. In light of all this, it is imperative that Chrysler be authorized to pay, in their sole discretion, the Warehouse Claims. This is necessary to ensure that the essential services provided by the Warehousemen, and the valuable goods they control, are available to Chrysler as they may be required in these chapter 11 cases. It is also necessary to preserve the going concern value of Chrysler's businesses to the fullest extent possible.

44. Based on the analysis provide to me, I estimate that, as of the Petition Date, the aggregate amount of Warehouse Claims was approximately \$18.5 million.



**The Seamless Transfer of Chrysler's Facilities to the Purchaser and the Need for  
Customs Services Will Require the Payment of Customs Claims**

45. When operating in the ordinary course, Chrysler uses the services of multiple customs brokers, consultants and freight forwarders (collectively, the "Customs Brokers") to provide services that enable us to comply with the complex customs laws and regulations of the United States and other jurisdictions. Generally, our automated systems allow us to comply with customs laws and regulations without turning to outside assistance. Nevertheless, we find it necessary to employ the services of two Customs Brokers. The Customs Brokers are a vital link in Chrysler's integrated distribution system because they complete paperwork necessary for customs clearance, prepare import summaries, facilitate exportation of Chrysler's products, obtain tariff numbers and perform numerous other essential services.

46. Chrysler pays the Customs Brokers fees for their services (collectively, the "Brokers Fees") and reimburses the Customs Brokers for any funds advanced by the Customs Brokers on behalf of Chrysler. Typically, the Customs Brokers advance fees to the United States Customs Service (the "Customs Service") relating to inventory and finished goods delivered to or from locations outside of the United States (collectively, the "Customs Duties"). Customs Brokers will also advance charges of certain ocean, air and land shippers and certain miscellaneous storage and handling expenses (collectively, the "Advances"). As of the Petition Date, certain of the Customs Brokers had outstanding claims for the payment of Brokers Fees, Customs Duties and Advances (collectively, the "Customs Claims").

47. Despite the shutdown of Chrysler's manufacturing and assembly facilities, Chrysler expects to require the ongoing services and cooperation of the Customs Brokers in these chapter 11 cases (e.g., we will require the Customs Brokers to perform services associated with goods currently in transit, as well as in connection with service parts yet to be shipped, from low

cost foreign countries). Accordingly, the payment of the Customs Claims is necessary to prevent any disruption in the current arrangement with the Customs Brokers and to maintain access to the essential services that Customs Brokers provide. The Customs Brokers may immediately refuse to make ongoing Advances and pay Customs Duties in a timely fashion if the outstanding Customs Claims remain unpaid.

48. In addition, it is my understanding that the Customs Brokers may assert the kinds of shipper's, warehousemen's or similar liens described above and, therefore, refuse to release the goods in their possession until such claims are paid and the related lien extinguished. Because the Customs Brokers and the Customs Service regularly hold goods in their possession that have a value that is many times the amounts owed to them by Chrysler, the potential impairment of Chrysler's ability to preserve the uninterrupted flow of service parts to their operating parts depots and to realize the greatest possible value for stakeholders by completing a sale could be substantial. Moreover, nonpayment of Customs Claims could result in fines and storage fees against Chrysler by the Customs Service.

49. Even if Chrysler could replace the Customs Brokers with replacement customs brokers willing to perform the same services, there is no guarantee that the services would be available on a timely basis or on terms as favorable as those Chrysler currently enjoys. Chrysler's Customs Brokers are intimately familiar with our highly automated delivery system, but there is no guarantee that any replacement customs brokers could learn and become proficient with the system in the brief period of time between the Petition Date and the sale. Accordingly, the failure to make payment upon the prepetition claims of the Customs Brokers could pose an obstacle to both Chrysler's efforts to preserve the value of their brands and businesses through the uninterrupted provision of necessary maintenance and service to their end

consumers and the seamless completion of a going concern sale that would maximize the value of Chrysler's assets.

50. In light of all this, it is essential that Chrysler be authorized to pay the Customs Claims in their sole discretion. Based on the analysis provided to me, I estimate that, as of the Petition Date, the aggregate amount of Customs Claims was approximately \$1 million.

51. Chrysler's management has carefully reviewed the facts and circumstances of the potential claims of the Lienholders and has identified a narrow list of such Lienholders the payment of whom would benefit Chrysler's chapter 11 estates by promoting a successful sale and maximizing the value received by Chrysler in connection with such a transaction. Chrysler intends to require clear prospective commitments from these Lienholders to provide necessary services to both Chrysler and the Purchaser (as applicable) in exchange for, and as a condition to, the payment of the Lienholder Claims.

52. Given the scope of Chrysler's businesses and the importance of preserving the vendor constituency to consummating a sale on a going concern basis, I believe that allowing payment of the prepetition claims of Lienholders described above to the extent permitted by, and consistent with, the terms of Chrysler's postpetition financing facility is a reasonable and appropriate expenditure of estate funds.

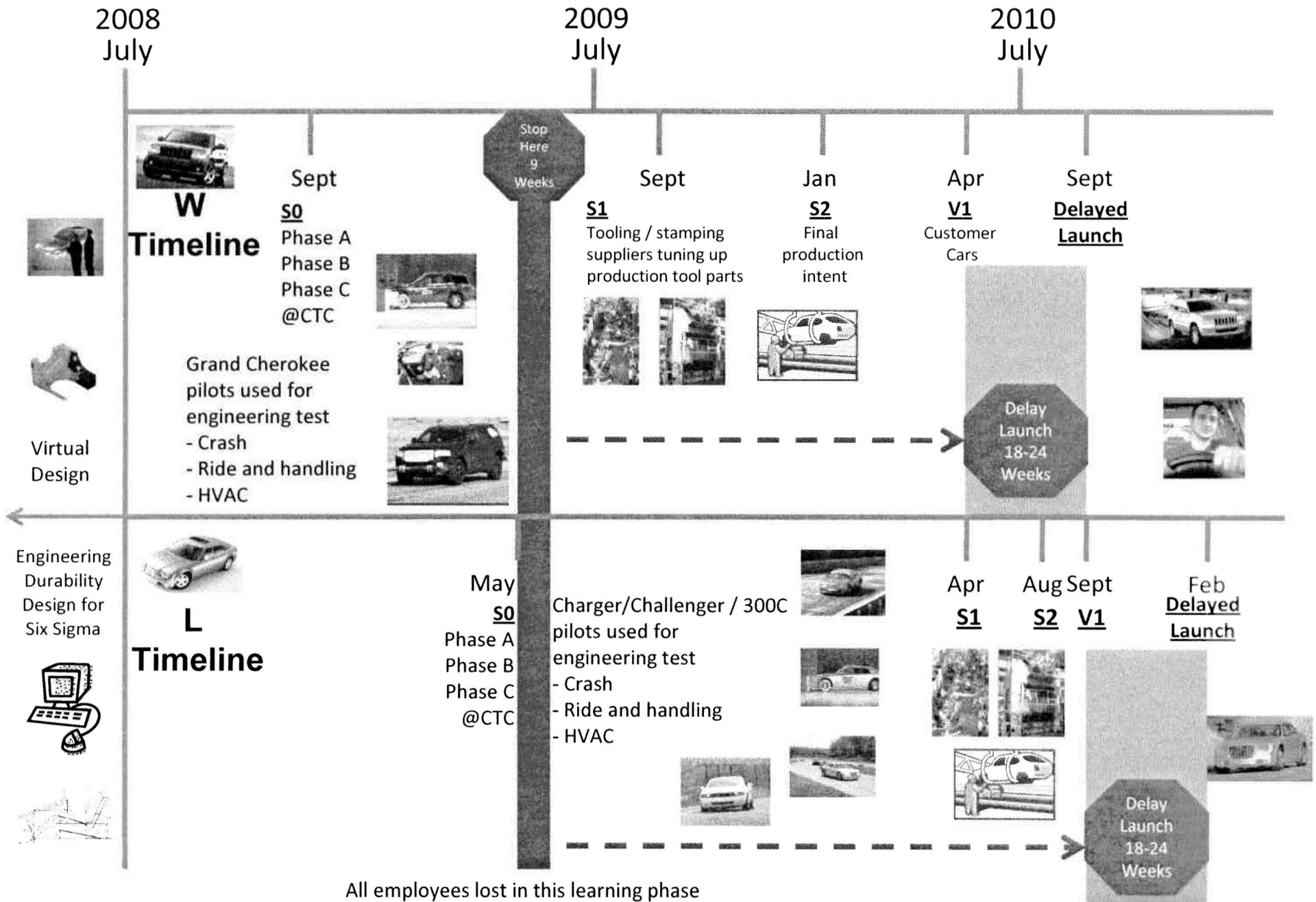
I declare under penalty of perjury that the foregoing statements are true and correct.

Dated: April 30, 2009

/s/ Frank J. Ewasyshyn  
Frank J. Ewasyshyn

# **EXHIBIT A**

# 2011 W & L Program Development Timelines



# **EXHIBIT B**

### Tier II Suppliers:

 Components from 215  
Supplier locations



 Components from 102  
Supplier locations to  
Mack I & Mack II



 Components from 129  
Supplier locations



 Components from 109  
Supplier locations



 Components from 48  
Supplier locations



 Components from 40  
Supplier locations



 Components from 27  
Supplier locations



 Components from 106  
Supplier locations



 Components from 69  
Supplier locations



\*\* Components from  
4,824 Supplier locations



### Tier I Suppliers:

 Saltillo Engine  
Plant



 Mack Engine  
Plant 1



 Mack Engine  
Plant 2



 Kokomo  
Transmission



 Indiana  
Transmission 1



 Warren Stamping  
Plant



 Sterling Stamping  
Plant




 Twinsburg Stamping  
Plant



 Detroit Axle  
Plant



 Toledo Machining  
Plant



 4,400 Parts From 536  
Supplier locations



## Warren Truck Assembly Plant

Products: Dodge Ram & Dodge Dakota Trucks



\*\* Estimate of Tier II and lower  
suppliers based on an analysis  
of 2 non Chrysler Tier I suppliers

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Proposed Attorneys for Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X	
	:
In re	: Chapter 11
	:
Chrysler LLC, <i>et al.</i> ,	: Case No. 09-____ (___)
	:
Debtors.	: (Jointly Administered)
	:
	:
-----X	

**DECLARATION OF JAMES J. ARRIGO**

I, James J. Arrigo, make this Declaration under 28 U.S.C. § 1746 and state:



1. I am the owner of two car dealerships, Arrigo Dodge-Chrysler-Jeep in West Palm Beach, Florida and Arrigo Dodge-Chrysler-Jeep Sawgrass in Tamarac, Florida. For approximately 20 years I have been a dealership owner in Chrysler's network of dealers. I am over 21 years old and am competent to make this declaration. Except as otherwise indicated, all facts set forth in this affidavit are based upon my personal knowledge, my review of relevant documents, my opinion based upon my experience and knowledge of Chrysler's businesses and being a dealership owner for 20 years. If called upon to testify, I could and would testify competently to the facts set forth in this declaration.

2. I graduated from Western Illinois University with my Bachelor of Business Administration in 1981 and an Honorary Doctorate from Northwood University in 1998.

3. After graduating from Western Illinois, I moved to Atlanta, Georgia to work for Sandy Springs Toyota, a local automobile dealership. After spending only a few months in Atlanta, I moved to Deerfield Beach, Florida to work for Southeast Toyota Distributors, Inc., a major new car distributorship, where my father previously worked. Southeast Toyota distributes new automobiles to over 150 dealers in the Southeast United States. While at Southeast Toyota, I worked as an incentive auditor, a distribution manager, a marketing merchandise manager and a district sales manager.

4. After nine years at Southeast Toyota working in various capacities, I decided to go into business for myself. In 1989, my father and I purchased a Dodge dealership in West Palm Beach, Florida. At the time, it was a 30,000 square foot facility sitting on five acres. After two years in business with my father, I decided to buy him out and run the dealership as a sole proprietor and have done so continuously since 2003. In the early 1990's, we were selling

approximately 300 to 400 new cars. By the late 1990's, we were selling approximately 3,500 new cars a year. By 2006, we were selling approximately 5,200 new cars a year.

5. I added the Chrysler and Jeep brands to my Dodge dealership in 2003 and moved to my current location one year later. When I opened my new location in 2004, I had a 110,000 square foot dealership that covered approximately 30 acres. My dealership currently has 105,000 square feet, 48 service bays and sits on 44 and one-half acres. Prior to the economic events of the last several weeks, we employed approximately 260 people. Despite the current economic crisis, I remain one of the top 10 Chrysler dealers in the country. My parts department is one the largest in Florida. I currently carry over \$25 million in new car inventory and \$1.5 million in used car inventory. I have approximately 1,300 new and over 200 used cars currently in my inventory. For the convenience of my customers, I have an Enterprise Rent-A-Car housed at my West Palm dealership to allow my customers easy access to transportation while their car is being serviced. I am one of the largest Chrysler-Jeep-Dodge dealers in the United States as measured by total sales volume, which was 3,127 new cars in 2008.

6. Just this last year, I purchased another dealership in Broward County, Florida. I acquired Fairbanks Chrysler-Jeep-Dodge in April 2008, which now operates as Arrigo Dodge Chrysler Jeep Sawgrass. The acquisition of the Sawgrass dealership doubled my available inventory to over 3,000 new and used cars at a value of over \$44 million between the two stores. This location provided an additional 368,000 square feet of facility on 10 acres. In 2008, from April to December, my Sawgrass dealership sold 1,191 new vehicles and 385 used vehicles.

7. I have served on Chrysler's National Dealer Council for over 15 years. For the past three years I have served as the Council's Co-Chairman of the National Dealer Council. I also serve on the board of the South Florida Automobile Dealers Association. Through my

participation in these councils, I have interacted with Chrysler, Dodge and Jeep dealership owners from across the country. I have spent a significant portion of my time on the road visiting other dealerships to gain an understanding of dealer needs. I have attended over 100 national dealership association meetings where dealership owners came together for 1 to 5 days of networking, meetings, training and consultation. Aside from my involvement as a dealership owner, I also serve on the Board of Trustees and the Board of Governors for Northwood University, where I have lectured on business issues.

### **Chrysler's Fragile Dealer Network**

8. Chrysler's dealer network is a good example of the American entrepreneurial spirit. The Chrysler dealers located throughout the United States represent a group of small business owners. Although these small businesses have historically operated successful business operations, the dealerships are now in serious trouble and on the brink of collapse.

9. Chrysler dealerships are independently owned and operated franchises. Dealers purchase cars wholesale from Chrysler and resell the cars at a comparatively small mark-up to consumers. Our profit margins are very thin and shrinking. Chrysler records the wholesale purchase on its books once the vehicle leaves the factory; a dealer records a sale at the time a consumer purchases the car. In order to maximize available cash on hand, most dealers finance 100% of their wholesale purchases and use the profit from each sale to operate the dealership. Before the recent credit crisis, approximately 70% of dealers wholesale and retail purchases were provided by Chrysler Financial Corp., with the rest coming from local banks and credit unions. Dealerships are entirely owned and capitalized by individual owners; they typically receive no capital assistance from Chrysler.

10. With the onset of the global economic crisis, Chrysler Financial and other banks terminated their automobile leasing programs in August 2008. Overnight, this change eliminated approximately 20% of my dealerships' sales. Moreover, as the credit markets tightened during the fourth quarter of 2008, credit was sparsely available for either wholesale or retail purchases. From January 2008 through March 2008, my West Palm dealership sold on average 392 new vehicles per month. From January 2009 through March 2009, my West Palm dealership sold on average 153 new vehicles per month. This represents a 50% reduction in my dealership's sales in less than one year. New car sales have plunged even further in April 2009.

11. Many Chrysler dealerships are in financial distress and the situation has deteriorated rapidly in recent weeks. In my professional life, and over the past 30 years, this is the most dire situation I have seen in the car business. Due to decreased profit margins, unavailable credit and the threat of Chrysler's bankruptcy, many dealerships have collapsed and many others are on the verge of collapse. To avoid closing my dealerships, I have drastically cut expenses. I employ over 60 sales persons and I am responsible for over \$1.4 million in payroll and total expenses at my Palm Beach dealership alone. I have eliminated 25 employee positions at my West Palm dealership, substantially reduced my advertising expenditures, and cut other expenditures. I have reduced expenses from \$2.1 million per month to under \$1.3 million per month.

12. Other dealers are going back to their landlords to negotiate rent concessions to save money. Unfortunately, despite these attempts to stay open, many dealerships across the country and many more are poised to close. These dealers were pillars of the local community, benefactors of local sports and charities and in some instances the community's largest employer and source of tax revenue.

13. When a dealership closes, the unsold vehicles on that dealership's lot are ordinarily repurchased by Chrysler Financial if it holds the floor plan financing and then reallocated to other Chrysler dealerships or sold at a third party auction for substantially less than the car's wholesale value. Both of these actions depress the value of Chrysler's vehicles already out in the market, which both reduces the residual value of a dealer's remaining inventory and further reduces a dealer's profit margin. In today's marketplace, information about auction sales is transmitted virtually instantaneously over the internet within a day or two. Thus, this data and the resulting impact it has on new and used car values shows up in the retail price of dealers remaining new and used car inventory almost overnight. This immediately reduces the value of the new and used cars sitting on a dealer's lot just as quickly. I have seen these ripple effects firsthand over the past few months at my own dealerships and during my time with other dealer owners.

***Importance of Incentives, Warranty Payments, and Cash Flow***

14. Dealers depend on the manufacturer for much of their cash flow. The manufacturer pays dealer incentives for new vehicle sales, warranty reimbursements, and cash rebates, among other things. This cash flow is critical to the survival of dealers. At the end of March 2009, for instance, Chrysler owed my West Palm dealership \$426,000 in warranty and parts receivables, \$413,000 in new vehicle receivables, \$639,000 in consumer rebates, \$146,000 in holdbacks, \$26,000 in Road Ready payments, \$159,000 in floor plan allowance, and \$36,000 in wholesale compensation. Thus, at the end of March, Chrysler owed my West Palm dealership \$1.7 million. That cash flow is essential to the operation of my dealership, and is even more important to the sustainability of other dealerships.

15. Such incentives are also critical to generating customer interest and competition in the marketplace. The United States Department of the Treasury, in an attempt to avoid additional dealer closures, preserve the value of Chrysler's cars and boost sales, released \$1.5 billion from the TARP funds to Chrysler Financial to encourage retail car purchases. The TARP funds went directly to consumers to help stimulate new vehicle sales; as a result, 0% financing, employee pricing and rebates of nearly \$6,000 per car were offered to Chrysler's customers. The total average discount to consumers, at the beginning of March 2009, was approximately \$5,566 per car, an increase of over \$2,000 from the previous year, or approximately 20% of the average \$27,000 wholesale value of a car. These incentives, plus cost cutting measures, have helped keep my dealerships operational in these tough times and the same is true for many other dealers across the country. Without these incentives, there would be dealerships with little or no sales.

***Need For Urgent Action***

16. The uncertainty surrounding the Chrysler dealer network is "killing" dealers. Uncertainty is destroying the ability of Chrysler's dealers to conduct business in a number of ways. This uncertainty affects both customers and dealers. Customers become reluctant to purchase cars and dealers experience difficulty in securing commercial wholesale financing necessary to purchase new vehicle inventory in addition to sparsely available financing for customers.

17. In April 2008, my West Palm dealership sold approximately 300 new vehicles. In April of this year, my West Palm dealership is on pace to sell 110 new vehicles—over a 60% drop in new vehicle sales. After the White House announced that it would give Chrysler until April 30, 2009, to take action, sales plummeted. Nearly every potential buy that walks in my dealership has either raised the issue of Chrysler's viability or asked sales staff if Chrysler will

“be around.” Roughly 50% of the customers that visit our dealership have indicated they may have an interest in purchasing a Chrysler vehicle at some point, but that they want to “see what happens” to Chrysler before they do so.

18. Chrysler’s dealership network is extremely fragile and on the verge of collapse. It has, thus far, barely weathered months of media speculation regarding Chrysler’s future and that has only gotten worse in recent days. This uncertainty has severely eroded consumer confidence in Chrysler. Moreover, speculation in the media that Chrysler was on the verge of bankruptcy resulted in an even further decline in consumer confidence in recent days. These declines have manifested themselves in significant declines in dealers’ monthly sales.

19. Because dealers face substantial fixed costs, any reduction in cash flow creates significant problems. For instance, on average, on a bi-weekly basis, I “float” approximately \$590,000 to operate my Palm Beach dealership and make necessary automobile and related purchases. I also expend approximately \$450,000 on necessary warranty-related parts purchases. These two figures constitute a bi-weekly spread of approximately \$1.0 million. This means that on a monthly basis, if my parts account, the primary means by which Chrysler pays its obligations to me, is inoperative due to a bankruptcy filing for a month, I will have to come up with \$2.0 million cash for every month that Chrysler is in bankruptcy. Automobile dealerships are heavily cash flow dependent to fund their operations, make payroll and meet their other ordinary expenditures. A lengthy bankruptcy by Chrysler is simply not a sustainable business model for its dealers.

20. In my opinion, three factors enable automobile dealers to sell cars. First, you need customer traffic. Second, you need the product and related financing. Third, you need adequate marketing and promotions. With adequate manufacturer support, I can develop

appropriate marketing and design financial products to meet the needs of my customers.

However, if customer confidence continues to deteriorate due to the uncertainty surrounding the future of Chrysler, customer traffic will continue to decline and I will be unable to generate sufficient customer traffic under any circumstances to continue operating in a manner sufficient to meet my monthly operating expenses, even at reduced levels.

21. If Chrysler is caught up in a lengthy bankruptcy process, I believe dealer sales will plummet to the point where they will no longer satisfy their lender's cash flow requirements and the dealer network will collapse or will certainly suffer significant degradation. I believe dealerships will be forced to shut down as a result of an even sharper decline in consumer confidence than what we have seen thus far. Furthermore, the more uncertain Chrysler's future is, the more likely a consumer is to choose another vehicle over a Chrysler brand. Employees will leave the dealerships and new car buyers will go elsewhere. Based on my 20 years of experience with dealership operations, if Chrysler remains mired in bankruptcy proceedings for more than 30 days, Chrysler's dealership network will be unsalvageable.

22. I believe that if Chrysler remains in bankruptcy for longer than 30 days and there are numerous dealership closures, there will also be a significant spillover effect beyond what we have already seen. States and local communities will lose valuable income and property tax revenue, schools will lose a significant contributor to sports and arts, charities will be without sponsors and other businesses that rely on dealerships continued operations—restaurants and mechanics—will suffer just as much as the closed car dealerships.



I declare under penalty of perjury that the foregoing statements are true and correct.

Executed on: April 30, 2009

/s/ James J. Arrigo  
James J. Arrigo

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Proposed Attorneys for Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11
	:	
Chrysler LLC, <i>et al.</i> ,	:	Case No. 09-_____ (___)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**DECLARATION OF PETER M. GRADY**

I, Peter M. Grady, make this Declaration under 28 U.S.C. § 1746 and state:

1. I am the current Director of Dealer Operations for Chrysler Motors, LLC, which is a corporation organized under the laws of the state of Delaware, and one of the above-captioned debtors and debtors in possession (collectively, the “Debtors” or “Chrysler”). I

have worked at Chrysler or an affiliate of Chrysler since 1987. I am older than 21 years of age and suffer no legal disability. I am competent to make this Declaration.

2. I have worked with Chrysler's dealer network on the marketing and distribution of Chrysler vehicles for over 20 years. I have held a wide variety of positions at Chrysler, including Zone Manager or Assistant Zone Manager for Field Operations in Chicago, Memphis, Phoenix and New York; President of Chrysler Taiwan Ltd; Director of the Great Lakes Business Center; Director of Mid Atlantic Business Center; Director of Remarketing and Fleet Operations; and Director of Dealer Operations.

3. As Director of Dealer Operations, I am familiar with the network of Chrysler, Dodge and Jeep dealers that sell and service Chrysler's vehicles in the United States (the "Domestic Dealer Network") and I am also familiar with Chrysler's international distribution networks. I have worked on the dealer programs described in this Declaration and performed the dealer network analysis described below. Except as otherwise indicated, my testimony in this Declaration is based upon my personal knowledge, my review of business records or my first-hand experience and knowledge acquired in the ordinary and regular course of Chrysler's business as to the matters described in this Declaration. If I were called upon to testify, I could and would testify competently to the facts set forth in this Declaration.

4. I earned my B.S. and B.A. degree in Management, Marketing and Finance from John Carroll University in 1981. Virtually my entire professional career has been with Chrysler. I started in 1984 as a district sales manager at American Motors Corporation, which was later acquired by Chrysler in 1987. I worked in a variety of positions in the Chicago zone and served as Assistant Zone Manager for Memphis from 1994 to 1997. In that capacity, I had responsibilities for working with the dealers in my zone in the sale and service of Chrysler

vehicles. Starting in 1997, I served as President of Chrysler Taiwan, Ltd., where I had responsibility for overseeing the sales, service and distribution of Chrysler vehicles in Taiwan.

5. In 2000, I became the Zone Manager of Phoenix and, in 2001, I became the Zone Manager of New York. As Zone Manager, I was responsible for working with Chrysler dealers and managing the Chrysler dealer network in my zones. In 2002, Chrysler restructured its twenty-five zones into eight Business Centers and I became the Director of Great Lakes Business Center. In 2003, I became the Director of Mid-Atlantic Business Center. In my capacity as the Director of Business Centers, I had responsibility for the dealer network in the sale and service of Chrysler vehicles. From 2005 through January 2009, I was the Director of Remarketing and Fleet Operations and, in that capacity, I supervised the marketing and distribution of fleet sales, which includes the sale of vehicles to third party companies such as rental car companies. In 2009, I began serving as the Director of Dealer Operations.

***The Debtors' Domestic Dealer Network***

6. Other than certain sales to the government, virtually all of the vehicles manufactured by Chrysler are sold to the U.S. general public through Chrysler's Domestic Dealer Network. Over the years, this Domestic Dealer Network grew to cover all 50 states, peaking at approximately 6,500 dealers in the mid-1960's, which has subsequently declined over time. As of Tuesday, April 28, 2009, the Domestic Dealer Network was comprised of 3,188 dealers. Except with respect to a small number of dealerships, all the dealers are independently owned.<sup>1</sup>

7. Approximately 62% of the dealers in the Domestic Dealer Network are "full line" dealers, meaning they sell all three of the Debtors' brands: Chrysler, Dodge and Jeep.

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<sup>1</sup> Debtor Chrysler Realty owned 14 active and seven inactive dealerships as of the Petition Date, referred to as "manufacturer investment dealerships" or "MIDs."

The remaining approximately 38% of the dealers in the Domestic Dealer Network are “partial line” dealers, selling only one or a combination of two of the Debtors' brands. The Domestic Dealership Network includes dealers in every U.S. state and in every major U.S. metropolitan area, as well as widespread coverage of secondary and rural markets.

8. Despite the size and breadth of the Domestic Dealer Network, the sales volume, productivity and efficiency of the dealer network is not evenly distributed.

Approximately 25% of the Domestic Dealer Network accounts for approximately 50% of the Debtors' domestic sales. Further, just over 50% of the Domestic Dealer Network accounts for approximately 90% of the Debtors' domestic sales.

### ***The Dealership Agreements***

9. Consistent with industry practice, and with the exception of a small percentage of dealers using older Direct Dealer Agreements, the Debtors have used a standard uniform dealership agreement (as modified from time to time) for all new domestic dealers starting in approximately 1988.<sup>2</sup> The Debtors enter into a separate dealership agreement for each of the Debtors' linemakes that a dealer sells. Thus, for example, a “full line” dealer will have three dealership agreements: one for Dodge, one for Jeep and one for Chrysler. The Debtor party to each of these agreements is Chrysler Motors LLC (“Chrysler Motors”).

### ***The Challenges Confronting the Domestic Dealer Network***

10. Although the Debtors' large and extensive Domestic Dealer Network provides increased outlets for the sale of the Debtors' products, its size and scope has created

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<sup>2</sup> Specifically, the form of agreement the Debtors have used since approximately 1988 is called, for each applicable linemake, the Sales and Service Agreement. From approximately the 1960's until the development of the Sales and Service Agreement, the Debtors used a form of agreement called the Direct Dealer Agreement. As of the Petition Date, approximately 112 of the dealerships in the Domestic Dealer Network continue to be governed under Direct Dealer Agreements. (Copies of the form Dealer Sales and Service Agreement and the Direct Dealer Agreement are attached hereto as Exhibit A and Exhibit B, respectively).

significant challenges as market conditions and demographic factors have changed over time.

The Debtors' dealers compete not only with dealers selling the products of other Original Equipment Manufacturers ("OEM's"), such as Ford and Toyota, but also with each other in surrounding markets. Some of the Debtors' dealers may have only one linemake (for example, Chrysler, Dodge or Jeep), while other dealers may have all three linemakes. Thus, a Chrysler-Jeep dealership may compete with a nearby Dodge dealership. For example, a Chrysler dealer may sell a Chrysler Town & Country minivan and a nearby Dodge dealer may sell the Dodge Caravan minivan, which may compete for the same customers.

11. Over time, the market for new motor vehicles has changed dramatically. Numerous other competitors selling a wide variety of vehicles, including Toyota, Honda, Hyundai and Kia, have entered the market and captured a larger share of the automotive market. As a result, the larger Domestic Dealer Network has faced increasing financial pressures on profitability as the market share of the Debtors and other domestic OEMs declined over time in the face of increasing foreign competition. With so many outlets available for the Debtors' products and more limited market share, many dealers' annual sales of vehicles (or throughput) fell below targeted levels, limiting dealer profitability and the ability of many dealers to reinvest in the dealership and enhance the experience of consumers.

12. In addition, as suburbs grew and the modern interstate system continued to evolve, longstanding dealerships were no longer in the best or growing locations. Many rural locations also served a diminishing population of potential consumers. Some dealership facilities became outdated. Other locations faced declining traffic count and declining populations.

13. By contrast, the newer OEMs selling competitive vehicles, such as Toyota, Honda, Hyundai and others, did not enter the U.S. markets or did not significantly expand within the U.S. markets until much later in time. They did not have the legacy network dealers. They began to assemble new networks with new and better locations in growing markets, with numerous models consolidated under a single roof and with more modern facilities focused on large metropolitan areas.

14. Over time, the throughput of the newer OEMs continued to grow while the throughput of the Debtors continued to decline. On average, the dealers for several of the newer OEMs now have substantially higher throughput, resulting in better and more sustainable sales and profitability and providing greater resources for marketing, reinvesting in the business, improving facilities and enhancing the consumer experience and customer service. These smaller, stronger networks became a competitive advantage for the newer OEMs and became a competitive disadvantage for the Debtors.

***Urgency of Dealer's Needs***

15. I am familiar with how dealers operate and the fixed cost structure under which they operate. Dealers continuously report to me the issues they are facing. I have had frequent contact with Chrysler's dealership owners and their employees. In my entire career with Chrysler, I have not seen a situation as dire as the one currently facing our dealership owners. If our dealerships fail as a result of a prolonged bankruptcy proceeding, the negative effects will cascade throughout the network and their communities.

16. Dealership operations are crippled today because of, among other things, an industry-wide decline in car sales, decreased profit margins and the lack of sufficient wholesale and retail financing. Due to the credit crisis, our dealers have not been able to sell cars as they have in the past. To help alleviate this problem, Chrysler embarked on an unprecedented

incentives campaign for all three of our brands, Chrysler, Jeep and Dodge. Starting in late January 2009, Chrysler offered: (a) rebates up to \$6,000 per vehicle (depending on the model year the customer selected); (b) employee pricing for general consumers; and (c) 0% financing for some creditworthy borrowers — in all, these discounts averaged \$5,566 per vehicle sold in March 2009. Despite these tremendous savings, approximately \$2,000 more than the prior year's incentives, dealers' sales have declined substantially.

17. Our dealers will not be able to continue selling cars if Chrysler is engaged in a prolonged bankruptcy proceeding. I have seen a significant reduction in dealership sales since last Fall when speculation of an impending Chrysler bankruptcy began. The decline that started last fall has only accelerated in recent weeks as speculation of a bankruptcy filing has increased. If Chrysler is stuck in a prolonged bankruptcy proceeding, consumer confidence will rapidly fall, such that the dealerships will have to sell their current inventories at substantial losses or will not be able to sell their inventory at all. Left with an unmarketable inventory or substantial losses, many dealers will be forced to shut down or declare bankruptcy.

18. Most dealers have a narrow profit margin, which is highly dependent on cash flow. Most dealers cannot survive more than a matter of days or a couple of weeks if their cash flow comes to a halt. Statistically, the number of dealers in financial distress has already increased three fold since January 2008. Approximately 397 dealers have already closed or filed for bankruptcy since January 2008. The number of dealers in financial distress has substantially increased in the last few weeks. If that stress on dealers continues to mount, the network runs a serious risk of collapsing. Thus, it is absolutely critical that dealers receive some assurance that an asset sale will be approved and that the cloud of uncertainty with respect to Chrysler be



addressed as soon as possible, but in any event, no later than within 30 days of Chrysler's bankruptcy.

***Debtors' Need to Maintain and Honor their  
Warranty Programs, Extended Service Programs and Sales Incentives***

19. Prior to the Petition Date, to support their sales efforts, the Debtors established and implemented a variety of Customer Programs, including, but not limited to, the following: (a) warranty programs; (b) extended service programs; (c) goodwill allowances; (d) dealer incentive programs; (e) customer incentive programs; (f) annual dealer parts inventory allowances; and (g) dealer support programs (including, sales and marketing support programs and collection programs) (collectively, the "Customer Programs"). The goals of these Customer Programs traditionally have been to retain current customers, attract new ones and ultimately enhance revenue and profitability by: (a) projecting the message into the global marketplace that the Debtors stand behind the vehicles they produce; (b) meeting competitive pressures; (c) promoting new vehicle sales; (d) ensuring customer satisfaction; and (e) generating goodwill for the Debtors' brands.

20. The failure to honor and pay the Debtors' sales incentives obligations to ongoing dealers will harm the goodwill and other objectives that the Debtors have sought to build by providing sales incentives. Most importantly, these incentives are a substantial contributing factor in a dealer being able to consummate a vehicle sale. Approximately 20% to 25% of a vehicle's wholesale cost includes dealer incentives. Dealer owners must be confident that they will continue to receive incentive payments throughout Chrysler's bankruptcy process. If dealers are confident that they will continue to receive incentive payments, they will continue to sell cars. Currently, there are approximately 286,687 model year 2009 and 36,370 model year 2008 vehicles remaining on all dealers' lots. If dealer incentives and other receivables from

Chrysler are delayed even 30 days, the number of Chrysler dealers with critical liquidity conditions will increase threefold.

21. It is necessary to reduce this outstanding inventory as much as possible during Chrysler's manufacturing hibernation so that Fiat, or another purchaser, will not have an engorged dealership network. Moreover, with more dealer inventory sold, there will be an immediate need for new inventory at the conclusion of the bankruptcy process. Absent these incentive payments, the vast majority of dealers will continue to have a difficult time selling cars and will face a liquidity shortfall within a month of a bankruptcy filing. Budget projections anticipate that total dealer incentive payments to dealerships through June 29, 2009, will total approximately \$753 million. These incentive payments are critical to maintain, as much as possible, the value of the dealership network. Without a operational dealership network, a post-bankruptcy Chrysler will be hard-pressed to survive. If the Debtors fail to honor and pay these sales incentives, dealers will not financially survive, or may choose to associate with a different OEM rather than wait-out a bankruptcy proceeding. As such, the cost of honoring and paying the sales incentives is far less than the loss of dealerships.

22. In addition, maintaining the confidence of all of the Debtors' various global customer constituencies — and particularly the confidence of end consumers in Chrysler, Jeep and Dodge brands — is of paramount importance as the Debtors work to preserve and maximize the value of their assets and businesses in anticipation of the Sale Transaction. In light of the high value, high cost and expected long-life of the vehicles sold by the Debtors, the likely need for repairs over the extended time that these vehicles are in service, and the paramount importance of vehicle safety, consumers considering a purchase of the Debtors' vehicles must have confidence that the Debtors (or any purchaser) will: (a) honor warranty and recall

obligations; (b) maintain a dealership network with service departments to perform warranty and recall repairs; and (c) have reliable service parts manufactured for their vehicles. As such, the ability to bolster consumer confidence in the early stages of any bankruptcy filing is critical to the Debtors' ability to consummate a value-maximizing Sale Transaction.

23. The Debtors cannot afford to ignore their obligations under warranty programs and extended service programs. Any doubts regarding the quality of the Debtors' (or a purchaser's) products — or their willingness to stand behind those products by honoring warranty obligations as they arise — will result in a loss of consumer confidence and customer loyalty and otherwise materially impair the value of the Debtors' assets and their ability to complete a Sale Transaction.

24. One of the factors driving the value of the Fiat Transaction, for example, is the ability for both Fiat and New Chrysler to establish a global presence in the automotive industry and expand the scope of their respective dealer and distributor networks. To maximize the value of these efforts (or any similar efforts with another purchaser), the Debtors must preserve and protect the value of their brands throughout the world. A failure to honor their warranty or extended service commitments worldwide would almost certainly undermine such brand value (and, thus, ultimately impair stakeholder recoveries).

25. A failure to provide necessary recall maintenance similarly would undercut the Debtors' efforts to preserve consumer confidence in the quality of their vehicles. It would be next to impossible for the Debtors to protect the value of their brands (and, thus, maximize the value of any Sale Transaction) if the public suspects that the Debtors' vehicles lack safety. Indeed, concern for public safety alone arguably justifies the Debtors' fulfillment of their obligations to provide recall maintenance and other warranty work.

26. Moreover, the Debtors' dealers would suffer many of the financial consequences of the Debtors' failure to honor their warranty and extended service obligations — consequences that many dealers simply do not have the financial wherewithal to survive. Thus, if obligations related to the Debtors' warranty and extended service programs are not honored, it would threaten the viability of the Debtors' projected ongoing dealer network and, in turn, the value of the Debtors' businesses and assets and the ability to consummate a Sale Transaction.

27. Given the importance of (a) preserving consumer confidence and loyalty during these chapter 11 cases and (b) effecting as smooth a transition of the Debtors' assets to a Purchaser as possible, the Debtors seek to honor their warranty program and incentive payments.

28. The costs of honoring the Debtors' warranty and extended service program obligations are far less than the cost of the potentially irreparable damage that could be done to the value of the Chrysler, Jeep and Dodge brands, and the Debtors' ability to consummate a value-maximizing sale of their businesses, if the Debtors were to repudiate these obligations to dealers and consumers.

I declare under penalty of perjury that the foregoing statements are true and correct.

Executed on: April 30, 2009

/s/ Peter M. Grady  
Peter M. Grady

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and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re	: Chapter 11
Chrysler LLC, <i>et al.</i> ,	: Case No. 09-____ ( )
	: (Jointly Administered)
Debtors.	:
	:
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**DECLARATION OF JOHN J. SCHENDEN**

I, John J. Schenden, make this Declaration under 28 U.S.C. § 1746 and state:

1. I am the owner of Pro Chrysler Jeep in Denver, Colorado. For approximately 16 years, I have been a dealership owner in Chrysler's network of dealers. Except as otherwise indicated, the facts set forth in this affidavit are based upon my personal knowledge, my review of relevant documents, my opinion based upon my experience and knowledge of Chrysler's businesses and being a dealership owner for approximately 16 years. If called upon to testify, I could and would testify competently to the facts set forth in this declaration.

2. I previously worked at Chrysler Corporation, starting in 1963 as a trainee in the Marketing and Distribution Department in Detroit, Michigan. I then worked as a Clerk in Business Management and Distribution in Los Angeles, California from 1966 to 1967, as District Manager in Riverside and also in San Fernando from 1968 to 1970, as Staff for Business Management and Dealer Placement from 1971 to 1972, as Assistant Zone Manager for San Francisco from 1973 to 1974, as Zone Manager for Denver, Colorado from 1974 to 1976, as Zone Manager for San Francisco from 1977 to 1978, as Zone Manager for Los Angeles from 1978 to 1980, and as Zone Manager for Detroit from 1981 to 1982. I also served as the Western Regional Manager in charge of eleven zones at Chrysler from 1983 to 1989. From 1990 to 1991, I was the National Dealer Relations Manager. From 1992 to 1993, I was the Sales Manager for the Central Region, which oversaw the dealer network for the Central Region.

3. In 1993, I purchased an interest in Pro Chrysler Jeep in Denver Colorado and over time bought out the other owner of the dealership. I am now the President of Pro Chrysler Jeep and, along with my wife, own 100% of Pro Chrysler-Jeep. When I first became part owner in Pro Chrysler-Jeep, the dealership was selling approximately 480 to 600 new vehicles a year, which steadily grew over time. By 2007, the dealership sold 852 new vehicles.

4. I have served on Chrysler's National Dealer Council since 1996 and previously served as Co-Chairman of that Council from 2003 to 2004. In that capacity, I have interacted with Chrysler, Dodge and Jeep dealership owners from across the country. This past fall, I helped organize a letter writing campaign on behalf of dealer owners to encourage members of Congress to pass legislation to give Chrysler financial assistance. During this campaign, I communicated with many large, small, urban and suburban Chrysler dealers. While on Chrysler's Dealer Council, I attended numerous national dealership association meetings where many dealership owners came together to discuss and analyze dealer issues. I am also a member and past President of the Colorado Auto Dealers Association and a member and past President of the Denver Metro Auto Dealers Association.

5. My dealership was the first Five Star Chrysler dealers in the country, starting in 1998. In 2002, my dealership was recognized as the best dealership in Colorado and received the Time Magazine Dealer Award. This is one of many accolades my dealership has received since I became owner.

***Chrysler's Fragile Dealer Network***

6. After owning a car dealership for approximately 16 years and working at Chrysler for approximately 30 years, I can say that Chrysler's current dealership network is facing unprecedented economic conditions.

7. From 2007 to 2008, my new vehicle sales dropped from 852 to 480—a loss of nearly 50%. For 2009, my dealership is on pace to sell only 250 new vehicles for the year, a decrease of 70% from my 2007 sales. April sales have only further declined as speculation of a Chrysler bankruptcy filing has increased. In 2007, my dealership averaged approximately 70 new vehicle sales per month and in 2008 my dealership averaged approximately 40 new vehicle

sales per month. The steady decline has continued in 2009 because my dealership is averaging just 20 new vehicle sales per month.

8. As media speculation of a possible Chrysler bankruptcy began appearing in 2008, there was a noticeable decline in dealership foot traffic. The lack of foot traffic was only exacerbated by the loss of consumer credit. During the second half of December 2008, normally one of the busiest times of the year for my dealership, my customers had difficulty getting any credit and, still today, many of my customers are unable to obtain retail financing unless they have near perfect credit. As a result, 2008 was the worst new car sales years and profit I have seen for my dealership in 15 years.

9. The first quarter of 2009 has only gotten worse as speculation regarding a possible Chrysler bankruptcy filing increased. This quarter has been the worst quarter my dealership has ever had. The tremendous uncertainty associated with the possibility of bankruptcy is driving customers away or making them extremely hesitant to purchase new Chrysler vehicles.

***Importance of Incentives, Warranty Payments, and Cash Flow***

10. In an effort to improve sales and stabilize the dealer network, Chrysler has offered substantial incentives on its vehicles in 2009. Yet, more and more of my sales associates are fielding questions from customers about whether Chrysler will “be around” to service their vehicle. Many of the people who walk into my dealership today end up walking away without purchasing a car because they want to “see what happens with Chrysler” before investing in a new Chrysler vehicle. If Chrysler files for bankruptcy, the uncertainties associated with that filing will only further erode customer confidence, foot traffic at the dealership and Chrysler’s



sales. Moreover, once a dealer loses a new customer to another brand (like Ford or Toyota), that customer may be lost forever.

11. Given dealers' substantial fixed costs and low profit margins, cash flow is absolutely critical to our survival. Dealers must be able to generate foot traffic from potential customers and address uncertainties that influence their buying habits to be able to continue selling new vehicles. Moreover, the cash flow from Chrysler to its dealers in connection with each sale is critical to the dealers' survival. Dealers depend upon the weekly or periodic cash flow that comes from Chrysler in the form of warranty payments, incentives, holdbacks and other payments to continue operations.

***Need For Urgent Action***

12. My dealership is already facing a cash crunch and I have already taken drastic steps to address the decline in sales. As a result of slower car sales, sparsely available financing, diminished profit margins and significantly reduced foot traffic, I reduced my dealership's workforce from 83 people in early 2008 to 57 people. Additionally, I have cut expenses in every department. If consumer confidence continues to decline, my dealership's operations will deteriorate rapidly.

13. It is absolutely critical that any sale involving Chrysler be approved as quickly as possible to address the uncertainties now facing customers and to restore customer confidence. If Chrysler is mired in an extended bankruptcy proceeding lasting more than a couple of weeks, I expect sales and foot traffic to reach such minimal levels that neither my dealership nor many other Chrysler dealerships will be able to survive.

I declare under penalty of perjury that the foregoing statements are true and correct.

Executed: April 30, 2009

/s/ John J. Schenden  
John J. Schenden

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Proposed Attorneys for Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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Chrysler LLC, <i>et al.</i> ,	:	Case No. 09-_____ ( )
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Debtors.	:	(Jointly Administered)
	:	
-----X	:	

**DECLARATION OF SCOTT R. GARBERDING**

I, Scott R. Garberding, make this Declaration under 28 U.S.C. § 1746 and state:

1. Since December 2008, I have served as Senior Vice President and Chief Procurement Officer at Chrysler LLC, where I have been employed since 1993. As CPO, I am

responsible for Chrysler's global sourcing activities, which include finding, evaluating and engaging suppliers for goods and services.

2. In my capacity as Senior Vice President and Chief Procurement Officer and as a consequence of my experience of more than fifteen years in the automotive industry, I am familiar with the network of Chrysler suppliers that provide materials and service to Chrysler and make parts of Chrysler vehicles. I have also worked to forge alliances with other automotive manufacturers and suppliers as described in this Declaration. Except as otherwise indicated, my testimony in this Declaration is based upon my personal knowledge, my review of business records or my first-hand experience and knowledge acquired in the ordinary and regular course of Chrysler's business as to the matters described in this Declaration. If I were called upon to testify, I could and would testify competently to the facts set forth in this Declaration.

3. After graduating from the Massachusetts Institute of Technology with a Master of Science in 1993, I began work as a Manufacturing Specialist at Chrysler's Truck Assembly Plant in Warren, Michigan. For my first six months in Warren, I worked on making the plant operational, dealing with equipment suppliers and monitoring the plant's quality systems. After spending a year at Warren, I joined Chrysler's Jeep and Truck Engineering Plant in Detroit and worked in the Advanced Manufacturing and Engineering Group, where my duties included optimizing part designs and ensuring that parts received from suppliers met Chrysler's quality specifications. I worked at this facility from 1994 to 1996 and regularly interacted with a wide array of suppliers.

4. In 1996, I moved to the Chrysler Operating System Group where for about nine months I led part of a team that was responsible for implementing Toyota manufacturing principles at Chrysler plants. In 1997, I was named the Manufacturing Engineering Manager at

Chrysler's Engine Plant in Trenton, Michigan. As with my previous positions, I interacted frequently with suppliers because I was responsible for analyzing the quality of suppliers' parts.

5. After spending a year at Trenton, and receiving a promotion to Manufacturing Manager, I relocated to Dayton, Ohio in January 1999 and became the Plant Manager at the Dayton Thermal Production Plant, which supplied parts for Chrysler and other car manufacturers. This position afforded me a new perspective on Chrysler's supplier relationships because the Dayton Plant made and sold heating and air conditioning system parts to Chrysler and other OEMs and suppliers. Thus, I was on the other side of the table, manufacturing and selling parts to Chrysler—not purchasing them. After two years in Dayton, I moved to Chrysler's Jefferson North Assembly Plant, then its Detroit Axle Plant. I served as Plant Manager in both locations, spending a total of five years as a plant manager with Chrysler.

6. In 2004, I was promoted to Chrysler's headquarters, becoming Vice President for Supplier Quality. In that position, I worked personally with all of Chrysler's production and parts suppliers and, to that end, would spend at least one day a week in supplier facilities reviewing performance data and collaborating with suppliers to increase their output quality or review their readiness for new product launches. I also oversaw a group of about five hundred people who were responsible for creating quality policies and procedures for all of Chrysler's suppliers, improving the quality of components purchased by Chrysler, ensuring that suppliers were ready to launch new products on time, and making certain that suppliers could deliver adequate quantities of components to Chrysler.

7. In January 2008, Thomas LaSorda, Chrysler's Vice-Chairman and President, asked me to become the Company's Vice President of Global Alliance Operations. In the Global Alliance Operations position, I oversaw Chrysler's efforts to explore and form business alliances

and ventures throughout the world with other car manufacturers and suppliers. I held that position until I was promoted in December 2008 to my current position.

8. Since 2004, I have participated in or convened the Chrysler Supplier Advisory Council. Currently, fourteen CEOs or senior executives from Chrysler's major suppliers—BorgWarner, Continental AG NA, Cooper-Standard Auto, Delphi, Denso Int'l America, Flex-N-Gate, Gentex, IAC Group, Lear, Magna, Metalsa, TI Automotive, U.S. Steel, and Yazaki North America—sit on the Council. This Council meets on a quarterly basis—and has recently augmented those meetings with monthly conference calls—to act as a sounding board for how Chrysler's actions impact suppliers. I also sit on the board of the Automobile Industry Action Group, which is a consortium of automobile makers, suppliers, service providers, academics and government agencies that work collaboratively to streamline industry processes and business practices. Beyond my leadership in these organizations, I gain further knowledge of the industry and develop relationships with suppliers across the industry through my participation in a number of industry-centered organizations, such as the Original Equipment Supplier Association, a lobbying group for suppliers, with whom I meet on a regular basis.

#### **Stress on Chrysler's Suppliers**

9. In my role as Chrysler's Chief Procurement Officer, as well as through my knowledge gained in a number of supplier-focused positions during my time in the industry, I can speak to the current challenges facing Chrysler's production suppliers and the likely effect a shutdown of a prolonged yet indeterminate length would have on the supplier base.

10. As it entered bankruptcy, Chrysler suspended most operations to conserve its resources, while at the same time ensuring that the facilities are prepared to, first, resume normal production schedules quickly upon the completion of the proposed sale to Fiat and, second, make

sure consumers are not impacted by the bankruptcy filing (e.g., by continuing operations at parts depots to provide an uninterrupted supply of parts to service Chrysler's vehicles). Immediately upon the consummation of the Fiat sale, Chrysler anticipates that the purchased manufacturing and assembly facilities will resume normal operations under ownership of New Chrysler, the company that has been formed as part of the Fiat alliance.

11. If, however, Chrysler's is ordered to participate in an extended reorganization bidding process in bankruptcy and its operations are shut down for an extended, indeterminate period of time, the absence of cash flow to our suppliers and the lack of a clear, definitive and short timeline for that cash flow to resume would cause many of our suppliers to shut down and liquidate. As a result, Chrysler would be unable to restart production in any quick, efficient and cost-effective manner. At a certain point, it becomes entirely infeasible for New Chrysler to restart operations, thus causing the newly formed entity to shut down, permanently, before it has a chance to begin anew.

12. The failure of Chrysler's suppliers would also cause severe production problems for other OEMs, including GM and Ford, who rely on these same suppliers. Ninety-six of Chrysler's top 100 suppliers are used by at least one of the other Big Three American automobile companies; eighty-four of the top 100 are used by all three companies. In part due to this interdependence, according to the Center for Automotive Research, if at least one of the Big Three fails in 2009, the entire American automobile industry risks a collapse that would result in a loss of nearly 2.5 million jobs in 2009: almost 240,000 at the Big Three, nearly 800,000 supplier/indirect jobs and over 1.4 million spin-off (that is, expenditure-induced) jobs.<sup>1</sup>

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<sup>1</sup> David Cole & Sean McAlinden & Kristin Dzikczek & Debra Maranger, CAR Research Memorandum: The Impact on the U.S. Economy of a Major Contraction of the Detroit Three Automakers, CENTER FOR AUTOMOTIVE RESEARCH, Nov. 4, 2008.

13. OEMs such as Chrysler have integrated and dependent relationships with their suppliers that are outside the common conception of a supplier-manufacturer relationship and probably unique to the automotive industry. Chrysler's primary functions in the production of vehicles are to (a) engineer and design Chrysler, Dodge and Jeep vehicles, (b) coordinate the engineering performed by the various Tier I Suppliers, (c) manufacture the "skin" of the vehicles at Chrysler's stamping plants, (d) procure the "guts" of the vehicles from Tier I suppliers and certain of Chrysler's own plants, (e) assemble the vehicles from their constituent parts and (f) distribute the vehicles through Chrysler's dealership network for sale to consumers.<sup>2</sup> Consequently, a full 70% to 80% of every Chrysler car or truck is made by companies other than Chrysler.

14. Chrysler has approximately 1,300 suppliers that provide it with production parts for fifty-five different plants, facilities and other locations. But because each one of Chrysler's Tier 1 Suppliers has its own Tier 2 suppliers, and so on, the total number of suppliers that contribute to the production of Chrysler cars and trucks is well beyond 1,300. Chrysler makes \$35 billion in annual supplier payments; more than 85% of those payments are made in the NAFTA region. In fact, 78% of the material Chrysler purchases is from suppliers based in the United States.

15. Chrysler suppliers produce unique products that fit into a precise, sequenced assembly process that makes finding a replacement supplier—a process called "re-sourcing"—a difficult task in any case and one that takes planning and time to ensure that the assembly plant does not shut down. Chrysler demands exacting engineering specifications of its suppliers; it often requires that suppliers produce parts with tolerances of millimeters or less—much more

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<sup>2</sup> Those suppliers that sell directly to the Chrysler are commonly referred to as "Tier I Suppliers" with their suppliers known as "Tier II Suppliers," etc.



precise than most manufacturing operations. Similarly, the raw materials that go into Chrysler products must be of a precise and uniform thickness, composition and grade and must have particular strength, flexibility and other performance characteristics. Moreover, these precision products and materials must fit together in a tightly ordered process based on "just-in-time" delivery to the assembly plant. The manufacturer of a Dodge Ram, for example, necessitates the work of 200 Tier I suppliers spread out in 536 locations, not to mention the hundreds of lower tier suppliers integrated—and integral—to the production. If any one of these suppliers stops producing or does not deliver their specified inventory of parts or supplies, all three Chrysler truck plants can shut down within three hours. To be sure, some suppliers are more easily re-sourced than others, but in no case is it as easy as simply calling another supplier to order a replacement product for that week's production schedule.

16. Moreover, an extended shutdown of Chrysler at this particular time would be especially devastating to the suppliers given three extraordinary events: (1) the shutdown of many Chrysler operations in December 2008 – January 2009, (2) the lack of available credit in the marketplace, and (3) General Motors's announcement of rolling shutdowns during Summer 2009.

17. Under the terms of a standard agreement, Chrysler's suppliers are not paid immediately upon our receipt of their parts or services. Instead, suppliers are typically paid approximately 45 days later. The 45-day payment cycle is important for understanding why a shut down would be devastating for many suppliers. If Chrysler were to shut down for an extended period and then restart, the suppliers would be in a position where each would need to begin manufacturing again without its regular source of revenue to fund such operations for the first 45 days. That is, because nothing had been produced 45 days previously, no payments from

the OEM (or higher tier supplier) would be due; however, the suppliers would need to purchase materials, pay operating costs and provide employee wages.

18. Given the thin margins upon which the suppliers operate, this imbalance between revenue and expenses would be catastrophic for the suppliers' ability to secure adequate capital, including maintaining loan revolvers. As an example, shortly after Chrysler halted production for four weeks in December 2008 and January 2009, BorgWarner, one of the most well-respected suppliers in the industry, received a below-grade investment rating because it lacked liquidity. This makes it difficult for BorgWarner (and other suppliers in similar situations) to borrow money needed to purchase products from their own suppliers. Many suppliers are in this predicament after the winter shutdown and would be unable to sustain a second, more prolonged and uncertain shutdown in such a short time span.

19. Adding to that pressure is the reality, in my experience, that the banks in the current economic atmosphere have been very impatient with any business within the automobile industry that fails to abide by every covenant and provision of its loan agreement. For some suppliers, an above grade investment rating is one of their loan covenants. If a supplier rating drops below the requirements required and the loan covenant is violated, banks are quickly stepping in (almost immediately) to cut off the supplier's revolver. This very scenario occurred with Nicholas Plastics, a supplier of Chrysler and many other OEMs.

20. Because the withdrawal of a supplier's revolver without replacement cash would immediately shut down a supplier—and, consequently, shut down the OEMs' production lines—the OEMs themselves have been stepping in as replacement lenders. In early 2009, CONTECH, a producer of track bars, faced an imminent shutdown due to liquidity problems. Because Chrysler cannot build cars without the parts provided by CONTECH, Chrysler—even while it

faced its own unprecedented liquidity problems—stepped in as the operator of CONTECH, facing a 120 day timeframe when CONTECH's bank promised to withdraw all its financing.

21. Finally, I understand that GM has announced that it will be doing a rolling shutdown of some of its plants during a nine week period during the Summer of 2009. Importantly, as I understand it, GM will always have some of its assembly plants running during this period and there will be no disruption of operations that are in the process of launching new products. In this way, GM's suppliers will be provided some ongoing revenue to help them survive this period. Nevertheless, the low revenue stream and consequent stress on these suppliers—most of whom supply both GM and Chrysler—will be extraordinary.

22. Supplier stability is so integral to Chrysler that we track the financial health of every one of our suppliers. My department spends 30-40% of its time working with economically distressed suppliers. By looking at our suppliers' income statements and balance sheets, we calculate a score based on a combination of the supplier's liquidity (45% of total score), sales/profit (20%), debt leverage (15%), covenants (10%) and working capital (10%). To that objective score, we add a subjective analysis conducted by committee on a weekly basis. The resulting rating puts the supplier into one of five categories: (a) stable, (b) monitor, (c) concern, (d) risk or (e) high risk. The "high risk" category is comprised of those suppliers who face an imminent threat of production disruption or require substantial funding from Chrysler to maintain production. Those in the "risk" category are in imminent threat of becoming "high risk." The "concern" category encompasses those suppliers that are at some liquidity risk, but should have sufficient liquidity to operate for the next 6-12 months.

23. In October 2008, 11.5% of Chrysler's suppliers (as measured by annual value of business) were in the concern, risk or high risk categories – the highest percentage to be placed

in these categories in Chrysler's history. And yet from that historic high, every month from November 2008 to March 2009 has seen that percentage increase, leading to a total of 31.8% of suppliers in those three critical categories—13.5% high risk, 4.5% risk and 13.8% concern—in March 2009.

24. While Chrysler is in bankruptcy, a vital source of both revenue and credit is missing for these suppliers. And without a clear timeline for when that situation will end and production will resume, suppliers have no way of planning for survival through the shut-down period and reemergence when New Chrysler is ready to produce cars and trucks. If suppliers are not provided this short and definitive timeframe, I believe we will see massive supplier bankruptcies, and because of these bankruptcies it will quickly become infeasible for the Purchaser to resume production of Chrysler automobiles.

25. Indeed, even a brief shutdown of a supplier results in significant problems in restarting. Recently, DriveSol, which makes intermediate steering shafts (connecting the steering column to the steering gear), stopped production for about two weeks. Even in this short period of time, it was extremely difficult to keep Chrysler supplied. Any shut-down of longer than two weeks would almost certainly have resulted in the stoppage of Chrysler assembly lines. When DriveSol restarted, many of its employees were new hires, even though the plant had only been closed for about two weeks. To remedy the problem, Chrysler sent a team of people with manufacturing expertise to DriveSol to train its new employees in proper manufacturing operations. Only after this significant outlay of time, money and manpower was DriveSol able to resume operations.

26. Chrysler has the support structure and financial capability to provide this type of support only to about five to ten suppliers at any given time. It would not be able to provide that

support to the hundreds of suppliers who would need it in a shutdown during an extended bankruptcy shutdown of indeterminate length. Moreover, shutdowns of our Tier I suppliers—those suppliers who sell product directly to Chrysler—would cause ripples of shutdowns into lower tier suppliers. While Chrysler is aware of the multiple levels of suppliers that service and depend upon it, it is generally unaware of who the lower level suppliers are and is in no position to help them get restarted. In short, Chrysler is not in a position to simply flip the switch back on in our assembly plants and start producing cars immediately after an extended downtime. The damage to a supplier based would be too severe.

27. The fate of Chrysler's suppliers lies in Chrysler emerging from bankruptcy in a swift manner, thus ensuring that Chrysler's—and consequently its suppliers'—operations continue with as little disruption as possible. A re-launch of a company after a delayed and prospectively indeterminate bankruptcy timeline would increase the risk to suppliers to a point that would cause massive supplier liquidation throughout the industry.

**The Payment of Certain Parties as a Function of Chrysler's Fiduciary Obligations**

28. Chrysler remains mindful of its fiduciary obligations to preserve and maximize the value of its estate for the benefit of stakeholders as it pursues a sale transaction. Accordingly, during the requested short period between the Petition Date and the anticipated consummation of a sale transaction, Chrysler intends to make every effort to minimize the adverse effects of its chapter 11 filing on the transition of Chrysler's assets to New Chrysler or other purchaser (any such purchaser, the "Purchaser"). By doing so, Chrysler will help promote the successful consummation of the sale transaction, thereby maximizing the value received by stakeholders. Chrysler intends to fulfill its fiduciary duties, and thus maximize stakeholder recoveries, by obtaining authority to pay those parties whose continuing survival and cooperation is necessary

to avoid a delay or interruption in the transition of Chrysler's operating assets to the Purchaser or otherwise are critical to preserve the value of a sale transaction.

29. To that end, it is imperative that Chrysler obtain authority to make payments to suppliers, vendors, and certain administrative claimholders and lienholders to preserve Chrysler's supplier base. If Chrysler is not permitted to pay the prepetition claims of these parties and continue its troubled supplier program, Chrysler's vendors and suppliers may (a) not be able to timely respond with the supply of indispensable goods and services as may be needed in these chapter 11 cases absent payment of outstanding prepetition invoices or (b) simply lack the financial wherewithal to continue in operation after a precipitous and unplanned period of nonpayment, particularly in light of the extraordinary economic pressures facing the automotive sector. By contrast, most vendors can manage their cash through a brief period of inactivity if cash payments are not interrupted suddenly. For this reason, among many others, it is Chrysler's intention to effect the Sale Transaction, and restore their ordinary course business relationships with suppliers, as rapidly as possible. An extended shutdown could cause suppliers irreparable harm; an expedited sale process and an abbreviated idling of the Debtors' facilities would mitigate such harm to a substantial degree (and, moreover, conserve much of the cash that otherwise would be used by the Debtors to make payments to suppliers upon prepetition debt upon the grant of certain requested relief). The best means to preserve the supplier base, and to minimize any payments upon prepetition debt made pursuant to the grant of certain requested relief is for the Sale Transaction to be concluded quickly. Accordingly, the relief Chrysler is seeking is critical to its efforts to preserve going concern value and the opportunity to complete a sale transaction for the benefit of stakeholders during a time of unprecedented uncertainty for both Chrysler and the automotive industry generally.

### **Essential Suppliers**

30. As I discussed above, Chrysler's business of designing, assembling and selling cars cannot function without the unique, specially-designed parts produced by suppliers who are not readily replaceable. In the face of a challenging economic environment in the automotive industry, the supplier base must be supported by Chrysler pending the sale as a core element of the value to be transferred to a buyer. The proposed payments to suppliers thus constitute an essential component of preserving going concern value pending a sale and ensuring that these key business partners will be able to continue their business relationships with a Purchaser.

31. Having the authority to make payment to suppliers also is critical to Chrysler's ability to ensure that, after the Petition Date, their operating parts depots continue to receive an uninterrupted flow of service parts necessary to repair and maintain consumer vehicles on an ongoing basis.<sup>3</sup> Although the purchase of service parts is a much smaller component of Chrysler's businesses than the purchase of production parts and raw materials used in manufacturing operations, the supply of service parts nevertheless is indispensable to preserve and protect the going concern value of Chrysler's brands and businesses pending consummation of a sale transaction. During a period where all aspects of Chrysler's businesses are certain to be under intense public scrutiny, the inability of consumers of Chrysler, Jeep and Dodge brand vehicles to have their vehicles maintained and repaired without interruption would threaten a collapse in confidence in Chrysler's brands, which in turn would impair the going concern value of Chrysler's businesses. The willingness of Chrysler's suppliers to produce and ship service parts thus is essential to Chrysler's efforts to preserve the value of its chapter 11 estates.

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<sup>3</sup> While a vehicle is in production, Chrysler often has certain extra parts manufactured and shipped to Chrysler's Mopar part distribution centers. These part distribution centers, which are anticipated to remain in operation as of the Petition Date and throughout these chapter 11 cases, provide parts to dealers and other authorized third parties for use in the repair of Chrysler's vehicles, thereby allowing Chrysler to honor its warranty obligations or perform necessary maintenance in the event of a vehicle recall or service campaign.

32. It is vital to the ability of the Purchaser to operate that, upon the consummation of a sale transaction and the transfer of Chrysler's manufacturing and assembly facilities, those facilities are stocked with the production parts and raw materials necessary to achieve the Purchaser's targeted production levels. Achieving these inventory levels may require Chrysler's vendors and suppliers to restart production and/or delivery of necessary production parts, raw materials and other goods and services slightly in advance of the closing of a sale transaction.

33. It is my understanding that it is Chrysler's intention, in connection with the consummation of a sale transaction, to "assume" the purchase orders and other contracts between Chrysler and its key vendor constituencies who are anticipated to provide goods and services to the Purchaser in connection with production to be restarted by the Purchaser. It is my further understanding that at the time of assumption, Chrysler will be required to cure all outstanding defaults under such contracts, including most of the claims of certain essential suppliers (collectively, the "Essential Suppliers") Chrysler seeks authority to pay. Accordingly, it is my understanding that approval of the payment of such claims at this time generally will not alter the ultimate recovery for Essential Suppliers, but simply will alter the timing of such payments.

**The Seamless Transfer of Chrysler's Facilities to the Purchaser and the Need for Service Parts Will Require the Timely Shipment of Goods From the Essential Suppliers**

34. The vast majority of component parts incorporated into Chrysler vehicles have been produced by outside suppliers. Because of (a) the dire financial situations faced by many of Chrysler's suppliers and (b) the upheaval in the automotive industry expected to accompany Chrysler's chapter 11 filing, I believe that many of Chrysler's vendors, unless paid on account of their prepetition debt, will be financially unable to supply Chrysler with the specialized goods and/or services necessary to (a) recommence operations at Chrysler's manufacturing and



assembly facilities and (b) supply the service departments of Chrysler's dealerships with parts necessary to preserve the value of Chrysler's brands.

35. The timely provision by Chrysler's suppliers of production parts, raw materials and other necessary goods and services upon (or in some cases in advance of) the consummation of a sale transaction will be required to insure the seamless transition of Chrysler's facilities to the Purchaser and the preservation of the going concern value of Chrysler's brands and businesses. In most cases, however, because of the highly engineered nature of Chrysler's vehicles, the goods and services purchased from suppliers for use in the operation of Chrysler's facilities are available, as a practical matter, only from a single supplier. In most instances, Chrysler does not have (and a Purchaser will not have) any viable alternatives to obtain substitute goods or services from other suppliers. Moreover, seeking to re-source necessary goods to a different supplier is impractical for various reasons, largely due to the unique and expensive equipment required to produce highly-engineered parts, as well as passenger safety and reliability concerns.

36. The risks to suppliers are mitigated by the use of a prompt sale process to consummate a Sale Transaction by which most supplier agreements will be assumed and assigned to the Purchaser (and amounts outstanding on prepetition invoices eventually cured). Moreover, the availability of the Supplier Support Program—pursuant to which Chrysler's suppliers may receive guarantees of, or advances upon, payment of certain of their Chrysler-related receivables—will further alleviate the financial pressure on its vendor constituency.

37. Nevertheless, Chrysler's supplier base is on an exceedingly fragile footing and the temporary idling of Chrysler's facilities (and the associated reduction in their suppliers'

production volumes) will subject Chrysler's supplier base to potentially significant levels of financial stress as the steady flow of payments from Chrysler upon outstanding receivables is interrupted. As compared to other bankruptcy filers, the confidence and perception issues faced by Chrysler at this time very well may be unique. As a result of the extraordinary financial stress on the industry at this time, the filing of these cases jeopardizes the survival of a great many of Chrysler's suppliers if payments are delayed pending the anticipated cure of outstanding defaults.

38. Obtaining the ability to pay, and help maintain the financial viability of, Chrysler's vendor constituency is necessary to ensure a smooth transition of Chrysler's operating businesses to the purchaser. The payment of its supplier and constituency further enhances value and promotes a successful sale transaction by engendering confidence among Chrysler's suppliers, dealers and end consumers that (a) the idling of Chrysler's facilities will be as brief as possible and (b) the service departments of Chrysler's (or the Purchaser's) dealerships will continue to be supplied with the necessary service parts to effectively maintain and repair Chrysler, Jeep and Dodge vehicles after the Petition Date and into the future. To provide its various constituencies with these assurances, Chrysler must have the ability to work with its suppliers to ensure that necessary parts will continue to be produced and necessary services will continue to be performed. Indeed, as described above, continuity in the service of vehicles assumes even greater significance in light of the extremely public nature of these chapter 11 cases and the contemplated Fiat sale.

### **The Identity of the Essential Suppliers**

39. Essential Suppliers are those vendors that would have the ability to impair the value of a sale transaction through the interruption of their supply of indispensable goods or services, e.g., due to the supplier's own financial distress. The Essential Suppliers the Debtors

have sought authority to pay fall into two main categories: (a) "direct" production part suppliers (i.e., vendors that supply highly engineered component parts that are directly integrated Chrysler's vehicles); and (b) "indirect" suppliers (i.e., suppliers that provide services or deliver goods that are not directly incorporated into Chrysler's vehicles). I discuss each category below.

### **Direct Production Part Suppliers**

40. "Direct Production Part Suppliers" supply (a) key component parts incorporated directly into Chrysler's vehicles or sub-assemblies during Chrysler's manufacturing and assembly processes or (b) service parts sold by Chrysler to dealerships or other parties authorized to repair Chrysler's vehicles. The components supplied by the Direct Production Part Suppliers (e.g., tires, bumpers, lighting equipment, axles, driveshafts, braking systems, engines, seats, windows and electronics) plainly are integral to the manufacture and assembly of automobiles and their availability is essential to the resumed operations, and going concern value, of Chrysler's facilities. Indeed, in cases where large components or assemblies are especially expensive to ship, or where components must be sequenced with an assembly line, the Direct Production Part Suppliers often have operations within or adjacent to Chrysler's own facilities to facilitate the supply of parts and provision of related services. Chrysler purchased nearly \$25.6 billion from their domestic Direct Production Part Suppliers in 2008.

41. Due to Chrysler's exacting engineering specifications and overriding public safety concerns, the development of a new part and the design of the manufacturing process is necessarily rigorous and lasts, on average, approximately two years.<sup>4</sup> As part of this process, Chrysler maintains a number of quality control programs that are essential to maintaining consumer confidence in the quality of the vehicles that Chrysler manufacture. These programs

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<sup>4</sup> Depending upon the complexity and importance of the part at issue, the PPAP Process can last even longer.

require Chrysler's Tier I suppliers (and, indirectly, through the Tier I suppliers, the Tier II suppliers) to complete a detailed production part approval process (or similar process) (the "PPAP Process")—i.e., an inspection, testing and approval regime governing the component parts utilized in the manufacture of Chrysler's vehicles and other products—prior to the integration of the suppliers' products into Chrysler's vehicles. Thus, if a Direct Production Part Supplier were unable to ship parts to Chrysler in anticipation of the transfer of Chrysler's facilities to the Purchaser, and Chrysler sought to re-source those parts from an alternate supplier, it would be extremely difficult, if not impossible, for Chrysler to complete such a re-sourcing in the limited period of time between the anticipated re-mobilization of Chrysler's supply chain and the consummation of a sale transaction.<sup>5</sup>

42. The obstacles to re-sourcing imposed by the Debtors' rigorous PPAP process are complemented by the potential invalidation of mandatory government testing (e.g., emissions testing, fuel economy testing, crashworthiness testing) in the event of a re-sourcing. Compliance with regulatory testing regimens may take many months to complete. To the extent that a re-sourcing materially alters the results of such testing, the Debtors may need to re-submit to protracted additional testing or certifications.

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<sup>5</sup> For example, changes to powertrain parts — even a part as simple as a screw or other fastener — could (a) require the recalibration of entire powertrain assemblies and (b) impact a vehicle's entire architecture. In Chrysler's experience, where new tooling is required, re-sourcing a supplier of powertrain parts from scratch requires the new supplier to complete the entire PPAP process and, thus, can take two years. If the Production Tooling (as such term is defined below) that was used by the old supplier can be removed and used by the new supplier, such timeframes can be shortened, but often such action is impractical because the tooling was originally developed and configured to work within the original supplier's processes and manufacturing facility. Moreover, substantial amounts of time can be absorbed in rigging the tooling, shipping the tooling and installing it at a new facility, training the new supplier on the tooling, acquiring and integrating appropriate capital equipment that can be utilized with the tooling and ensuring that parts being produced are within specification. Thus, even where the necessary tooling is transferable, re-sourcing a Direct Production Part Supplier can still take up to six months. Finally, the regulatory environment within which vehicle manufacturers operate and their need to comply with federal motor vehicle safety standards would impose further costs and delays.

43. Intellectual property concerns also can make re-sourcing difficult, as intellectual property developed by an old supplier may not be usable by a new supplier under existing patent and copyright law. Moreover, even if re-sourcing could be quickly accomplished, the simple cost and administration of multiple re-sourcings likely would be extremely difficult, if not impossible, under the difficult circumstances faced by Chrysler and its limited resources.<sup>6</sup>

44. Additionally, I believe that there is a risk that many of Chrysler's suppliers may assert that they have liens on the Production Tooling in their possession for the value of the fabrication work performed with such tooling and might assert a right to maintain possession of, or even sell, the Production Tooling if not paid.

45. Based on the analysis provided I me, I estimate that, as of the Petition Date, the aggregate amount of prepetition claims held by Direct Production Part Suppliers was approximately \$1.7 billion.<sup>7</sup>

### **Indirect Suppliers**

46. The efficient operation of Chrysler's manufacturing and assembly facilities depends on a substantial number of suppliers (collectively, the "Indirect Suppliers") that provide Chrysler with services and goods that, while not directly incorporated into Chrysler's vehicles, are nevertheless indispensable to the production of such vehicles. Chrysler utilizes a number of

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<sup>6</sup> For example, most of the parts manufactured by Direct Production Part Suppliers are produced using certain tooling (often including other specific equipment not technically considered "tooling") that is owned by Chrysler (collectively, the "Production Tooling"). Many of the Direct Production Part Suppliers to whom parts are re-sourced would expect and require that new Production Tooling (which is generally paid for by an OEM) be paid for by Chrysler if the tooling utilized by the old supplier is not configurable to the new supplier's processes.

<sup>7</sup> While the overwhelming majority of the prepetition claims held by Direct Production Part Suppliers arise out of the delivery of production parts to Chrysler, Chrysler anticipates that the Direct Production Part Suppliers also will seek to recover other, such as claims arising out of certain amortized costs that the Direct Production Parts Suppliers were unable to recover due to Chrysler's cancellation of certain vehicle programs. Based upon past discussions I or other Chrysler employees have had with certain of their Direct Production Part Suppliers, Chrysler estimate that the amount of these non-production claims could be as much as 25% of the total of production-related claims.

highly-skilled and specialized Indirect Suppliers to provide them with, among other goods and services: (a) perishable tools (e.g., welding tips, drill bits, grinding heads, motor bearings, assorted hand and cutting tools, gloves and bags) consumed or used during manufacturing and assembly (collectively, the "Perishable Tools"); (b) materials required to power, utilize and/or maintain Chrysler's equipment and machinery (e.g., gasoline, propane, lubricants, gases, oils, fluids, electrical components and various chemicals and solvents) (collectively, the "Maintenance Materials"); (c) maintenance and repair services necessary for the efficient and continuous functioning of Chrysler's equipment and machinery; (d) services related to Chrysler's engineering, research and development efforts (the "ER&D Services"); and (e) manufacturing and strategic consulting services. Based on the analysis provided to me, I estimate that Chrysler paid approximately \$3.3 billion to Indirect Suppliers in 2008.

47. When operating, many of Chrysler's manufacturing and assembly facilities run multiple shifts per day. Chrysler also has a significant number of testing and engineering facilities. Many of the Indirect Suppliers supply Chrysler with the goods and services necessary to ensure the uninterrupted functioning of these facilities by preventing and, when necessary, correcting breakdowns in machinery and equipment in order to minimize manufacturing and assembly disruptions.

48. If the Indirect Suppliers are unable to provide such goods and services as may be necessary to ramp up Chrysler's facilities following their temporary idling, the loss of these goods and services would increase the risk that Chrysler would be unable to successfully consummate a Sale Transaction. Chrysler generally does not maintain replacement machinery and equipment that can be put into use, as the cost of such replacement equipment and machinery generally was considered cost-prohibitive. Moreover, a substantial amount of the

Perishable Tools and Maintenance Materials utilized by Chrysler are specifically designed for the production of specific parts and, thus, must be specially ordered as opposed to being "catalogue" items that can be easily replaced. In a limited number of circumstances, the Indirect Suppliers provide Chrysler with Single Source Goods and Services, leaving Chrysler with no choice but to turn to the applicable Indirect Supplier for assistance. Accordingly, the recommencement of operations at Chrysler's facilities in anticipation of and following a sale transaction will require renewed access to the goods and services provided by the Indirect Suppliers.

49. Based on the analysis provided to me, I estimate that, as of the Petition Date, the aggregate amount of prepetition claims held by Indirect Suppliers was approximately \$600 million.

#### **Foreign Vendors**

50. In light of the size, sophistication and global nature of Chrysler's businesses, when Chrysler's manufacturing and assembly facilities are operating, it regularly transacts business with vendors (any such vendor, a "Foreign Vendor") located in developing "low-cost" countries or regions such as China, Korea, India, Southeast Asia, Latin America, South America and Central Europe (collectively, the "LCCs"). Many of these Foreign Vendors supply goods or services crucial to the efficient operation of Chrysler's facilities. Moreover, certain of these Foreign Vendors supply goods or services to Chrysler that cannot be obtained from other sources or cannot be obtained from other sources in sufficient quantity or quality or without significant delays. Indeed, with respect to certain goods (e.g., the wiring used in Chrysler's vehicles), the market and supply base for such goods exists only in the LCCs. If production parts are not obtained from the Foreign Vendors as needed (a) to supply Chrysler's operating parts depots with

necessary service parts or (b) upon the anticipated recommencement of operations shortly before the consummation of a sale transaction, Chrysler likely would be unable to maximize the going concern value of its brands and businesses and, thus, fully maximize stakeholder recoveries through the consummation of a sale transaction.<sup>8</sup>

51. Based on information provided to me, I understand that foreign suppliers, particularly those located in LCCs, often have confused and guarded reactions to the United States bankruptcy process. Accordingly, having (a) filed for bankruptcy and (b) declared its intentions to (i) temporarily idle its manufacturing and assembly facilities and (ii) effect a sale transaction in the near term, Chrysler runs a substantial risk that its Foreign Vendors may react by refusing to ship necessary service parts on a continuing basis following the Petition Date and vital production parts during the period immediately preceding a sale transaction, if they are not paid prepetition amounts outstanding. Uncertainty regarding the idling of Chrysler's facilities, the implementation of a sale transaction and Chrysler's status post-bankruptcy could cause a Foreign Vendor to adopt a negative attitude in approaching the unfamiliar territory of chapter 11, which could undermine Chrysler's ability to effect a value-maximizing sale transaction.

52. In addition to undermining Chrysler's relationship with its current Foreign Vendors, the generally guarded reaction to the United States bankruptcy process among foreign suppliers likely would complicate any effort by Chrysler to re-source parts currently supplied by Foreign Vendors to alternative foreign suppliers.

53. There is a further substantial risk that, in those circumstances where Foreign Vendors maintain possession of Chrysler's tooling, those vendors may refuse to release such

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<sup>8</sup> While a "just in time" model is not always possible for Foreign Vendors, the ability to minimize storage costs and limit the amount of funds tied up in raw materials and component parts remains crucial. Moreover, in light of the global nature of Chrysler's suppliers, world events — including weather, natural disasters or political or social unrest — sometimes further narrows the margin for error in Chrysler's supply chain.



tooling in the absence of payment and leave Chrysler without the ability to either re-source critical parts or transfer necessary tooling to the Purchaser in connection with a sale transaction.

54. Furthermore, it is possible that Chrysler's nonpayment of outstanding invoices pending the closing of a sale transaction could be harmful to a Foreign Vendor, even if that Foreign Vendor were willing to do business with Chrysler. As with the domestic automotive industry, certain of the Foreign Vendors are thinly capitalized and have precarious financial situations. Certain of these Foreign Vendors are highly dependent upon Chrysler for their continued viability and can ill afford any loss of operating revenue. With limited or no access to additional capital, and faced with the prospect of an interruption in the flow of receivables from Chrysler while Chrysler's manufacturing and assembly facilities are idled, the nonpayment of the Foreign Claims could result in some of the Foreign Vendors suffering work stoppages or other business disruptions prior to the closing of a sale transaction and might ultimately result in such vendors ceasing operations altogether or filing insolvency proceedings. If that occurred, Chrysler would suffer damaging interruptions in the supply of parts necessary to maintain and service Chrysler's vehicles and Chrysler's ability to resume operations at their manufacturing and assembly facilities in advance of a sale transaction would be undermined.

55. In addition, Chrysler has a number of nondebtor subsidiaries located in 17 foreign countries (collectively with Chrysler, the "Nondebtor Subsidiaries"), including in, among others, Egypt, Mexico, Chile, Venezuela, Taiwan, Turkey, Korea and Brazil. If the Foreign Claims are not paid, the Foreign Vendors may take immediate action against the Nondebtor Subsidiaries, or against property owned by Chrysler itself in foreign countries.

#### **Summary of Essential Suppliers and Foreign Vendors**

56. The Essential Suppliers and Foreign Vendors provide goods and services essential to Chrysler's ability to (a) restart operations at their manufacturing and assembly facilities in connection with a sale transaction and (b) preserve supplier, dealer and consumer confidence in Chrysler, Jeep and Dodge brand vehicles after the Petition Date through the provision of necessary service parts. Moreover, the survival of the Essential Suppliers and Foreign Vendors is essential to preserve the going concern value of Chrysler's businesses and to consummate a sale transaction for the benefit of stakeholders. In my opinion, the provision of authority to Chrysler to pay the Essential Suppliers and Foreign Vendors in its sole discretion is critical to avoid a significant diminution in the value of its estates and its ability to maximize stakeholder recoveries through a sale transaction.

57. Chrysler's management and employees, including myself, in consultation with its professionals, have held numerous internal meetings and have exercised high levels of care in reviewing the facts and circumstances of its Essential Suppliers. Similarly, Chrysler's management, again, including myself, has carefully reviewed the facts and circumstances of their Foreign Vendors by concentrating on factors such as the sophistication of the supplier, the financial state of the supplier, the sole source nature of the supplier, pricing levels, the vehicles to which the parts in question relate and the nature of the Chrysler-supplier working relationships.

58. Chrysler intends to pay only certain of these vendors and intends to require clear prospective commitments from these vendors to supply both Chrysler and the Purchaser (as applicable) in exchange for, and as a condition to, the payment of the Essential Supplier Claims. Likewise, Chrysler would pay the prepetition claims of certain Foreign Vendors, but only to the extent necessary, and on such terms and conditions as are appropriate in Chrysler's sole business

judgment, to avoid irreparable loss of value to the detriment of Chrysler's estates and stakeholders.

59. It is my understanding that Chrysler is seeking authority to pay the prepetition claims of Essential Suppliers and Foreign Vendors, in its sole discretion, to the extent such payment is permitted by, and consistent with the terms of Chrysler's proposed postpetition financing facility. Given the scope of Chrysler's operations, and the importance of preserving the supplier body to consummate a Sale Transaction on a going concern basis, Chrysler submits that the exercise of such authority would be a reasonable and appropriate expenditure of estate funds.

#### **Troubled Supplier Program**

60. In light of the substantial financial difficulties faced by the entire automotive industry (particularly in the last two years), Chrysler has dealt with the financial distress of a substantial number of their suppliers in the ordinary course of Chrysler's businesses. In the automotive industry, when a supplier faces financial distress, one common outcome is the negotiation of, and entry into, an agreement or agreements between the troubled supplier and its customers designed to alleviate that distress (any such agreement, an "Accommodation Agreement"). While any particular Accommodation Agreement will contain provisions specific to the relevant troubled supplier or customer, a standard Accommodation Agreement might include some or all of the following kinds of provisions:

- increased pricing for the supplier;
- provision for a one-time payment to the supplier;
- provision of secured or unsecured funding to the supplier by the customer;
- shortening of payment terms paid by customers to the supplier;

- a commitment by the supplier to continue manufacturing products for the customer;
- agreements regarding the customer's ability/inability (depending on the negotiations) to re-source the supplier;
- the right of customers to access the supplier's facility, books and records and meet and confer with officers;
- an acknowledgement that tooling utilized to manufacture parts is owned by the customers and not the supplier, and providing for its removal by the customers;
- the option for the customer to purchase supplier-owned tooling, machinery and capital equipment at reasonable pricing;
- the right of the customers to enter into and operate the supplier's facility upon the occurrence of certain events; and/or
- a requirement that a parts bank be built by the supplier upon a customer's request.

Chrysler has negotiated and entered into more than 20 Accommodation Agreements in the past two years, and continues to have various obligations outstanding under those agreements.

61. Chrysler anticipates that the commencement of these chapter 11 cases and macroeconomic conditions generally (including the credit crisis and the particular financial distress being experienced in the automotive industry) will cause a number of its suppliers to experience acute financial distress in the upcoming weeks. Moreover, a bankruptcy filing by another OEM would exacerbate this distress to a potentially unsustainable degree.

62. Chrysler is seeking to have the authority, under existing and new Accommodation Agreements, to (a) pay prepetition unsecured nonpriority claims (which claims are also Essential Supplier Claims) and (b) extend secured and unsecured financing to troubled suppliers, up to a maximum aggregate amount of \$550 million (to the extent such payments and financing are permitted by, and consistent with, the terms of Chrysler's postpetition financing facility).

#### **Supplier Support Program**

63. On March 19, 2009, President Obama announced the establishment of the Supplier Support Program by the U.S. Treasury. The Supplier Support Program is intended to provide liquidity for certain qualifying automotive suppliers and contemplates the guarantee, or early payment, of qualified automotive receivables through an OEM's establishment of a bankruptcy-remote special purpose vehicle funded with loans from the U.S. Treasury and capital contributions from the OEM. This special purpose vehicle purchases eligible automotive receivables from tendering suppliers in exchange for a payment either immediately (at a 3% discount from face value) or at maturity (at a 2% discount from face value).

64. On April 2, 2009, to participate in the Supplier Support Program, Chrysler formed nondebtor Chrysler Receivables SPV, LLC (the "Receivables SPV"), to which entity Chrysler's suppliers could sell their outstanding receivables. In accordance with the terms of the Supplier Support Program, Chrysler contributed \$15 million in capital to the Receivables SPV on April 16, 2009, and have contributed a total of \$50 million thereto as of the Petition Date. Although the Supplier Support Program may be terminated by the U.S. Treasury as a result of Chrysler's chapter 11 case, Chrysler anticipates that the Supplier Support Program will remain open for a period of time postpetition pursuant to the terms of a forbearance agreement (the "Forbearance Agreement") currently being negotiated by the U.S. Treasury and the Receivables SPV.<sup>9</sup> If the Supplier Support Program continues, Chrysler will be obligated on a prospective basis to make capital contributions to the Receivables SPV so that the aggregate amount of all capital contributions made to the Receivables SPV equal 5% of the sum of (a) all loans outstanding under the financing facility plus (b) exposure for accounts receivable

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<sup>9</sup> It is my understanding that receivables purchased by the Receivables SPV prior to the Petition Date will be honored and paid by the Receivables SPV, regardless of the U.S. Treasury's ultimate decision with respect to the postpetition continuance of the Supplier Support Program.

purchased by the Receivables SPV but not yet paid for (to the extent such amount has not already been funded).

65. The availability of the Supplier Support Program and the ability of Chrysler's suppliers to receive payment from the Receivables SPV promises to mitigate the amounts that Chrysler might otherwise have to pay to their suppliers pursuant to certain relief sought by decreasing the cost to Chrysler of retiring such receivables. Generally, Chrysler would have to fund approximately only 5% of a receivable's discounted face value to have that receivable retired and the corresponding supplier financially supported.<sup>10</sup>

66. It is my understanding that Chrysler's participation in the Supplier Support Program, and, specifically, its capital contributions to the Receivables SPV may constitute the payment of prepetition claims. The benefits conferred on Chrysler through participation more than justify the required expenditure.

#### **Goods Received in the Last Twenty Days**

67. Chrysler intends to pay sparingly all claims for the value of goods received by it in the ordinary course of its businesses during the 20-day period immediately prior to the Petition Date (the "Twenty-Day Administrative Claims"). Chrysler will proceed with this plan in the interest of preserving its cash prior to the closing of a sale transaction (and in anticipation of a significant percentage of Twenty-Day Administrative Claims ultimately being satisfied in connection with, or as a result of, the assumption and assignment of the underlying purchase orders or contracts to the Purchaser). Chrysler intends to apply a plan similar to that applied to

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<sup>10</sup> The availability of the Supplier Support Program, however, does not obviate the need for the other relief requested by Chrysler. For example, many suppliers may be unable to take advantage of the Supplier Support Program for various business and legal reasons (e.g., certain suppliers may be constrained by the terms of financing agreements; currency reasons; an entity's formation outside of the United States). Other suppliers, moreover, may be unwilling or unwilling to accept the discount from face value that accompanies tender of receivables to the Receivables SPV. In any event, the Supplier Support Program is of limited size and, despite the anticipated execution of the Forbearance Agreement, there is no assurance that it will remain available postpetition.

Essential Suppliers when determining whether to make payment to the holder of some or all of a Twenty-Day Administrative Claim.

68. Based on the analysis provided to me, I estimate the aggregate total of Twenty-Day Administrative Claims outstanding as of the Petition Date to be approximately \$800 million, but estimate that Chrysler will pay only a small portion of those claims prior to the consummation of any sale transaction.

#### **Vendor Procedures**

69. Chrysler also is seeking authority to pay, on a conditional basis, certain claims of vendors who have contractual obligations to Chrysler but that nevertheless may refuse to honor such obligations on a postpetition basis in an effort to extract the payment of prepetition claims by Chrysler (collectively, the "Repudiating Vendors").

70. It is expected that some contract parties—the Repudiating Vendors—may be requested to provide necessary goods or services (e.g., service parts) to Chrysler while their operations are idled, but refuse to perform their contractual obligations unless first paid the amount of their prepetition claims. The payment of such Repudiating Vendors on a conditional basis would be accomplished in light of the impairment of the value of a sale transaction that could be caused by a refusal of payment.

#### **Potential Lienholders**

71. Prior to the Petition Date, and in the ordinary course of Chrysler's businesses, certain parties with commercial relationships with Chrysler had the ability to—and did—obtain liens on and interests in property owned by Chrysler, including, in some cases, a right to a lien by virtue of possession of Chrysler's property (collectively, the "Lienholders"). I believe that the failure to pay the claims of these parties (collectively, the "Lienholder Claims") could have a

significant adverse impact on Chrysler's chapter 11 estates and on Chrysler's ability to consummate a sale transaction that would maximize the value of its assets. In particular, the failure to pay these claims could result in a lack of access to both personal property and services necessary to implement a sale transaction and a smooth transition to the Purchaser, as well as undermine Chrysler's ability to, e.g., maintain critical operations at parts depots pending a sale.

72. I refer here to two categories of Lienholder Claims – Tooling Modification Claims and Repair Claims. With respect to each of these categories of Lienholder Claims, Chrysler's inability to obtain either (a) the personal property of Chrysler in a Lienholder's possession, which is to be sold and transferred to the Purchaser or may be needed for the ongoing operation of parts depots or other activities pending a sale; or (b) the necessary services provided by such Lienholders would impair the ability to complete a sale transaction to the ultimate detriment of all stakeholders. As such, I believe that payment of the Lienholders (in Chrysler's sole discretion) is important to preserve the going concern value of Chrysler's brands and assets in anticipation of a sale transaction.

73. To the extent a Lienholder provides Chrysler with goods or services pursuant to a purchase order or contract, it is my understanding that approval of the payment of related Lienholder Claims at this time generally will not alter the ultimate recovery for such Lienholders, but simply will alter the timing of such payments.

#### **Tooling Modification Claims**

74. Much of Chrysler's business is capital intensive, and Chrysler has regularly purchased machinery, jigs, dies, gauges, molds, patterns, equipment, tooling and other personal property dedicated and tailored to vehicle production (collectively, "Tooling") from their suppliers that will be located at the supplier's own facility (collectively, the "Tooling Suppliers").



In recent years, Chrysler has purchased approximately \$900 million in Tooling annually. Because the dynamic nature of the automotive markets required Chrysler to develop new, and modify existing, vehicles on a continuous basis, Chrysler also purchased new, and modified existing Tooling on a regular basis for use in each of their stamping, powertrain and assembly platforms.

75. I believe it is likely that Tooling Suppliers may assert that they have a lien on Tooling either to secure a claim for (a) parts produced by a Tooling Supplier for Chrysler using the Tooling or (b) modifications and improvements made to the Tooling by a Tooling Supplier at Chrysler's request. I have already discussed parts produced by a Tooling Supplier for Chrysler using the Tooling above, *see supra* ¶¶ 47 - 50. Chrysler also needs the authority to pay prepetition claims of Tooling Suppliers secured by liens in the second category; namely, on Chrysler's Tooling for modifications or improvements to existing Tooling made at Chrysler's request (any such claim, a "Tooling Modification Claim"). It is my understanding that these liens can take the form of so-called "moldbuilder's liens," which secure claims for work done *on* tooling (as differentiated from liens for work done *with* tooling). It is my understanding that Tooling Suppliers may assert that Tooling Modification Claims are secured by "moldbuilder's" liens in their favor.

76. Two primary reasons support Chrysler's payment of Tooling Modification Claims. First, payment of the Tooling Modification Claims may be necessary to reach agreement with the Tooling Suppliers to complete pending projects that are time-sensitive (which projects may involve the production of Tooling). Delays by Tooling Suppliers in completing such projects could threaten to impair the going concern value of Chrysler's assets, and in turn undermine a sale transaction, if Chrysler is unable to transfer necessary Tooling to the Purchaser.

77. Second, many of the Tooling Suppliers are small operations that may be unable to survive Chrysler's non-payment of the Tooling Claims. Because these suppliers are often in the midst of producing Tooling for Chrysler on multiple projects, such a business failure would directly and adversely impact multiple vehicle platforms and would impair the going concern value sought to be preserved through a sale transaction.

78. I therefore believe that it is essential that Chrysler be authorized to pay the Tooling Modification Claims in its sole discretion. Based on the analysis provided to me, I estimate that, as of the Petition Date, the aggregate amount of Tooling Modification Claims was at most \$35 million.

### **Repair Claims**

79. When Chrysler's manufacturing and assembly plants are operating, Chrysler often utilizes the services of artisans to repair or modify machinery and equipment, including Tooling, that are no longer fully operational, require routine maintenance or require modification. Although Chrysler's employees can perform a limited amount of routine maintenance or repairs in-house, Chrysler's employees often lack the requisite skill, specialized tooling or experience to repair or perform needed maintenance on, or modify, Chrysler's machinery or equipment. In fact, certain of this machinery and equipment is proprietary and, thus, only the original manufacturer is qualified to repair it. Therefore, when appropriate, the equipment or machinery in need of repair, maintenance or modification is shipped to the facilities of an artisan, where the repairs, maintenance or modifications are performed.

80. On the Petition Date, certain of the artisans that were in possession of Chrysler's machinery and equipment (collectively, the "Artisans") had outstanding prepetition claims (collectively, the "Repair Claims") for labor and materials utilized in repairing or modifying

Chrysler's machinery and equipment. If Chrysler does not pay the Artisans' Repair Claims, I believe that the Artisans will refuse to (a) return machinery and equipment in their possession to Chrysler once necessary repairs or modifications are complete (or may simply refuse to complete such repairs or modifications) and (b) repair or modify other machinery or equipment that Chrysler determine requires the Artisans' services pending the consummation of a sale transaction (e.g., time-sensitive repairs required to restart operations). By limiting Chrysler's access to necessary machinery and equipment, any such refusal would impair the value of any sale transaction on a going concern basis.

81. The Lienholders, including both Tooling Suppliers and Artisans, provide services (and, in the case of Tooling Suppliers, Tooling) essential to Chrysler's ability to restart operations at their manufacturing and assembly facilities in connection with a sale transaction. Any refusal by the Lienholders to provide such essential services and Tooling required by Chrysler would threaten Chrysler's ability to complete a successful sale transaction, to the detriment of Chrysler's stakeholders.

82. Chrysler's management has carefully reviewed the facts and circumstances of the potential claims of the Lienholders to identify Lienholders the payment of whom would benefit Chrysler's chapter 11 estates by promoting the successful consummation of a sale transaction and maximizing the value received by Chrysler in connection with such a transaction. Chrysler intends to require clear prospective commitments from these Lienholders to provide necessary services to both Chrysler and the Purchaser (as applicable) in exchange for, and as a condition to, the payment of the Lienholder Claims, as discussed in detail below.

83. Based on the analysis provided to me, I estimate that, as of the Petition Date, the aggregate amount of Repair Claims was approximately \$5.4 million.

84. It is my understanding that Chrysler is seeking authority to pay the prepetition claims of Lienholders, in its sole discretion, to the extent such payments are permitted by, and consistent with the terms of Chrysler's proposed postpetition financing facility. Given the scope of Chrysler's operations, and the importance of preserving the supplier body to consummate a Sale Transaction on a going concern basis, Chrysler submits that the exercise of such authority would be a reasonable and appropriate expenditure of estate funds.

#### **The Importance of Immediate Relief and Waiver of Stay**

85. The payment of Essential Supplier Claims, Foreign Vendor Claims, Twenty-Day Administrative Claims, provisional payments to vendors repudiating their contractual obligations, and Lienholder Claims is necessary to prevent the immediate and irreparable damage to Chrysler's brands and going concern value and, thus, to Chrysler's ability to consummate a sale transaction, that would result from Chrysler's inability to preserve their supplier body and obtain indispensable goods and services (e.g., service parts necessary to repair and maintain Chrysler's vehicles) as needed in the initial weeks of these chapter 11 cases.

#### **Chrysler's Efforts to Find Alliance Partners**

86. In addition to my supplier-related experience and responsibility, I was engaged in Chrysler's efforts to pursue business alliances during 2008, as Vice President of Global Alliance Operations.

#### **Potential Alliance with Nissan Motor Company**

87. My first major alliance-related assignment was heading a team of Chrysler personnel involved in a possible business alliance with Nissan Motor Company, Ltd. The possibility of a broad-based alliance with Nissan grew out of the companies' agreement to build, distribute and sell vehicles designed and initially developed by the other. In 2007, Nissan agreed

to design and build a new, fuel-efficient, compact car, the Dodge Hornet, based on its popular front wheel drive Nissan Cube, while Chrysler agreed to return the favor by designing and building a new, large pick-up truck to replace Nissan's internally-designed, slow-selling Titan. Under this deal, Chrysler agreed to sell the Hornet at its dealerships in North America and Europe while Nissan would sell the Chrysler designed and built Titan truck through its distribution network in North and South America.

88. Chrysler and Nissan expanded discussions beyond the Hornet and Titan to a possible broader alliance in February 2008. My primary task on this project, entitled "Project Go Global," was to deliver a high-quality study of potential synergies to my superiors, including Mr. LaSorda, in a timely fashion. I was responsible for creating the synergy implementation plan and for ensuring that the analyses were being performed and exchanged on a timely basis. To that end, I supervised ten teams, in the areas of (1) purchasing, (2) product portfolio, (3) powertrain, (4) manufacturing footprint, (5) advanced and green technologies, (6) sales finance, (7) sales and marketing, (8) logistics, (9) service and parts, and (10) OEM deals, each of whose objective was to quantify potential synergies resulting from a Chrysler-Nissan alliance. The joint Chrysler-Nissan synergy teams generally included between 7 and 16 high level executives and operational level employees.

89. The companies committed a significant amount of time and manpower to the project. The synergy team co-leaders conducted weekly phone conversations or video teleconferences for three months. Additionally, Robert Nardelli, Chrysler's Chairman and CEO, Mr. LaSorda or I participated in intercompany face-to-face meetings on a number of occasions and phone calls on a nearly weekly basis.

90. In May 2008, after three months of analysis and negotiations, the synergy teams presented their findings. The study showed potential synergies of over \$11.5 billion in cash flow (on a net present value basis) over an eight-year period. Among the areas for collaboration and cost savings identified were platform sharing, volume bundling, development cost-sharing, and making common current engine platforms with next generation technology. Additionally, the companies anticipated benefiting from Chrysler's ability to use Nissan's distribution network in South America (where Chrysler currently has very little presence) and Nissan's ability to utilize Chrysler's NAFTA region production plants (where Nissan has little capacity).

91. Both companies went to great lengths to figure out whether an alliance could make sense and at the end of our analysis in May 2008, I was very optimistic that a deal benefiting both companies could be reached. Shortly after the synergy study was presented to both companies, Chrysler established integration teams to move forward with the alliance process. These integration efforts stopped in August 2008 because the companies could not come to an agreement on final terms for a Chrysler-Nissan alliance.

92. On September 10, 2008, principals for both companies, including Mr. LaSorda and myself for Chrysler and Mr. Tavares and Mr. Sakagami for Nissan met in Paris to resume discussions. At this meeting, the parties' synergy study was discussed, despite the recognition that some of the synergies identified earlier in the year might have been lost. Mr. LaSorda, Mr. Tavares and the other executives attempted to identify new, more aggressive synergies to compensate for what had been lost. Despite intense, determined follow-up activity on the initiatives identified in Paris, however, a mutually acceptable agreement could not be reached.

#### **Potential Alliance with General Motors Corporation**

93. At the same time Chrysler was pursuing an alliance with Nissan we initiated discussions with General Motors ("GM") along the same general lines. Discussions with GM, alternatively referred to as "Project Denali" or "Project America," commenced in June 2008 and formally kicked off on August 8, 2008.

94. Again, my role in the discussions with GM was to facilitate efforts to develop and quantify potential synergies of the contemplated Chrysler-GM alliance. My Project America GM counterpart was Clay Phillips, Director, GM Intelligence—R&D and Strategic Planning. Chrysler and GM quickly assembled teams in early August to assess synergies for the two companies under a combined structure across eight different areas: (1) purchasing, (2) product portfolio and platforms, (3) powertrain, (4) manufacturing footprint, (5) engineering and advanced green technology, (6) sales and marketing footprint, (7) logistics, service, parts and accessories, and (8) related distribution. Each team, consisting of executives and operational level personnel, met at least once or twice a week over the 30-day study, and at the end of each week, contributed to the joint management status update. On August 28, 2008, the teams presented a report indicating that an alliance between Chrysler and GM could generate a range of total enterprise synergies of between \$26.3 billion and \$37.8 billion in gross cash flow over a six-year period (without one-time charges).

95. I believe both Chrysler and GM were optimistic that a deal could be struck because of the sizable synergies identified in the report. Both Mr. Phillips and Fritz Henderson, then-GM's President and Chief Operating Officer, expressed enthusiasm to me about a Chrysler-GM alliance and I personally was enthusiastic about a Chrysler-GM deal.

96. Due diligence on Project America eventually started on October 29, 2008 but was terminated shortly thereafter, on November 3, 2008. Despite early progress, as economic

conditions worsened and merger financing looked increasingly problematic due to the strained credit markets, GM suspended merger negotiations with Chrysler.

#### **Other Potential Alliances**

97. I managed alliance efforts with additional companies during my tenure as Vice President of Global Alliance Operations, including GAZ Group, Magna International, and Hyundai-Kia.

98. In early 2008, Chrysler participated in three-way discussions with GAZ, a Russian auto manufacturer, and Magna, a large Canadian parts supplier, regarding the possibility of producing the Dodge Caliber and Jeep Patriot at a GAZ factory in Russia for sale in the Russian market. In addition to that specific line of cars, there was also discussion between the three companies concerning a potential joint venture that would have resulted in a number of Chrysler models being produced in Russia.

99. Throughout the summer of 2008, I, along with Mr. LaSorda, had a number of face-to-face meetings with Andrzej Kasperek, GAZ's Director of Corporate Business Development and M&A, Manfred Eiback, Executive VP of Magna Europe, and Burkhard Goeschel, Magna's Chief Technical Officer of Vehicles and Powertrain to discuss the potential deals. In addition to these face-to-face meetings, my staff or I had a series of meetings or conference calls between June and October with GAZ and Magna representatives regarding a potential alliance.

100. In August, the conversation focused on establishing a new car company in Russia with GAZ, Magna and Chrysler as equity partners. The joint venture would have allowed for a wide distribution of Chrysler vehicles in Russia using GAZ's Russian and Ukrainian dealership network. The three companies signed a memorandum of understanding to that effect



in September 2008, but due to the worsening global economy, we were not able to consummate a deal.

101. In June 2008, Chrysler initiated discussions with Hyundai-Kia Motors, about developing a strategic alliance based on the manufacturer and supply of compact/small cars. I traveled to Seoul, South Korea in July 2008 and August 2008 to meet with Seung Tack Kim, Kia Global Strategy Group's Senior Vice President, to discuss developing a variant of the Kia Rio sedan and hatchback for Chrysler. During my trip in August 2008, I was able to obtain a tentative agreement from Kia on the Rio's pricing, but in subsequent negotiations Chrysler and Hyundai could not agree on the terms of a deal. At the end of September 2008, I received a letter from Mr. Kim declining Chrysler's alliance offer due to manufacturing compatibility issues.

#### **Alliance Negotiations with Fiat Automotive Group, S.p.A.**

102. After Mr. LaSorda asked me to head Chrysler's Global Alliance Operations in January 2008, I came to learn that Chrysler had previously communicated with the Italian automobile manufacturer Fiat Group S.p.A. about a potential alliance. That effort, called "Project Capitol," had begun in September 2007 and focused on the manufacture and sale of Fiat's F500 compact car, a potential joint venture to sell Alfa Romeo vehicles through Chrysler dealers, and other potential vehicle-sharing agreements.

103. My personal involvement in Project Capitol began in June 2008. At that time, I received a call from Mr. LaSorda, who expressed optimism about a potential collaboration with Fiat on the F500, and asked that I start participating in the discussions. Fiat thought there was merit to the potential collaboration, but was content to wait a year before proceeding. Mr. LaSorda pushed Fiat to agree to a deal. As part of that effort, we offered Fiat the possibility of acquiring the rights to the Dodge Dakota, along with the proper Chrysler tools and machinery, to

build the Dakota in Brazil. Indeed, a variety of different topics were being explored, including: (1) distribution opportunities for Fiat in the NAFTA region and for Chrysler in Russia and China, (2) platform and vehicle sharing between the two companies, (3) investigation of a two-cylinder, advanced technology hybrid engine, (4) Fiat's sharing of its dual-clutch transmission, and (5) various manufacturing opportunities.

104. In October 2008, Mr. LaSorda and I met with Silvia Vernetti, Manager of Business Development and Alliances Management and Alfredo Altavilla, CEO of Fiat Powertrain Technologies in Turin, Italy to discuss the F500/Dodge Dakota collaboration. At the Turin meeting, we discussed supplier procurement plans, potential sales volumes for the cars in U.S., Latin American and European markets as well as details for future steps and meetings to accomplish the deal.

105. Shortly thereafter, Messrs. Nardelli and LaSorda had a follow-up meeting with Fiat personnel. When they returned, they instructed me to put together an alliance study. On November 21, 2008, Project Capitol synergy teams reported their findings that there were a number of potential synergies in a Fiat-Chrysler alliance. The companies would benefit from products and platform sharing for a number vehicles, including larger vehicles from Chrysler and smaller, fuel-efficient vehicles for Fiat. The companies would also save substantial amounts by combining their purchasing power. Moreover, the two companies would gain significant savings through manufacturing capacity optimization and powertrain collaboration. Finally, Chrysler would gain access to Russian and Latin American markets through Fiat's network. Altogether, the studies showed operational synergies of over \$3.7 billion in cash flow (on a net present value basis) over an eight-year period.

106. Shortly after the Project Capitol synergy reports were delivered, I accepted the position as Senior Vice President and Chief Procurement Officer, and thus my involvement in the Fiat negotiations ended.

107. My year of working on alliances for Chrysler revealed to me the difficulty of coming to find resolution on any deal—even when apparent and significant synergies were identified. The synergies we have found with Fiat are significant and would give Chrysler a chance to succeed and grow as a player on the global automotive market.

I declare under penalty of perjury that the foregoing statements are true and correct.

Executed on: April 30, 2009

By: /s/ Scott R. Garberding  
Scott R. Garberding

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Proposed Attorneys for Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11
	:	
Chrysler LLC, <i>et al.</i> ,	:	Case No. 09-50002 (AJG)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

**SUPPLEMENTAL DECLARATION OF ROBERT MANZO**

I, Robert Manzo, make this Supplemental Declaration under 28 U.S.C. § 1746 and state:

1. I am an Executive Director with Capstone Advisory Group, LLC (together with its wholly-owned subsidiaries, agents, independent contractors and employees, “Capstone”), a financial advisory services firm with five offices throughout the country. I am the same Robert Manzo who filed a Declaration, dated April 30, 2009, in support of the debtor Chrysler LLC’s, and 24 of its domestic direct and indirect subsidiaries (“Chrysler”, the “Company”, or the “Debtors”), request that the Court approve the sale of assets to Fiat Group S.p.A. (“Fiat”). I file this Supplemental Declaration now to update my debtor-in-possession (“DIP”) financing analysis to reflect, among other things, actual ending cash balances as of the Petition date.

2. On April 28, 2009, I completed the “Preliminary DIP Budget – 9 Weeks Assuming a 363 Sale”, which was submitted to the Court on April 30, 2009. To reflect later changes in cash available, on May 3, 2009, I updated the “Preliminary DIP Budget – 9 Weeks Assuming a 363 Sale”, a true and correct copy of which is attached as Exhibit A to this Supplemental Declaration. If called upon to testify in this matter I would testify on all of the subject matter contained in the May 3, 2009 “Preliminary DIP Budget – 9 Weeks Assuming a 363 Sale”, and on the opinions stated therein. This supplemental analysis does not substantively affect the substance of my prior analysis and conclusions.

I declare under penalty of perjury that the foregoing statements are true and correct.

Executed on: May 3, 2009

By: /s/ Robert Manzo  
Robert Manzo

**EXHIBIT A**

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**Preliminary DIP Budget – 9 Weeks**  
**Assuming a 363 Sale**

May 3, 2009

**Preliminary Draft**  
**For Discussion Purposes Only**  
**Private and Confidential**

# I. Basis of Presentation

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1. \$400 million of cash collateral is assumed available. Actual cash on the filing date was approximately \$660 million, of which \$400 million has been agreed to among the parties to be used as cash collateral.
2. The Debtor-in-Possession Budget (the “DIP Budget”) assumes that the Company is able to reach agreement with all of the significant stakeholders in advance of a 363 sale within a Chapter 11 proceeding. The DIP Budget assumes a May 1, 2009 filing. It is assumed that the duration of the bankruptcy is up to 9 weeks.
3. The Dip Budget assumes that the Company will obtain court approval to use cash collateral.
4. The analysis assumes that the Company obtains court approval to continue to pay supplier claims to maintain the supply chain and to honor any customer service claims including warranty claims.
5. The DIP Budget assumes that as a result of the filing, there are no dealer orders received and no production during the pendency of the bankruptcy.
6. Since the DIP Budget assumes that the Company is able to honor many prepetition claims, the 13-Week Cash Forecast dated April 13, 2009 is the basis for the DIP Budget receipts and disbursements.



# I. Basis of Presentation

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7. The payments included in the 13-Week Cash Forecast that are assumed not made include the \$200 million in payments to NSC companies, and interest and principal payments on the Company's debt. Additionally, the beginning cash balance has been adjusted to reflect the receipt of \$300 million from Canada as the intercompany terms are adjusted to normalized terms.
8. Additionally, the DIP Budget assumes that hourly workers are placed on lay-off status through the 9 month period and that their pay is reduced to one-third of the amount included in the 13-Week Cash Forecast. The DIP Budget also assumes that payment for unpaid 2008 vacation under the UAW agreement approximating \$86 million is made the week of May 18<sup>th</sup>.
9. The Dip Budget also assumes that the salaried workforce is placed on unpaid vacation for 2 weeks resulting in a \$21 million savings of salaried labor costs.
10. The DIP Budget assumes that incentive payments to 25% of the Company's dealers are not made as the Company looks to reorganize its dealer network. The DIP Budget also assumes that incentives included in the 13-Week Cash Forecast are reduced a further 50% from June 1<sup>st</sup> – July 5<sup>th</sup>.
11. Marketing expenditures are assumed to be reduced by 50% of the 13-Week Cash Forecast amount. It is assumed that this level of marketing is needed to preserve the value of the brands, assuming a quick sale of the core brands to a going concern purchaser.

## 9 week DIP Budget beginning May 5, 2009

U.S. Dollars in millions

		Week Beginning:									Total Bankruptcy
		5/4	5/11	5/18	5/25	6/1	6/8	6/15	6/22	6/29	
<b>U.S. Units Shipped (in thousands)</b>		-	-	-	-	-	-	-	-	-	-
<i>Memo: Calendar Month Total</i>											
<i>Memo: Calendar Month Order Coverage</i>											
<b>Cash Receipts</b>											
Wholesale Receipts	\$	-	\$	-	\$	-	\$	-	\$	-	-
Parts & Service Receipts		-	-	-	-	-	-	-	-	-	-
Intercompany Receipts		-	-	-	-	-	-	-	-	-	-
Other Receipts		-	-	-	-	-	-	-	-	-	-
Non-Operating Receipts		-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>											
<b>Cash Disbursements</b>											
Wages and Salary											
Labor - Hourly		(6)	(6)	(92)	(7)	(20)	(6)	(6)	(6)	(6)	(155)
Labor - Salary		(2)	(8)	(2)	(21)	(2)	(8)	(2)	(44)	(1)	(89)
Severance					-						-
Taxes		(12)	(26)	(13)	(42)	(12)	(2)	(32)	(17)	(37)	(192)
Pension and OPEB		-	-	-	-	-	-	-	-	-	-
Total Wages and Salary		(20)	(40)	(106)	(70)	(33)	(16)	(39)	(67)	(43)	(435)
Manufacturing											
Critical Vendor Payments		(2)	(1)	(1)	(1)	(1)	(2)	(1)	(3)	(1)	(12)
Productive Material		(200)	(383)	(160)	(264)	(352)	(135)	-	-	-	(1,493)
Non-Productive Material		-	-	-	-	-	-	-	-	-	-
CapEx and tooling		(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(24)	(200)
Freight		-	-	-	-	-	-	-	-	-	-
G&A		(14)	(8)	(13)	(26)	(10)	(8)	(14)	(18)	(15)	(125)
Manufacturing Overhead		(7)	(8)	(4)	(9)	(10)	(15)	(19)	(12)	(13)	(97)
Utilities		(1)	(9)	(4)	(4)	(1)	(1)	(11)	(3)	(1)	(36)
Total Manufacturing		(246)	(430)	(205)	(325)	(396)	(183)	(67)	(58)	(53)	(1,963)
Other											
Incentives		(107)	(96)	(127)	(147)	(45)	(46)	(59)	(70)	(55)	(753)
Payments to National Sales Companies		-	-	-	-	-	-	-	-	-	-
Intercompany Disbursements		-	-	-	-	-	-	-	-	-	-
Benefits		(47)	(16)	(37)	(64)	(46)	(21)	(40)	(56)	(54)	(381)
VTEP		(71)	-	-	(50)	(504)	-	(29)	-	(14)	(668)
Warranty Disbursements		(29)	(29)	(29)	(29)	(30)	(30)	(30)	(30)	(30)	(266)
Other Op. Disb.		-	-	-	-	-	-	-	-	-	-
Marketing		(10)	(2)	(8)	(4)	(6)	(8)	(15)	(7)	(7)	(67)
Engineering Research & Development		-	-	-	-	-	-	-	-	-	-
Miscellaneous		(9)	(8)	(8)	(9)	(7)	(7)	(8)	(8)	(7)	(71)
Principal Payments		-	-	-	-	-	-	-	-	-	-
Interest Payments		-	-	-	-	-	-	-	-	-	-
Other Non-Operating Disb.		-	(1)	-	(1)	-	(1)	-	(1)	-	(4)
Total Other		(273)	(153)	(209)	(305)	(639)	(112)	(180)	(172)	(167)	(2,209)
Professional Fees		-	-	-	-	-	-	(30)	-	-	(30)
<b>Total Disbursements</b>		<b>\$ (539)</b>	<b>\$ (623)</b>	<b>\$ (520)</b>	<b>\$ (700)</b>	<b>\$ (1,068)</b>	<b>\$ (311)</b>	<b>\$ (317)</b>	<b>\$ (297)</b>	<b>\$ (263)</b>	<b>\$ (4,637)</b>
<b>Permitted DIP Funding</b>											
Cumulative Disbursements	\$	(539)	\$ (1,161)	\$ (1,681)	\$ (2,381)	\$ (3,449)	\$ (3,760)	\$ (4,077)	\$ (4,374)	\$ (4,637)	\$ (4,637)
Add: Agreed Upon Contingency		(108)	(232)	(252)	(238)	(345)	(376)	(407)	(126)	137	137
Less: Use of Domestic Cash On-hand at Filing Date		400	400	400	400	400	400	400	400	400	400
<b>Total Maximum DIP Borrowing</b>		<b>\$ (246)</b>	<b>\$ (993)</b>	<b>\$ (1,533)</b>	<b>\$ (2,219)</b>	<b>\$ (3,394)</b>	<b>\$ (3,736)</b>	<b>\$ (4,084)</b>	<b>\$ (4,100)</b>	<b>\$ (4,100)</b>	<b>\$ (4,100)</b>

(1) Maximum DIP borrowing may not exceed \$4.1 billion. Actual disbursements may not exceed the amount of the maximum DIP borrowing plus actual MOPAR receipts, if any

(2) Total domestic cash was approximately \$660 million of which \$260 million is the minimum cash balance that must be kept on hand at all times for DIP covenant purposes

(3) Reductions in disbursement levels may be necessary throughout the forecast period to alleviate an additional cash need the week of June 29

### III. Explanation of Notes

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- a) **Wholesale Receipts** – the DIP Budget assumes that there are no orders from dealers in the first 4 weeks following the filing as they await the outcome of the sale process. As a result of the lack of dealer orders, there is no production assumed during the pendency of the bankruptcy.
- b) **Parts & Services Receipts** – assumes no Mopar sales during the pendency of the bankruptcy, however some insignificant amount is expected to be received.
- c) **Intercompany Receipts/Disbursements** – the DIP Budget assumes there are no transactions with the foreign subsidiaries during the bankruptcy.
- d) **Labor – Hourly** – the DIP Budget assumes that the hourly employees receive payments under the collective bargaining agreement in the form of supplemental pay. It is assumed that such payments are one-third of the 13-Week Cash Flow forecast weekly amounts.
- e) **Labor – Salaried** – assumes that the salaried workforce is required to take a 2 week unpaid vacation resulting in a \$21 million savings during the DIP period.

### III. Explanation of Notes

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- f) **Severance** – the DIP Budget assumes no termination in the DIP period and therefore no severance is assumed paid.
- g) **Taxes** – assumes that taxes, including property taxes are paid based on the 13-Week Cash Forecast.
- h) **Critical Vendor Payments** – assumes that payments to trouble vendors are made in accordance with the 13-Week Cash Forecast. These payments are made to ensure that troubled vendors that are critical to the production plan are operating to supply parts following the sale of the Company.
- i) **Productive Materials** – assumes that payments to inventory suppliers are made based on the 13-Week Forecast through June 14<sup>th</sup>. It is assumed that if these payments are not made, many of the Company's suppliers could be forced into bankruptcy which could disrupt inventory supply following the sale. Additionally, many of these payments would need to be made prior to the assumption of the contracts by the purchaser. It is assumed that there should be minimal open trade payables as of June 15<sup>th</sup>. The DIP Budget assumes no vendor payments made after June 15<sup>th</sup>.

### III. Explanation of Notes

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- j) **Non-productive Material** – since there is limited production assumed, payments related to non-productive materials are assumed to be deferred.
- k) **CapEx/Tooling and ER&D** – since there is limited production, the DIP Budget assumes that these disbursements are reduced to \$200 million in total during the DIP period. The 13-Week Cash Forecast assumed that the disbursements related to CapEx, Tooling and ER&D were \$161 million, \$223 million and \$89 million, respectively, during the 9 week period.
- l) **Freight** – since there is limited production, assumes no freight payments during the DIP period.
- m) **G&A** – are primarily related to IT systems for all functions including manufacturing, research and development and finance. It is assumed that these programs will be continued at current levels in the near-term while the sale process is on-going.
- n) **Manufacturing Overhead** – includes outside maintenance contracts and maintenance materials to maintain the production equipment. The DIP Budget assumes that such disbursements are reduce to 50% of the 13-Week Cash Forecast amount for the shutdown period (May 4<sup>th</sup> – May 31<sup>st</sup>). Assumes that disbursements from June 1<sup>st</sup> – July 5 are at the 13-Week Cash Forecast amount to prepare the facilities for the ultimate startup. Assumes that the upkeep of the plant and equipment will continue in order to keep the facilities in working order.

### III. Explanation of Notes

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- o) Utilities** – the DIP budget assumes that utility cost remain at the pre-filing levels as the Company must maintain the plants in working order to effectuate a quick sale process.
- p) Incentives** – assumes that the Company will only pay incentives to those dealers that they believe will have value to the acquiring company. Assumes that such payments represent 75% of the 13-Week Cash Forecast amounts. Assumes that incentives are further reduced 50% from June 1<sup>st</sup> – July 5<sup>th</sup>.
- q) Benefits** – are assumed to continue at the UAW contractual levels during the DIP period.
- r) VTEP** – represent the contractual incentive payments to UAW workers that voluntarily resign. This allows the Company to replace these workers with Tier II employees that have lower benefits cost thereby reducing overall payroll.
- s) Warranty Disbursements** – the DIP Budget assumes that in order to preserve brand value in a sale current warranty obligations will need to be honored during the bankruptcy.
- t) Marketing** – the DIP Budget assumes that in order to preserve brand value and maximize the potential value of the asset sales, the Company maintains its marketing spending at 50% of the pre-filing assumed amounts.

### III. Explanation of Notes

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- u) **Professional Fees** – the DIP Budget assumes that the first months actual fees total \$30 million and are paid in the 9 weeks following the filing. Paid on the week of June 15. Total professional fees are likely to be higher.
- v) **Return of collateral held by FINCO** – it is assumed that the \$500 million collateral being held by FINCO is not returned during the pendency of the bankruptcy.
- w) **Fee to DIP Lender** –no fees to the DIP lender are assumed.
- x) **Contingency** – for purposes of sizing the DIP financing requirement, we have included a contingency on the projected cash disbursements based on negotiations with the U.S. Treasury.
- y) **Beginning Cash – U.S.** – represents the U.S. cash reflected in the 13-Week Cash Forecast adjusted for the \$200 million NSC payments and the \$300 million in Canadian receipts previously noted.
- z) **Minimum Required Cash – U.S.** – it is assumed that the Company must maintain a minimum \$260 million cash balance in the U.S.

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ATTORNEYS FOR THE CHRYSLER  
NON-TARP LENDERS

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

	)	
In re	)	Chapter 11
	)	
CHRYSLER, LLC, <u>et al.</u> ,	)	Case No. 09-50002-AJG
	)	Jointly Administered
Debtors.	)	
	)	

**VERIFIED STATEMENT OF WHITE & CASE LLP  
PURSUANT TO BANKRUPTCY RULE 2019**

White & Case LLP (“White & Case”) represents the creditors and parties in interest identified below in the above-captioned chapter 11 cases (the “Chapter 11 Cases”) of Chrysler, LLC (“Chrysler”) and certain of its affiliates (collectively with Chrysler, the “Debtors”), and pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), states as follows:

1. White & Case is an international law firm that maintains its principle office at 1155 Avenue of the Americas, New York, New York 10036, and numerous additional offices throughout the United States and worldwide.



2. White & Case serves as counsel to the Chrysler Non-TARP Lenders, consisting of certain unaffiliated lenders under that certain First Lien Credit Agreement, dated as of August 3, 2007 (as may have been amended or supplemented, the “Senior Credit Agreement”) among Chrysler and certain of its affiliates, as borrowers, JPMorgan Chase, as administrative agent, and certain lenders party thereto from time to time (the “Senior Lenders”), under which the Senior Lenders are owed \$6.9 billion (the “Senior Debt”). The names and addresses of each of the Chrysler Non-TARP Lenders are set forth on Exhibit A attached hereto.

3. White & Case has represented, at various times prior to today, other Senior Lenders who have elected for various reasons to withdraw from the Chrysler Non-TARP Lenders, and is aware of other Senior Lenders who have not consented to the current proposal made by the Debtors to the Senior Lenders but who have declined to join the Chrysler Non-TARP Lenders, as a consequence of concerns stemming from publicity of these chapter 11 cases. Each of the Chrysler Non-TARP Lenders will lose money for their investors based on the current proposal made by the Debtors to the Senior Lenders.

4. None of the Chrysler Non-TARP Lenders hold any credit default swaps or hedges with respect to their holdings of Senior Debt.

5. As of the date hereof, each of the Chrysler Non-TARP Lenders is a holder, or investment advisor to a holder, of the Senior Debt. White & Case has been advised by the Chrysler Non-TARP Lenders that, as of the date hereof, they collectively are the beneficial owner of, or the holder or manager of, various accounts with investment authority, contractual authority or voting authority for more than \$295,000,000 principal amount of the Senior Debt. The terms of White & Case’s engagement by the Chrysler Non-TARP Lenders are set forth in the Agreement of the Chrysler CarCo Lenders Group, which is attached as Exhibit B.

6. Although the Chrysler Non-TARP Lenders have hired White & Case to represent their interests and to enable their voices to be heard more effectively and efficiently as a group, each of the Chrysler Non-TARP Lenders makes its own decisions as to how it wishes to proceed and does not speak for, or on behalf of, any other creditor, including the other Chrysler Non-TARP Lenders in their individual capacities.

7. White & Case does not own any claims against or equity interests in any of the Debtors.

8. In the event that White & Case undertakes additional representation of other clients in these Chapter 11 Cases, this statement shall be supplemented in accordance with Bankruptcy Rule 2019.

Dated: May 6, 2009

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By: /s/ Gerard H. Uzzì  
Gerard H. Uzzì

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Thomas E Lauria (*admitted pro hac vice*)

ATTORNEYS FOR THE  
CHRYSLER NON-TARP LENDERS

**VERIFICATION**

I, Gerard H. Uzzi, a member of White & Case LLP, a law firm with offices at 1155 Avenue of the Americas, New York, New York, 10036, declare under penalty of perjury that I have read the foregoing Verified Statement of White & Case LLP Pursuant to Bankruptcy Rule 2019 and that it is true and correct to the best of my knowledge, information and belief.

Executed on May 6, 2009

By: /s/ Gerard H. Uzzi  
Gerard H. Uzzi

### **Exhibit A**

The Chrysler Non-TARP Lenders are as follows:

<b><u>Holders</u></b>	<b><u>Address</u></b>
Schultze Master Fund Ltd.	3000 Westchester Avenue, Ste. 204 Purchase, NY 10577
Arrow Distressed Securities Fund	3000 Westchester Avenue, Ste. 204 Purchase, NY 10577
Schultze Apex Master Fund	3000 Westchester Avenue, Ste. 204 Purchase, NY 10577
Stairway Capital Management II, L.P.	519 RXR Plaza Uniondale, NY 11556
Group G Partners LP	800 Third Avenue, 23rd Floor New York, NY 10022
GGCP Sequoia L.P.	800 Third Avenue, 23rd Floor New York, NY 10022
Oppenheimer Senior Floating Rate Fund	Two World Financial Center 225 Liberty Street New York, NY 10281
Oppenheimer Master Loan Fund LLC	Two World Financial Center 225 Liberty Street New York, NY 10281
Foxhill Opportunity Master Fund, LP	502 Carnegie Center Princeton, NJ 08540

**Approximate Aggregate Holdings:    \$295,000,000.00**

## **Exhibit B**

## **AGREEMENT OF THE CHRYSLER CARCO LENDERS GROUP**

### **I. The Lenders Group**

1.1 The “Chrysler CarCo Lenders Group” or the “Group” is comprised of the signatories hereto, as modified by resignations, additions or replacements of the signatories hereto (each, a “Participant”), each of which is a lender of that certain first lien secured debt issued by Chrysler LLC (“Chrysler CarCo Debt”), and that, as a result, hold claims against Chrysler LLC (“Chrysler”).

### **II. Participation**

2.1 Any Participant may be represented at a Group meeting by one or more designated individuals (each a “Representative”). A Representative, who may be an employee, partner, officer or inside or outside attorney of a Participant, may be appointed or removed by any Participant by written notice to the Chairperson (as defined in section 5.1 hereof). The provisions of this paragraph also apply to subcommittee meetings.

2.2 If a Participant assigns, sells, or otherwise transfers all of its Chrysler CarCo Debt to another entity, such Participant shall no longer be eligible to participate in the Group. Any Participant who fails to abide by the terms of this Agreement may be disqualified from further Participation in the Group.

### **III. Steering Group**

3.1 The Steering Group of the Chrysler CarCo Lenders Group (the “Steering Group”) shall be composed of up to 3 Participants (or such other number to which a majority of the Participants might agree) who volunteer to participate on the Steering Group (each, a “Steering Group Participant”). The initial Steering Group Participants shall include the following signatories hereto: Stairway Capital and Oppenheimer Funds Inc.

#### **IV. Meetings**

4.1 A Group meeting may be held in person, by telephone conference call, or by a combination of the two, as shall be determined by the Chairperson, and shall require a quorum (as defined in section 4.4 hereof) at the beginning of the meeting.

4.2 Meetings of the Chrysler CarCo Lenders Group can be called by any Participant or counsel to the Group (“Counsel”) on at least two (2) day’s notice to each Participant; provided, that if, in the reasonable discretion of the Chairperson or Counsel, an emergency occurs requiring action, the Chairperson or Counsel may call a meeting on at least two (2) hours notice, if at all practicable.

4.3 A Participant may vote through its Representative or by written proxy. Proxies, however, shall not be counted for the purpose of establishing a quorum. A proxy shall be in writing, signed by the Representative of a Participant and specify the particular issue or issues to which it pertains.

4.4 Action by the Group may be taken only during a duly constituted meeting at which a quorum is present (except as provided in section 4.7 hereof) and shall require the affirmative vote of a simple majority of the Participants participating in such meeting and entitled to vote in person or by proxy. A “quorum” shall exist if (1) a simple majority of the Group and (2) a simple majority of the Steering Group are both present. Amendment of any section of this Agreement other than this section 4.4 shall require an affirmative vote of (1) each Steering Group Participant participating in such meeting and (2) a simple majority of the Participants participating in such meeting and entitled to vote. Amendment of this section 4.4 shall require a unanimous vote of all the Participants. The Chairperson shall tally and record the votes of the Participants voting. The Chairperson’s determination of the vote of the Group with

respect to any matter shall be final.

4.5 The agenda for regularly scheduled meetings shall be prepared by the Chairperson with advice of Counsel. Steering Group Participants may suggest agenda items to the Chairperson or Counsel at any time, although Participants should use their best efforts to submit such suggestions at least one day before the scheduled meeting. Where feasible, the agenda shall be sent to the Participants and their counsel prior to the scheduled meeting.

4.6 Due to the sensitive nature of matters that may be discussed by the Group, meetings of the Group shall not be open to persons other than Participants, including their Representatives and counsel, and professionals employed by the Group; provided, that the Group may, in its discretion, permit other persons to attend for special, limited purposes or as ex officio Participants. Participants and all other persons attending Group meetings shall take all appropriate measures to preserve the confidentiality of all matters discussed at Group meetings.

**V. The Functions of the Chrysler CarCo Lenders Group**

5.1 The Group may determine to take such action as it determines to be appropriate, including but not limited to the following:

- (a) select and employ attorneys, financial advisors, accountants, or other advisors, experts and agents to represent and perform services and assist in the exercise of the powers and duties of the Group;
- (b) in the event that Chrysler and/or any of its affiliates commences insolvency proceedings in the U.S. or any other jurisdiction (“Insolvency Proceedings”), consult with Chrysler or any of its affiliates, any Official Committee of Unsecured Creditors (or similar official creditors group) of Chrysler or any of its affiliates, any other person appointed by the United



States Trustee (or similar government official) or a court of competent jurisdiction administering such Insolvency Proceedings, or any other creditor or party in interest in such Insolvency Proceedings;

- (c) engage in discussions and negotiations regarding a potential restructuring of the Company's debt outside of or in contemplation of formal Insolvency Proceedings;
- (d) investigate the acts, conduct, assets, liabilities, operations, and financial condition of Chrysler and its affiliates (the "Company"), any matters relevant to the restructuring of the debt of the Company, and, in the event that Insolvency Proceedings are commenced by Chrysler and/or any of its affiliates, any other matter relevant to such Insolvency Proceedings or to the formulation of a plan or plans of reorganization;
- (e) participate in the administration of any Insolvency Proceedings initiated by Chrysler and/or its affiliates, including, without limitation, appearing through counsel at hearings before the Court and the submission of pleadings and formal documents with respect to matters affecting the Company; and
- (d) participate in the formulation of a plan or plans of reorganization for Chrysler and/or its affiliates and advise similarly situated creditors of the Group's determination as to any plan or plans formulated in any Insolvency Proceedings commenced by Chrysler and/or its affiliates.

5.2 The Group may express opinions and take positions on relevant issues as a group, but only after a vote of the Participants. Such opinions and positions shall not be

construed as the opinions or positions of any individual Participant. The Group intends to generally proceed by consensus. Nothing herein shall be construed to obligate any Participant to take or abstain from taking any action on its own behalf in its sole discretion except as specifically otherwise provided in this Agreement.

## **VI. Chairperson**

6.1 The Chairperson of the Group shall be initially a Representative of [\_\_\_\_\_]. The Chairperson may be replaced by a simple majority vote of the Group.

6.2 The Chairperson shall preside at all meetings of the Group and the Steering Group, as the case may be, and subject to a simple majority vote of the Group, shall have such powers and duties to be determined by the Group. The Chairperson shall see that all resolutions of the Group are carried into effect.

## **VII. Continuing Right of Participants to Act in Individual Capacity**

7.1 While the Participants acknowledge that they are acting as a group, nothing contained in this Agreement shall prevent any creditor of the Company, including each Participant, from (a) exercising or seeking to enforce or protect any of its rights as an individual creditor as it may deem appropriate, or (b) otherwise affect the ability of any creditor to act or forebear from acting in its capacity as an individual creditor as it may deem appropriate.

## **VIII. Conflicts of Interest**

8.1 Upon request of Counsel, which request may be made from time to time, every Participant shall disclose its interests with respect to the Company or interests adverse to the interests of holders of Chrysler CarCo Debt in a written confidential communication to Counsel. Any Participant possessing a direct financial interest in any matter may exclude itself from the meeting of the Group during its discussion of and vote on that matter. Additionally,

Counsel (in consultation with the Chairperson and the Group) may exclude any Participant from a meeting or vote of the Group if such Participant has a direct financial interest in any matter, a conflict of interest, or an interest materially adverse to the interests of the Group and its constituencies. Counsel's determination of such conflict of interest with respect to any matter shall be final.

## **IX. Expenses**

9.1 Upon execution of this Agreement, Counsel shall seek to make arrangements with Chrysler, under which Chrysler shall agree to pay all of the reasonable fees and costs of all professionals retained by the Group as of April 7, 2009, (each, a "Professional," and collectively, the "Professionals") as reasonable Lender Fees under the applicable loan documents governing the Chrysler CarCo Debt. Further, in the event that Chrysler commences an Insolvency Proceeding (e.g., chapter 11 under the U.S. Bankruptcy Code), to the extent available and appropriate, Counsel shall seek to have the Company pay all of the reasonable fees and costs of all Professionals as reasonable Lender Fees under the applicable loan documents governing the Chrysler CarCo Debt.

9.2 In the event that (i) Chrysler fails to pay any portion of the costs and fees incurred by the Group's Professionals or (ii) any of the fees and costs paid by Chrysler to the Group's Professionals are subsequently disgorged by the order of a court of competent jurisdiction, subject to the last sentence of this paragraph, each Participant shall be responsible for and pay its pro-rata share of such unpaid or disgorged fees and costs of the Professionals, based upon such Participant's percentage share of the aggregate principal amount of Chrysler CarCo Debt held by the entire Group as determined on a monthly basis as of the date hereof and thereafter on the first business day of each calendar month (as determined in Section 9.3 below).

To the extent that Chrysler agrees to reimburse and pay any fees or costs that have been paid by the Participants, each Participant shall be reimbursed pro-rata from such payments based upon actual amounts paid by such Participant. Each Participant shall remain liable for its pro rata share of all expenses of the Group regardless of whether a court approves the reimbursement of such expenses in any Insolvency Proceedings. Notwithstanding the foregoing, however, no Participant shall be obligated to pay its pro rata share of any fees and costs of Professionals until such Participant receives a recovery from Chrysler, whether pursuant to an Insolvency Proceeding or otherwise, in respect of such Participant's Chrysler CarCo Debt.

9.3 On the first business day of every month (or as soon as is reasonably practicable thereafter), each Participant shall provide confidentially to Counsel or its designee a statement indicating the amount of Chrysler CarCo Debt held by such Participant as of the start of business on the first business day of the current month. Counsel or its designee shall use these statements to determine each Participant's percentage share of Chrysler CarCo Debt ("Share"), such share being equal to the principal amount of Chrysler CarCo Debt held by such Participant as compared to the aggregate principal amount of Chrysler CarCo Debt collectively held by all Participants on the Group (e.g., if a Participant owns \$25 million of Chrysler CarCo Debt and the aggregate amount of Chrysler CarCo Debt held by all Participants on the Group is \$500 million, such Participant's share is equal to 5%).

9.4 Each Professional shall provide a detailed statement of its fees and costs on a monthly basis to the Chairperson and any Participant requesting to receive the same.

9.5 Each Participant acknowledges that Counsel and each other Professional shall be employed by the Group to represent the interests of the Group as a whole and that such employment shall not constitute employment by or representation of any Participant in its

individual capacity notwithstanding the payment of fees and expenses by such Participant.

**X. Retention of Counsel and Professionals**

10.1 The Group shall retain White & Case LLP as Counsel. In the event that additional law firm(s) are retained pursuant to section 10.2 hereof as Counsel to the Group, White & Case LLP shall act as lead Counsel to the Group. Unless otherwise agreed to in writing, each firm shall represent the Group as its client and shall charge for the services rendered based upon the amount of time spent on this matter by each lawyer or legal assistant that performs work in connection with the services and such firm's hourly charges in effect for each such person at the time such work is performed. In addition, each firm will charge for those office costs and out-of-pocket expenses that it incurs and are customarily billed by such firm, including charges for photocopies, telephone, courier services, and facsimile transmissions, as well as any applicable travel charges.

10.2 Additional Professionals may be retained at the discretion of the Group subject to the terms and conditions as determined and agreed to by the Group. All of the reasonable fees and costs of additional Professionals shall be satisfied in accordance with Article IX hereof.

10.3 In the event that White & Case LLP, in its sole discretion, determines to become engaged in one or more additional representations relating to or involving Chrysler and/or any of its affiliates, upon White & Case LLP's request, each Participant shall enter into a waiver agreement with respect to each such additional representation under which such Participant shall waive any and all potential conflicts of interest relating to each such additional representation; provided, that White & Case LLP imposes and complies with appropriate ethical screen procedures and guidelines, as required under any applicable law or regulations.

## **XI. Sharing Joint Claim and Defense Materials**

11.1 The Participants agree that they shall cooperate with each other as each Participant may deem appropriate and shall abide by this Agreement in the joint defense and pursuit of the Participants' common interests to the extent permitted by law pursuant to the joint defense and/or common interest doctrines recognized by the various state and federal courts. Each Participant and its Representatives agree not to disclose information or work product received from the Group, Counsel or any other Professional or the results of any deliberations by the Group (collectively, the "Confidential Joint Defense and Prosecution Material") until such time as the Group concludes its functions, unless required by (i) a court of competent jurisdiction, (ii) a federal, state or local governmental body, or (iii) applicable law or regulatory authority.

11.2 Each Participant acknowledges that Counsel, other Professionals and those Participants that are members (each a "SC Participant") of the Chrysler CarCo Lenders Steering Committee (the "Lenders Steering Committee") that was formed by the agent for the Chrysler CarCo Debt may come into possession of certain material non-public information of Chrysler ("Chrysler Confidential Information"), which pursuant to agreement with the Lenders Steering Committee cannot be shared generally with the Group. Each Participant, other than an SC Participant, hereby agrees that, notwithstanding its status as a Participant, it shall have no entitlement to receive Confidential Joint Defense and Prosecution Materials containing Chrysler Confidential Information and hereby further waives any right to compel Counsel, any other Professional or any SC Participant to disclose Chrysler Confidential Information.

## **XII. Agreement Regarding Joint Defense and Effect of Exchange, if Any, of Confidential or Privileged Information**

12.1 This Agreement is not intended to, and it is understood will not, void or

waive the protections afforded under the attorney-client privilege and work product doctrines, or other applicable privileges. The Participants agree that Confidential Joint Defense and Prosecution Materials will be protected from disclosure by the attorney-client, attorney work product, or other applicable privileges, even if such materials are exchanged between or among counsel and other representatives or consultants for the Participants. Participants will instruct all of their Representatives and consultants that receive any Confidential Joint Defense and Prosecution Materials to comply with this Agreement.

12.2 The Confidential Joint Defense and Prosecution Materials disclosed to or exchanged among Participants pursuant to this Agreement shall not be used in any proceeding against the Group or any Participant.

12.3 Nothing contained in this Agreement is intended to create any attorney-client relationship with a Participant acting in its individual capacity for the purposes of conflicts or otherwise. Each Participant understands that its individual counsel's sole responsibility is to represent the individual Participant and that none of the counsel for other Participants has in any way assumed any such responsibility. Moreover, the participation in, execution of, or receipt of any information pursuant to this Agreement shall not disqualify any Representative from accepting any other future engagement.

12.4 The Participants and their respective counsel further agree that in the event that any Participant decides to enter into separate discussions with the Company, related parties, or governmental entities, nothing in this Agreements shall create a conflict of interest so as to require the disqualification of any Participant's counsel from the representation of its respective clients, and the Participants hereby waive any such conflict of interest. It is agreed that no Participant's counsel shall be disqualified from examining or cross-examining any person

affiliated with a Participant who testified at any proceeding regarding the Company, because of the Participant's participation in the Group, and it is represented that each Participant has consulted with counsel regarding the terms of this Agreement, including this provision.

12.5 Nothing in this Agreement is intended to create fiduciary obligations by any Participant nor a fiduciary relationship between any Participant and (1) the Group; (2) any other Participant(s); or (3) any other party.

### **XIII. Additional Parties**

13.1 Upon agreement of a simple majority of Participants, additional persons or entities may be permitted to join the Group at a future time.

### **XIV. Withdrawal**

14.1 Any Participant may withdraw from the Group upon prior written notice to the other Participants, in which case this Agreement prospectively shall no longer apply to the withdrawing Participant, except as otherwise provided herein. Subsequent to such a withdrawal, this Agreement shall continue to protect all Joint Claim and Defense Materials disclosed by or to the withdrawing Participant before its withdrawal. The withdrawing Participant shall continue to be bound by this Agreement with regard to any Joint Claim and Defense Materials provided, disclosed, received, learned, or obtained from another Participant before withdrawal, all of which shall be retained by such withdrawing Participant, subject to the confidentiality requirements of this Agreement, or destroyed upon such withdrawal.



**XV. Counterparts**

15.1 This Agreement may be executed in counterparts.

DATED this [\_\_]th day of April, 2009

[NAME]

By: \_\_\_\_\_  
Title:

JONES DAY  
222 East 41st Street  
New York, New York 10017  
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Corinne Ball  
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Facsimile: (404) 581-8330  
Jeffrey B. Ellman

Proposed Attorneys for Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X	:	
	:	
In re	:	Chapter 11
	:	
Chrysler LLC <i>et al.</i> ,	:	Case No. 09-50002 (AJG)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----X	:	

**NOTICE OF HEARING ON OMNIBUS MOTION OF DEBTORS  
AND DEBTORS IN POSSESSION FOR AN ORDER, PURSUANT  
TO SECTIONS 105, 365 AND 525 OF THE BANKRUPTCY CODE  
AND BANKRUPTCY RULE 6006, (A) AUTHORIZING THE REJECTION  
OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES WITH  
CERTAIN DOMESTIC DEALERS AND (B) GRANTING CERTAIN RELATED RELIEF**

**PLEASE TAKE NOTICE THAT:**

1. A hearing on the Omnibus Motion of Debtors and Debtors in Possession for an Order, Pursuant to Sections 105, 365 and 525 of the Bankruptcy Code and Bankruptcy Rule 6006, (A) Authorizing the Rejection of Executory Contracts and Unexpired Leases with Certain Domestic Dealers and (B) Granting Certain Related Relief (the "Motion") shall be held before the Honorable Arthur J. Gonzalez, United States Bankruptcy Judge, in Room 523 of the United States Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004, on **June 3, 2009 at 10:00 a.m. (New York time)**.

2. Objections, if any, to the relief sought in the Motion must be made in writing, with a hard copy to Chambers, conform to the Federal Rules of Bankruptcy Procedure and the Local Rules for the United States Bankruptcy Court for the Southern District of New York and be filed with the Bankruptcy Court and must be served in accordance with the Administrative Order, Pursuant to Bankruptcy Rule 1015(c), Establishing Case Management and Scheduling Procedures in these cases (Docket No. 661) (the "Case Management Order") so as to be actually received by the parties on the Special Service List and such parties upon whom the Motion was required to be served pursuant to the terms of the Case Management Order not later than **4:00 p.m. (New York time) on May 26, 2009** (the "Objection Deadline").

3. If no objections are timely filed and served with respect to this Motion, the Debtors may, on or after the Objection Deadline, submit to the Court a final order substantially in the form attached to such Motion, which final order may be entered with no further notice or opportunity to be heard offered to any party.

4. Copies of the Motion, the Case Management Order and the Special Service List may be obtained from the Court's website at <http://ecf.nysb-mega.uscourts.gov> or, free of charge, at [www.chryslerrestructuring.com](http://www.chryslerrestructuring.com).

Dated: May 14, 2009  
New York, New York

Respectfully submitted,

/s/ Corinne Ball

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Veerle Roovers  
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PROPOSED ATTORNEYS FOR DEBTORS  
AND DEBTORS IN POSSESSION

---

**PARTIES RECEIVING THIS OMNIBUS MOTION SHOULD LOCATE THEIR  
NAMES AND THEIR DEALERSHIP AGREEMENTS IN THE ATTACHED EXHIBIT A**

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Jeffrey B. Ellman

Proposed Attorneys for Debtors  
and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
	:	
In re	:	Chapter 11
	:	
Chrysler LLC, <i>et al.</i> ,	:	Case No. 09-50002 (AJG)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

**OMNIBUS MOTION OF DEBTORS  
AND DEBTORS IN POSSESSION FOR AN ORDER, PURSUANT  
TO SECTIONS 105, 365 AND 525 OF THE BANKRUPTCY CODE  
AND BANKRUPTCY RULE 6006, (A) AUTHORIZING THE REJECTION  
OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES WITH  
CERTAIN DOMESTIC DEALERS AND (B) GRANTING CERTAIN RELATED RELIEF**

TO THE HONORABLE ARTHUR J. GONZALEZ,  
UNITED STATES BANKRUPTCY JUDGE:

Chrysler LLC ("Chrysler") and 24 of its domestic direct and indirect subsidiaries, as debtors and debtors in possession (collectively with Chrysler, the "Debtors") respectfully represent as follows:

**Background**

1. On April 30, 2009 (the "Petition Date"), the Debtors commenced their reorganization cases by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). By an order of the Court (Docket No. 97), the Debtors' chapter 11 cases have been consolidated for procedural purposes only and are administered jointly.

2. The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. The Debtors and their nondebtor direct and indirect subsidiaries (collectively, the "Chrysler Companies") comprise one of the world's largest manufacturers and distributors of automobiles and other vehicles, together with related parts and accessories. On the Petition Date, the Chrysler Companies employed approximately 55,000 hourly and salaried employees worldwide, 70% of whom were based in the United States. In addition, as of the Petition Date, the Debtors made payments for health care and related benefits to more than 105,000 retirees.

4. For the 12 months ended December 31, 2008, the Chrysler Companies recorded revenue of more than \$48.4 billion and had assets of approximately \$39.3 billion and liabilities totaling \$55.2 billion.

5. Chrysler and its Debtor subsidiaries, Fiat S.p.A. ("Fiat") and New Chrysler (as defined below) have entered into a Master Transaction Agreement dated as of April 30, 2009 (collectively with other ancillary and supporting documents, the "Purchase Agreement"). Pursuant to the Purchase Agreement, among other things: (a) Chrysler will transfer the majority of its operating assets to New CarCo Acquisition LLC ("New Chrysler"), a newly established Delaware limited liability company formed by Fiat; and (b) in exchange for those assets, New Chrysler will assume certain liabilities of Chrysler and pay to Chrysler \$2 billion in cash (collectively with the other transactions contemplated by the Purchase Agreement, the "Fiat Transaction").

6. With the support of the U.S. and Canadian governments, Fiat, the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, dealers, suppliers and other stakeholders, the Debtors commenced these cases to implement an expeditious sale process to implement the Fiat Transaction, or a similar transaction with a competing bidder, designed to maximize the value of the Debtors' operations and businesses for the benefit of their stakeholders. Pending the proposed sale, the Debtors idled most operations as they conserve their resources, while at the same time ensuring that (a) the facilities are prepared to resume normal production schedules quickly upon the completion of a sale and (b) consumers are not impacted by the filing.

7. A more detailed explanation of Chrysler's businesses and operations, and the events leading to the commencement of these cases, can be found in the Affidavit of Ronald E. Kolka (Docket No. 23) (the "Kolka Affidavit"), which was filed on the Petition Date and is incorporated herein by reference.

### **Jurisdiction**

8. This Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

### **Preliminary Statement**<sup>1</sup>

9. Other than certain sales to the government, virtually all of the vehicles manufactured by the Debtors are sold to the U.S. general public through a network of authorized dealers (the "Domestic Dealer Network"). (See Grady Decl. at ¶ 6.) Over the years, this Domestic Dealer Network grew to cover all 50 states, peaking at approximately 6,500 dealers in the mid-1960s, which has subsequently declined over time. (Id.) Although the Debtors' large and extensive Domestic Dealer Network provides increased outlets for the sale of the Debtors' products, its size and scope has created significant challenges as market conditions and demographic factors have changed over time. (Id. at ¶ 10.)

10. For example, the Debtors' dealers compete not only with dealers selling the products of other Original Equipment Manufacturers ("OEMs"), such as Ford and Toyota, but also with each other in surrounding markets. Some of the Debtors' dealers may have only one linemake (for example, Chrysler, Dodge or Jeep), while others have all three linemakes. Thus, a Chrysler-Jeep dealership may compete with a nearby Dodge dealership. For example, a Chrysler dealer may sell Chrysler Town & Country minivans and a nearby Dodge dealer may sell Dodge Caravan minivans, which may compete for the same customers. (Id. at ¶ 10.)

11. Over time, the market for new motor vehicles has changed dramatically. Numerous other competitors selling a wide variety of vehicles, including Toyota, Honda,

<sup>1</sup> In further support of this Motion, the Debtors hereby submit the Second Declaration of Peter M. Grady, attached hereto as Exhibit B and incorporated herein by reference (the "Grady Declaration").



Hyundai and Kia, have entered the market and captured a larger share of the automotive market. As a result, the larger Domestic Dealer Network has faced increasing financial pressures on profitability as the market share of the Debtors and other domestic OEMs declined over time in the face of increasing foreign competition. With so many outlets available for the Debtors' products and more limited market share, many dealers' annual sales of vehicles (or "throughput") fell below targeted levels, limiting dealer profitability and the ability of many dealers to reinvest in the dealership and enhance the experience of consumers. (Id. at ¶ 12.)

12. In addition, as suburbs grew and the modern interstate system continued to evolve, longstanding dealerships no longer were in the best or growing locations. Many rural locations also served a diminishing population of potential consumers. Some dealership facilities became outdated. Other locations faced declining traffic count and declining populations. (Id. at ¶ 12.)

13. By contrast, the newer OEMs selling competing vehicles, such as Toyota, Honda, Hyundai and others, did not enter the U.S. markets or did not significantly expand within U.S. markets until much later in time. They did not have the legacy network dealers. They began to assemble new networks with new and better locations in growing markets, with numerous models consolidated under a single roof, with more modern facilities, focused on large metropolitan areas. (Id. at ¶ 13.)

14. Over time, the throughput of the newer OEMs continued to grow while the throughput of the Debtors continued to decline. On average, the dealers for several of the newer OEMs now have substantially higher throughput, resulting in better and more sustainable sales and profitability and providing greater resources for marketing, reinvesting in the business,

improving facilities and enhancing the consumer experience and customer service. (Id. at ¶ 14.)<sup>2</sup>

In addition, such larger throughput supports substantially higher average profits for competitive dealerships, enables competitors to often attract the more experienced and highly qualified personnel from the Debtors' Domestic Dealer Network, and enables those dealers to offer extra services and benefits that can improve customer satisfaction for the brands offered. (Id. at ¶ 15.)

15. The Debtors' larger Domestic Dealer Network also substantially increases expenses and inefficiencies in the distribution system, forcing the Debtors to spend additional resources on training, new vehicle allocation personnel, processes, and procedures, oversight of the Domestic Dealer Network, auditing and monitoring expenses for dealer operations, and all of the other operational expenses that must be incurred to maintain, support, facilitate and oversee a larger dealer network. In addition, the numerous "partial line" dealerships in the Domestic Dealer Network requires the continued production of overlapping models under different brands, which further increases unnecessary costs and introduces substantial inefficiencies in the distribution system. In sum, the smaller, more efficient, more profitable dealer network for the transplant OEMs has become a competitive disadvantage for the Domestic Dealer Network. (Id. at ¶ 16.)

16. The Debtors have been actively addressing their dealer network issues for a number of years. As part of their ongoing business plans, the Debtors have engaged in a long term process to rationalize their dealer network. The goals of this effort included working with

<sup>2</sup>

In 2008, the Debtors sold approximately 1,000,000 new vehicles through approximately 3,298 dealers. The average throughput for the Debtors' dealers was approximately 303 per dealer. In 2008, Toyota sold approximately 1,604,952 new vehicles in the United States through approximately 1,242 dealers. The average throughput for Toyota's dealers in the United States was approximately 1,292 per dealer. In 2008, Honda sold approximately 1,255,411 new vehicles in the United States through approximately 1,030 dealers. The average throughput for Honda's dealers in the United States was 1,219 per dealer. (Grady Decl. at ¶ 14.) Thus, the throughput for Toyota and Honda dealers is approximately 415% higher than the average throughput of the Debtors' dealers. (Id. at ¶ 15.)

the dealers to consolidate all three of the Debtors' brands at each dealership and reshape the network to realign the retail outlets using the best dealers, in the best locations, with the best facilities. This process has been time-consuming and expensive as a result of a complex web of state laws (as defined more specifically below, the "Dealer Laws") that protect dealers and limit the ability of the Debtors to expeditiously terminate, relocate or consolidate dealerships.<sup>3</sup>

Despite these obstacles, and at substantial cost, the Debtors have reduced their dealer network from approximately 4,320 dealers in 2001 to 3,181 as of the Petition Date. These efforts are ongoing. As part of their prepetition long-term viability plan (as further defined in the Kolka Affidavit, the "Viability Plan"), the Debtors identified the completion of their dealership rationalization efforts as one of the core initiatives. (Id. at ¶ 17.)

17. As explained in detail in the Kolka Affidavit, consistent with their Viability Plan, the Debtors are seeking to obtain approval of and implement the Fiat Transaction or another transaction with a competing bidder to sell their assets on a going concern basis (any such transaction, a "Sale Transaction").<sup>4</sup> Recognizing the importance of completing a Sale Transaction as expeditiously as possible, the Court entered an order on May 7, 2009 (Docket No. 492) (the "Bid Procedures Order") approving a sale process culminating in a sale hearing to be conducted on May 27, 2009 to consider the Fiat Transaction or a competing transaction. A key component of the Fiat Transaction is the transfer to New Chrysler of a strong, well-positioned dealer network to continue selling Chrysler, Dodge and Jeep vehicles to consumers and to service these vehicles. (See id. at ¶ 18.)

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<sup>3</sup> These Dealer Laws began coming into effect in the 1980s.

<sup>4</sup> The Fiat Transaction is described in greater detail a separate motion to approve this sale, or a similar sale to a competing bidder, filed by the Debtors on May 3, 2009 (Docket No. 190) (together with the supporting memoranda and affidavits, the "Sale Motion").

18. To that end, the Fiat Transaction contemplates and, in fact, requires the acceleration of the Debtors' network rationalization.<sup>5</sup> This effort to strengthen the Domestic Dealer Network is a critical component of the proposed Fiat Transaction both to improve the viability of the Domestic Dealer Network and position New Chrysler for viability and long-term success. (Id.) Such effort also is expected to be important in any alternative Sale Transaction involving the Domestic Dealer Network. The consummation of such a sale, including the further rationalization of the Domestic Dealer Network, will materially benefit the Debtors' estates, maximize the value available to stakeholders and provide substantial benefits to the remaining dealers.

19. As a result, the Debtors have determined, in a sound exercise of their business judgment and after an extensive analysis and consultation with New Chrysler, to exercise their right to reject 789 dealership agreements and related ancillary agreements, pursuant to section 365 of the Bankruptcy Code.

20. Moreover, given (a) the complexity and urgency of the transactions involved, (b) the number of dealers and other parties impacted by this Motion, (c) the need for the Debtors to move quickly to implement the requested relief through affirmative actions in the marketplace and (d) the possibility of disputes regarding the impact of rejection on the implicated commercial relationships and related legal rights, the Debtors believe that it is essential for the Court to issue related rulings to ensure that the Debtors obtain the full and immediate benefit of rejection. There is little precedent for the bankruptcy of a major OEM, and

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<sup>5</sup>

Pursuant to the Purchase Agreement and the Bid Procedures Order, New Chrysler has the right to identify which executory contracts and unexpired leases will be assumed by the Debtors and sold and assigned to New Chrysler as the purchaser. Consistent with the Viability Plan and business analyses described herein, New Chrysler has made a determination not to take an assignment of the agreements addressed by this Motion.

dealers and other parties impacted by rejection may not understand (or accept) its impact. A simple ruling that the applicable agreements are rejected, without also providing the clarity and protections of the ancillary rulings and relief outlined in greater detail below, would leave the Debtors, New Chrysler or other purchaser, the remaining dealers whose agreements are not being rejected through this Motion (collectively, the "Remaining Dealers") and other interested parties exposed to risk of material interference with the smooth and expeditious implementation of a Sale Transaction.

21. Such risk could be a severe impediment to the Debtors' efforts to maximize value available for stakeholders. To complete a successful Fiat Transaction or other Sale Transaction involving the Domestic Dealer Network, the Debtors must minimize confusion in the marketplace about the rights of the rejected dealers, and avoid any interference by these rejected dealers in the operations of New Chrysler or another purchaser. Thus, the Debtors seek ancillary relief in support of rejection to minimize any risks caused by ongoing disputes or uncertainty and to ensure that the benefits of the rejection are preserved to the fullest extent possible.

### **Relief Requested**

22. Pursuant to sections 105, 365 and 525 of the Bankruptcy Code and Rule 6006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Debtors hereby seek the entry of an order:

- (a) authorizing them to reject, and approving the rejection, effective as of June 9, 2009, the following agreements (collectively, the "Rejected Dealer Agreements"): (i) all Chrysler, Jeep, Dodge or Dodge Truck dealership agreements for the 789 dealers identified on the attached Exhibit A (collectively, the "Affected Dealers") at the dealership locations identified

on that Exhibit (collectively, the "Dealership Agreements");<sup>6</sup> and (ii) the ancillary agreements and leases related to such Affected Dealers and Rejected Dealer Agreements at the identified dealership locations (collectively, the "Ancillary Agreements");<sup>7</sup>

- (b) determining that any state and local statutes, rules and regulations of any kind or nature whatsoever, including without limitation the Dealer Statutes (as defined below) (collectively, "Dealer Laws"), are preempted by the Bankruptcy Code to the extent that they purport to, or could be interpreted or applied to, interfere with, undermine or impact the full and complete rejection of the Rejected Dealer Agreements;
- (c) determining that New Chrysler and all Remaining Dealers are "person[s] with whom [the Debtors have] been associated" within the meaning of section 525 of the Bankruptcy Code and therefore are entitled to the protections of section 525 of the Bankruptcy Code;
- (d) clarifying the scope of the Affected Dealers' claims, status and rights arising under or in any way related to the Dealer Laws and the Debtors' rejection of the Rejected Dealer Agreements (collectively, "Rejection Damages Claims");
- (e) approving procedures to provide the Debtors with swift and efficient means of seeking judicial intervention to assist them in resolving any disputes that might arise with Affected Dealers who engage in conduct inconsistent with the relief requested herein; and
- (f) waiving the limitations on omnibus motions to reject executory contracts and unexpired leases set forth in Bankruptcy Rule 6006(f)(6).

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<sup>6</sup> The Dealership Agreements include, without limitation, all Dealer Sales and Service Agreements and Direct Dealer Agreements entered into with each Affected Dealer and any amendments, modifications, supplements, addenda, restatements or exhibits to those agreements. Designations on Exhibit A for "Lines" refer to the linemakes Chrysler ("C"), Jeep ("J") and Dodge ("D") or Dodge Truck ("T").

<sup>7</sup> The Ancillary Agreements include, without limitation, software license agreements, data exchange and electronic commerce agreements, real property leases, Five Star dealer license agreements, options, sign leases, dealer improvement agreements, market action agreements, letters of intent and term sales agreements. By this Motion, the Debtors seek to reject *all* Ancillary Agreements with the Affected Dealers that relate to the dealership locations on the attached Exhibit A, other than Site Control Agreements and similar agreements with Debtor Chrysler Realty Company LLC (collectively, the "Site Control Agreements"). If this Motion is granted, all Ancillary Agreement with an Affected Dealer at the dealership locations listed on Exhibit A (excluding any Site Control Agreements) will be rejected. As used herein, the term "Ancillary Agreements" does not include any Site Control Agreements.

### **Facts Relevant to This Motion**

#### ***The Domestic Dealer Network and the Dealership Agreements***

23. As noted above, the Debtors' Domestic Dealer Network was comprised of 3,181 dealers as of the Petition Date. (See Grady Decl. at ¶ 6.) Except with respect to a small number of dealerships not implicated by this Motion, all dealerships are independently owned.<sup>8</sup> (Id.) Approximately 62% of the dealers in the Domestic Dealer Network are "full line" dealers, meaning they sell all three of the Debtors' brands: Chrysler, Jeep and Dodge. (Id. at ¶ 7.) The remaining 38% of the dealers in the Domestic Dealer Network are "partial line" dealers, selling only one or a combination of two of the Debtors' brands. (Id.) The Domestic Dealership Network includes dealers in every U.S. state and in every major U.S. metropolitan area, as well as widespread coverage of secondary and rural markets. (Id.)

24. Other than certain sales to the government, virtually all of the vehicles manufactured by the Debtors are sold to the U.S. general public through the Domestic Dealer Network. (Id. at ¶ 6.) Despite the size and breadth of the Domestic Dealer Network, its sales volume, productivity and efficiency are not evenly distributed. (Id. at ¶ 7.) Approximately 25% of the Domestic Dealer Network accounts for approximately 50% of the Debtors' domestic sales. Further, just over 50% of the Domestic Dealer Network accounts for approximately 90% of the Debtors' domestic sales. (Id.)

25. Consistent with industry practice, and with the exception of a small percentage of dealers using older Direct Dealer Agreements, the Debtors have used a standard uniform dealership agreement (as modified from time to time) for all new domestic dealers

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<sup>8</sup> In particular, Debtor Chrysler Realty owned 14 active and seven inactive dealerships as of the Petition Date, referred to as "manufacturer investment dealerships" or "MIDs."

starting in approximately 1988.<sup>9</sup> (Id. at ¶ 9.) The Debtors enter into a separate dealership agreement for each of the Debtors' linemakes that a dealer sells. Thus, for example, a "full line" dealer will have three dealership agreements: one for Dodge/Dodge Truck, one for Jeep and one for Chrysler. (Id.) The Debtor party to each of these agreements is Chrysler Motors LLC ("Chrysler Motors"). (Id.)

26. The Dealership Agreements govern the terms under which (a) the Debtors sell vehicles, parts and accessories to the dealers through Chrysler Motors; and (b) the dealers sell and service the Debtors' products and provide related services to consumers. The Dealership Agreements also include other agreements and obligations between Chrysler Motors and the dealers.

27. In particular, under the standard form of Dealership Agreement, the dealer counterparty agrees, among other things, to: (a) promote energetically and sell aggressively the Debtors' vehicles and related products and meet the dealer's Minimum Sales Responsibility (as defined in the Dealership Agreement); (b) prepare vehicles for delivery to their purchasers; (c) provide repair services for the Debtors' products; and (d) provide warranty service under the Debtors' warranty programs. For the linemakes applicable to each dealer, Chrysler Motors agrees, among other things, to (a) use best efforts to fill the dealer's orders for vehicles, parts and accessories; (b) ship vehicles, parts and accessories only according to the dealer's order; (c) reimburse the dealer for certain warranty work; and (d) seek to advertise in the most effective manner to develop public interest and confidence in its dealers and products.

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<sup>9</sup> Specifically, the form of agreement the Debtors have used since approximately 1988 is called, for each applicable linemake, the Sales and Service Agreement. From approximately the 1960s until the development of the Sales and Service Agreement, the Debtors used a form of agreement called the Direct Dealer Agreement. As of the Petition Date, approximately 112 of the dealerships in the Domestic Dealer Network continue to be governed under Direct Dealer Agreements.



28. The Dealership Agreements have no fixed term. Each Dealership Agreement states that it is terminable by the dealer for any reason on not less than 30 days' written notice, or by Chrysler Motors on not less than 60 days' written notice for, among other things, the dealer's failure to perform certain of its undertakings and obligations under the Dealership Agreement. In addition, the Dealership Agreements provide that certain events cause the automatic termination of the Dealership Agreement, such as (a) the death of the dealer, (b) a dealer's attempted assignment of a Dealership Agreement without the Debtors' consent, (c) an assignment by the dealer for the benefit of its creditors, (d) the insolvency of the dealer or the preparation of a bankruptcy petition by or for the dealer and (e) the discontinuance by the Debtors of the production or distribution of all vehicles supplied to the dealer under the Dealership Agreement. Such terminations also may be subject to certain state law restrictions or requirements, including the Dealer Laws.

29. In addition, ancillary to the Debtors' relationships with their dealers under the Dealership Agreements, the Debtors and dealers typically enter into a series of Ancillary Agreements to address such matters as software licensing and usage, signage, facility improvements and other business matters. Depending upon subject matter, some Ancillary Agreements are form documents used for all dealers; others are unique to a particular dealer counterparty.

***The Dealer Statutes and the Government Entities***

30. Many states regulate the relationship between new motor vehicle manufacturers and dealers by way of motor vehicle dealer statutes (collectively, "Dealer Statutes"). See, e.g., CAL. VEH. CODE §§ 3000, et seq.; MICH. COMP. LAWS §§ 445.1561, et seq.; N.Y. VEH. & TRAF. LAW §§ 461, et seq.; O.C.G.A. §§ 10-1-620, et seq. In general, Dealer Statutes regulate what automotive manufacturers can do with regard to certain dealer networking

matters and regulate the terms of the manufacturer dealer relationship. See, e.g., CAL. VEH. CODE §§ 3060-69; MICH. COMP. LAWS §§ 445.1573-78; N.Y. VEH. & TRAF. LAW §§ 463-67; O.C.G.A. §§ 10-1-651-68. For example, Dealer Statutes often prescribe, among other things: (a) the circumstances under which a manufacturer may cancel, terminate, not renew or otherwise discontinue a dealer agreement; (b) the notice required by a manufacturer to cancel, terminate, not renew or discontinue a dealer agreement; and (c) additional obligations of the manufacturer in the event of a discontinuance of a dealer agreement. See, e.g., CAL. VEH. CODE §§ 3060-61; MICH. COMP. LAWS §§ 445.1567-72; N.Y. VEH. & TRAF. LAW §§ 463(2)(d), (o-p), 466-67; O.C.G.A. §§ 10-1-651-53.

31. In addition, many Dealer Statutes impose significant limitations on the power of automotive manufacturers to relocate their dealers or to establish new dealerships or modify existing dealerships over the objection of an affected dealer (collectively, "Dealers' Blocking Rights"). See, e.g., CAL. VEH. CODE §§ 3062-63 (providing that a new motor vehicle franchisor may not relocate an existing dealership or establish an additional dealership over the objections of franchisees in the market area without showing good cause); MICH. COMP. LAWS §§ 445.1576 (same); N.Y. VEH. & TRAF. LAW §§ 463(2)(cc) (same); O.C.G.A. § 10-1-664 (providing that superior court can grant the petition of an existing dealership to prohibit the establishment or relocation of a dealership in the applicable market area unless the franchisor proves that the existing dealership is not providing adequate representation of the applicable linemakes and establishes other requirements).

32. In many states, new motor vehicle dealers may file "protests" or complaints with motor vehicle dealer boards or administrative agencies established by the states to oversee the regulation of automotive manufacturers and dealers. Those administrative boards

typically are comprised of some combination of new or used dealers, consumers and other representatives appointed in accordance with state procedures. In some states, the boards or administrative agencies also can act on their own to review or regulate conduct by automotive manufacturers and dealers or suspend the licenses of manufacturers or dealers to operate in the state. These various state boards, administrative agencies and other government officials, regulators or authorities that address dealer issues, including by administering the Dealer Statutes, are referred to herein collectively as the "Government Entities."

***The Debtors' Prepetition Initiatives to Restructure The Domestic Dealer Network***

33. In 2001, the Debtors initiated a program to: (a) evaluate their dealership network and key locations; (b) identify the most desirable dealerships and dealership locations from the perspective of long term planning; and (c) streamline the Domestic Dealer Network to meet long term goals, including, among other things, the consolidation of the Debtors' brands at "partial line" dealers to make them "full line" dealers. (See Grady Decl. at ¶ 20.) This program has been renamed over the years and most recently has been called "Project Genesis." (Id.) The objectives of Project Genesis include brand consolidation, as well as reducing and reconfiguring the Domestic Dealer Network to achieve the goal of having a smaller and stronger network, with the best dealers, in the best locations, with the best facilities. (Id. at ¶ 21.) Although the overall size of the network would contract as a result of implementing Project Genesis, it is projected that dealers remaining in the network would become more profitable, generate greater capital to reinvest in the business, improve customer amenities and customer satisfaction and, ultimately, increase their sales over time to the benefit of the Debtors. (Id.) After a period of time, and substantially improved marketing and investments, overall sales in the reduced network are anticipated to grow beyond current sales levels within the existing network. (Id.)

34. Although Project Genesis primarily focused on dealers in metropolitan markets and key secondary markets (where, among other things, there had been less brand consolidation), the Debtors also have evaluated the remaining secondary and rural market dealers. (*Id.* at ¶ 22.) Based on this extensive and ongoing work, between 2001 and the Petition Date, the Debtors worked with dealers in a cooperative manner to reduce and consolidate the Domestic Dealer Network, within the limitations imposed by the Dealer Statutes and any existing agreements, in a continued effort to improve efficiency, strengthen individual dealers, elevate customer service and minimize costs. (*Id.*) The Debtors have been working diligently on Project Genesis and its predecessor programs for well over eight years and have spent more than \$216 million implementing the objectives of the program. (*Id.* at ¶ 23.)

35. By the Petition Date, these efforts had achieved significant progress and resulted in the reduction of the Domestic Dealer Network from a peak of approximately 6,500 dealers in the mid-1960s to 3,181 as of the Petition Date. (*Id.* at ¶ 6.)

***The Continued Application of the Principles of Project Genesis in Connection with the Alliance Viability Plan and the Proposed Fiat Transaction***

36. The objectives of Project Genesis and the underlying analyses of the Domestic Dealer Network have guided the Debtors in developing the Alliance Viability Plan (as referred to in the Kolka Affidavit)<sup>10</sup> and in working with New Chrysler on the terms of the Fiat Transaction to implement that plan. (*See* Grady Decl. at ¶ 24.) The long term viability and success of New Chrysler, and its willingness to consummate the Fiat Transactions, depends, among other things, on having a strong and vibrant dealer network consistent with the goals of

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<sup>10</sup> As explained in the Kolka Affidavit, the Alliance Viability Plan reflects the Debtors' written submission to the U.S. Treasury on February 17, 2009, setting forth Chrysler's plan to achieve and sustain long-term viability, energy efficiency, rationalization of costs and competitiveness in the U.S. marketplace, with the additional benefits of a strategic partnership with Fiat. (*See* Kolka Affidavit at ¶¶ 29-41.)

Project Genesis. (See id.) Accordingly, in recent months, and since the Petition Date, the Debtors, in cooperation with New Chrysler, have continued to refine their evaluation of dealers under Project Genesis to model an anticipated dealership network for the Alliance Viability Plan and for the proposed Fiat Transaction. (See id.)

***The Debtors' Extensive Qualitative Assessment of Each Dealership***

37. Project Genesis and the selection of dealerships to be included in the relief sought in this Motion involved the evaluation of each dealership. In particular, the Debtors reviewed and analyzed numerous performance and planning factors for each dealership, including, among other things:

- (a) the dealer's —
  - (i) brand affiliations;
  - (ii) raw sales volume;
  - (iii) sales performance relative to its Minimum Sales Responsibility;
  - (iv) location;
  - (v) type of market;
  - (vi) facilities;
  - (vii) customer service;
  - (viii) history of experience; and
  - (ix) market share;
- (b) the planning potential for the dealership; and
- (c) other factors.

(Id. at ¶ 26.)

38. In addition, the Debtors are able to draw on external metrics including, among other things:

- (a) new vehicle registration information for the Debtors' and other manufacturers' comparable products, indicating the location of new vehicle registrations within the market and the location of registrations of new motor vehicles sold by each dealer;
- (b) demographic data including —
  - (i) current population and household density;
  - (ii) anticipated shift of population and household density; and
  - (iii) average household income;
- (c) the average distance to the nearest dealer by manufacturer for each locality; and
- (d) competing manufacturers' market share within the locality.

(Id. at ¶ 27.)

39. Using these analytical methods, the Debtors can create comprehensive statistical assessments of each dealer and make reasoned judgments regarding the optimal configuration for each market in the Domestic Dealer Network and the best means of implementing the goals of Project Genesis. (Id. at ¶ 28.) As discussed further below, as a result of this review — and drawing on their substantial past experience in evaluating the Domestic Dealer Network — the Debtors have determined, and New Chrysler likewise has concluded, that (a) the Domestic Dealer Network needs to be reduced and reconfigured in a targeted manner to strengthen the network and dealer profitability and to achieve optimal results for the dealers and consumers; and (b) rejection of the Rejected Dealer Agreements would directly assist in achieving those goals and implementing the Alliance Viability Plan.

40. Based on both an objective and subjective evaluation, the Debtors have determined that the dealerships located in the markets at issue lack the operational, market, facility and linemake characteristics necessary to best contribute to the ongoing dealer network under current or future ownership. New Chrysler has agreed with this approach and has

determined that it will not take an assignment of the Rejected Dealership Agreements.

Consistent with the Alliance Viability Plan and in support of the Fiat Transaction, the Debtors have reached the business conclusion that the rejection of the Rejected Dealer Agreements therefore is in the best interests of the Debtors' estates and creditors. (Id. at ¶ 29.)

41. Moreover, immediate rejection of these agreements is necessary and appropriate to begin the work necessary to complete the transition to the smaller, more effective, and more profitable dealer network, limit any ongoing postpetition obligations to the Affected Dealers and minimize disruption upon the closing of the Fiat Transaction or other Sale Transaction involving the sale of the Domestic Dealer Network. (Id. at ¶ 29.) In addition, any delay in identifying the dealers to remain as part of the Domestic Dealer Network following the sale would be extraordinarily detrimental to the Debtors' efforts to preserve the network pending the sale. (Id.) The Debtors' dealers are facing unprecedented financial challenges in the current economic environment, and further strain as a result of the Debtors' commencement of these cases. (Id. at ¶ 30.) The best dealers with the best facilities and locations are being approached regularly by other OEMs. Others are actively considering other opportunities. (Id.) The Debtors believe that it is essential under these circumstances to identify immediately the Remaining Dealers that will comprise the Domestic Dealer Network following the sale to provide them with a reason to continue to support the Debtors and the Debtors' products — as they have for many years — in the face of these various challenges and pressures. (Id.)<sup>11</sup> Faced with further uncertainty about whether they are part of the future plans of New Chrysler or

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<sup>11</sup> To that end, consistent with the Bidding Procedures Order and concurrently with the filing of this Motion, the agreements with the Remaining Dealers for the remaining Chrysler, Jeep and Dodge dealership locations have been identified in a separate filing as executory contracts and unexpired leases to be assumed and assigned to New Chrysler upon the consummation of the Fiat Transaction.

another purchaser, key dealers may not take the steps needed to complete the transition to new ownership. (Id.)

### **Basis for Relief Requested**

#### ***The Debtors Have the Right to Reject the Rejected Dealership Agreements and Have Exercised Sound Business Judgment in Seeking To Do So***

42. Section 365(a) of the Bankruptcy Code provides that a debtor, "subject to the court's approval, may assume or reject any executory contract or unexpired lease." 11 U.S.C. § 365(a). Each of the Rejected Dealer Agreements is an "executory contract" or an "unexpired lease" within the meaning of section 365 of the Bankruptcy Code, subject to assumption or rejection by the Debtors.<sup>12</sup>

43. Courts routinely approve motions to assume, assume and assign or reject executory contracts or unexpired leases upon a showing that the debtor's decision to take such action will benefit the debtor's estate and is an exercise of sound business judgment. See COR Route 5 Co., LLC v. Penn Traffic Co. (In re Penn Traffic Co.), 524 F.3d 373, 382 (2d Cir. 2008) (affirming the rejection of a construction and land sale contract, stating that section 365 "'permits the trustee or debtor-in-possession, subject to the approval of the bankruptcy court, to go through the inventory of executory contracts of the debtor and decide which ones it would be beneficial to adhere to and which ones it would be beneficial to reject'" (quoting Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.), 4 F.3d 1095, 1099 (2d Cir. 1993)); see also NLRB v. Bildisco & Bildisco, 465 U.S. 513, 523 (1984) (stating that the traditional standard applied by courts to authorize the rejection of an executory contract is that of "business judgment"); In re Gucci, 193 B.R. 411, 415 (S.D.N.Y. 1996) ("A bankruptcy court reviewing a

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<sup>12</sup> To the extent that any Dealership Agreement or Ancillary Agreement already has expired or been terminated or otherwise is not executory, it is included herein out of an abundance of caution.



trustee's decision to assume or reject an executory contract should apply its best 'business judgment' to determine if it would be beneficial or burdensome to the estate to assume it.").

44. Courts generally will not second-guess a debtor's business judgment concerning the assumption or rejection of an executory contract or unexpired lease. See In re Riodizio, Inc., 204 B.R. 417, 424 (Bankr. S.D.N.Y. 1997) ("[A] court will ordinarily defer to the business judgment of the debtor's management."); accord Phar Mor, Inc. v. Strauss Bldg. Assocs., 204 B.R. 948, 951-52 (Bankr. N.D. Ohio 1997) ("Whether an executory contract is 'favorable' or 'unfavorable' is left to the sound business judgment of the debtor. . . . Courts should generally defer to a debtor's decision whether to reject an executory contract.").

45. The "business judgment" test is not a strict standard; it merely requires a showing that either assumption or rejection of the executory contract or unexpired lease will benefit the debtor's estate. See, e.g., Bregman v. Meehan (In re Meehan), 59 B.R. 380, 385 (E.D.N.Y. 1986) ("The business judgment test is a flexible one. . . . The primary issue under the business judgment test is whether rejection of the contract would benefit general unsecured creditors."); In re Helm, 335 B.R. 528, 538 (Bankr. S.D.N.Y. 2006) ("To meet the business judgment test, the debtor in possession must establish that rejection will benefit the estate.") (internal citation omitted); Westbury Real Estate Ventures, Inc. v. Bradlees, Inc. (In re Bradlees Stores, Inc.), 194 B.R. 555, 558 n.1 (Bankr. S.D.N.Y. 1996) ("In reviewing a debtor's decision to assume or reject an executory contract, the court must examine the contract and circumstances and apply its best 'business judgment' to determine if the assumption or rejection would be beneficial or burdensome to the estate.")

46. As noted above, the Debtors have devoted significant attention, analysis and resources over the years to the development and refinement of Project Genesis, which has

served as the blueprint for the rationalization of the Domestic Dealer Network. Moreover, the Debtors concluded that the continued implementation of these efforts is critical to the Debtors' Alliance Viability Plan, which is now being pursued through the Fiat Transaction or other Sale Transaction. (See Grady Decl. at ¶¶ 18-19.)

47. Consistent with the Debtors' extensive evaluation of the Domestic Dealer Network, New Chrysler has determined that it will not take an assignment of the Rejected Dealer Agreements. Instead, following the consummation of the Fiat Transaction, the Remaining Dealers would comprise a smaller dealer network — nearly 25% smaller than the network as of the Petition Date — poised to fulfill the promise of Project Genesis. Under these circumstances, and because the Debtors have no use for the burdensome Rejected Dealership Agreements after consummation of the Fiat Transaction or other Sale Transaction, the Debtors have determined in their business judgment to reject the Rejected Dealership Agreements. (See *id.* at ¶¶ 18-19; ¶¶ 24-25.)

48. In addition, as described above, the Debtors have determined that the rejection of the Rejected Dealer Agreements must be accomplished without delay. Prompt rejection will permit the Debtors to begin work to accomplish a smooth transition to the smaller post-sale network and to minimize the risks of any disruption in connection with the consummation of the Fiat Transaction or other Sale Transaction involving the sale of the Domestic Dealer Network. Prompt rejection also is necessary to bolster the Remaining Dealers and to encourage them to persevere under difficult circumstances, thereby enhancing the ability of the Debtors to preserve the Domestic Dealer Network pending the Sale Transaction. By contrast, the failure to reject the Rejected Dealership Agreements promptly could undermine these initiatives. Prompt rejection also eliminates the potential for the incurrence of unnecessary

administrative liabilities under the Rejection Dealership Agreements. For all of these reasons, immediate rejection of the Rejected Dealership Agreements pursuant to section 365 of the Bankruptcy Code is appropriate.

***Section 365 of the Bankruptcy Code Preempts Dealer Laws***

49. Outside of bankruptcy, Dealer Laws often place restrictions on the termination of dealership agreements or other efforts to conclude or impinge upon the commercial relationship between a vehicle manufacturer/distributor and its authorized dealer. By contrast, a manufacturer/distributor that is a chapter 11 debtor has a right (and in fact an obligation) under the federal Bankruptcy Code to either assume or reject its executory contracts, including dealer agreements. As such, the Dealer Laws are preempted by the Bankruptcy Code to the extent that they purport to interfere with or undermine the Debtors' ability to reject executory contracts or unexpired leases, including the proposed rejection of the Rejected Dealer Agreements.

50. A fundamental purpose of section 365 of the Bankruptcy Code is, among other things, to enable a debtor to benefit from contracts that are beneficial to it and to reject those contracts that are not, thereby maximizing the value of its estate. See, e.g., In re Bethlehem Steel Corp., 291 B.R. 260, 264 (Bankr. S.D.N.Y. 2003). The Dealer Laws must not be seen to impair these core bankruptcy rights that the Debtors possess under section 365 of the Bankruptcy Code. See In re City of Vallejo, 403 B.R. 72, 77 (Bankr. E.D. Cal. 2009) ("Congress enacted section 365 to provide debtors the authority to reject contracts . . . [t]his authority preempts state law by virtue of the Bankruptcy Clause [and] the Supremacy Clause."); Volkswagen of Am., Inc. v. Dan Hixson Chevrolet Co. (In re Dan Hixson Chevrolet Co.), 12 B.R. 917, 923 (Bankr. N.D. Texas 1981) (holding that section 365 of the Bankruptcy Code preempted a Texas law requiring a "good cause" hearing if a dealer protests a manufacturer's

attempted termination of a dealer agreement, because permitting the "good cause" proceeding to continue might frustrate the purposes of federal bankruptcy law); In re Tom Stimus Chrysler-Plymouth, Inc., 134 B.R. 676, 679 (Bankr. M.D. Fla. 1991) (holding that section 365 of the Bankruptcy Code governs the assumption or rejection of a contract, even if the agreement otherwise would have been terminated under Florida dealer laws).

51. The Bankruptcy Clause of the United States Constitution grants Congress the authority to establish a uniform federal law of bankruptcy. U.S. CONST., Art. I, § 8. The Supremacy Clause of the United States Constitution mandates that such federal laws "shall be the supreme Law of the Land; . . . [the] Laws of any State to the Contrary notwithstanding." U.S. CONST., Art. VI. Under the doctrine of preemption, "state laws that interfere with or are contrary to federal law are preempted and are without effect pursuant to the Supremacy Clause. . . ." In re Loranger Mfg. Corp., 324 B.R. 575, 582 (Bankr. W.D. Pa. 2005); Hillsborough County v. Automated Medical Labs, Inc., 471 U.S. 707, 712 (1985). In particular, federal law preempts state law in any of three situations: (a) express preemption, (b) field preemption and (c) conflict preemption. In re Nickels Midway Pier, LLC, 332 B.R. 262, 273 (Bankr. D.N.J. 2005).

52. Express preemption occurs "when there is an explicit statutory command that state law be displaced." Id. Field preemption occurs when federal law "is sufficiently comprehensive to warrant an inference that Congress 'left no room' for state regulation." In re Miles, 294 B.R. 756, 759 (B.A.P. 9th Cir. 2003). Conflict preemption occurs if a state law conflicts with a federal law such that "(1) it is impossible to comply with both state law and federal law; or (2) the state law stands as an obstacle to the accomplishment and execution of the

full purposes and objectives of Congress." Nickels Midway Pier, 332 B.R. at 273. Here, both field preemption and conflict preemption apply.

53. Field preemption applies for three reasons. First, field preemption may be inferred by the "comprehensive nature of the [Bankruptcy] Code." Nickels Midway Pier, 332 B.R. at 274. "The complex, detailed, and comprehensive provisions of the lengthy Bankruptcy Code . . . demonstrate Congress's intent to create a whole system under federal control which is designed to bring together and adjust all of the rights and duties of creditors and embarrassed debtors alike." MSR Exploration, Ltd. V. Meridian Oil, Inc., 74 F.3d 910, 914 (9th Cir. 1996) (further stating that it was "very unlikely that Congress intended to permit the superimposition of state remedies on the many activities that might be undertaken in the management of the bankruptcy process"). Second, field preemption is appropriate because Congress "expressed its intent that bankruptcy matters be handled in a federal forum by placing bankruptcy jurisdiction in the district courts." Id. at 913. Third, field preemption is necessary to promote a uniform federal bankruptcy process. Id. at 914 (stating that field preemption arises when states interfere "with the whole complex, reticulated bankruptcy process itself").

54. Conflict preemption also applies. Courts consistently have held that any state law that frustrates the full effectiveness of federal law is rendered invalid by the Supremacy Clause, even if the state legislature had a valid purpose in passing the state law. Perez v. Campbell, 402 U.S. 637, 649 (1971). The decision of Dan Hixson Chevrolet is directly applicable here. In that case, the Bankruptcy Court for the Northern District of Texas held that a Texas law providing a "good cause" hearing as a forum to protest the termination of a dealer agreement would frustrate section 365 and the bankruptcy process. Dan Hixson Chevrolet, 12 B.R. at 923. The bankruptcy court held that because both the state and federal processes

would purport to decide the same issue — whether good cause existed to end the dealership arrangement — the state law was preempted. Id. ("The duplicative regulatory powers created in the state and federal law . . . would frustrate the purposes of federal bankruptcy laws and therefore such [state] proceedings must bow to the Supremacy Clause of the U.S. Constitution.").

55. Applying the principles above, section 365 and the remainder of the Bankruptcy Code fully occupy the field of inquiry concerning rejection of agreements in bankruptcy and the consequences arising therefrom. State Dealer Laws are fully preempted to the extent that they purport to limit, restrict or impose any burdens or requirements on the Debtors in connection with exercising their fundamental rights under section 365 of the Bankruptcy Code to conclude their commercial relationships with the Affected Dealers through rejection. The Dealer Laws simply have no power to restrict or otherwise influence the Debtors' ability to reject the Rejected Dealer Agreements.

56. Congress "did not intend to allow debtors to reject . . . contracts under [section] 365(a) only to have the [nondebtor] turn around and enforce the Agreement just rejected." Nickels Midway Pier, 332 B.R. at 274. Allowing the Affected Dealers or Government Entities to leverage the Dealer Laws to protest the rejection of the Rejected Dealer Agreements or in any other way to attempt to evade the relief requested herein would be tantamount to circumventing the Debtors' rights under section 365 in violation of the protections of federal law afforded by the U.S. Constitution. See Lubrizol Enters., Inc v. Richmond Metal Finishers, Inc., 756 F.2d 1043, 1048 (4th Cir. 1985) ("allowing specific performance would obviously undercut the core purpose of rejection under section 365(a), and that consequence cannot therefore be read into congressional intent"); see also Dan Hixson Chevrolet, 12 B.R. at 923 (stating that by enacting section 365, Congress withdrew from all other courts the power to

decide the issue of whether a debtor may assume or reject a contract). As such, the Court should rule that Dealer Laws are preempted by the Bankruptcy Code and that the Affected Dealers and Government Entities may not enforce Dealer Laws to limit or restrict the relief granted herein.

***Section 525 of the Bankruptcy Code Protects the Debtors,  
New Chrysler (or Other Purchaser) and the Remaining Dealers from  
Actions by Government Entities to Limit the Act or Effects of Rejection***

57. Under the Bankruptcy Code, governmental units cannot discriminate in licensing and related matters as a result of a debtor commencing a chapter 11 case or exercising its rights therein. In particular, section 525(a) of the Bankruptcy Code provides, in relevant part, that:

a governmental unit may not deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against . . . a person that is or has been a debtor under this title . . . , or another person with whom such . . . debtor has been associated, solely because such . . . debtor is or has been a debtor under this title.

11 U.S.C. § 525(a). Section 525 thus prohibits the government from taking any action against the Debtors under applicable nonbankruptcy law (such as, for example, under Dealer Laws) with respect to licenses, permits, charters and similar grants if such action would interfere with the Debtors' entitlement to the rights and protections of the Bankruptcy Code and, specifically, the fresh start that it provides. See In re Magnacom Wireless, LLC, 503 F.3d 984, 991 (9th Cir. 2007) (noting that a governmental unit's regulatory power to cancel licenses does not trump section 525 of the Bankruptcy Code); Betty Owen Schools, 195 B.R. at 31 (stating that "[s]ection 525(a) was enacted to prevent the government from frustrating the 'fresh start' policy of the [Bankruptcy] Code"); Elsinore Shore Assocs. v. N.J. Division of Alcoholic Beverages Control (In re Elsinore Shore Assocs.), 66 B.R. 708, 720 (Bankr. D.N.J. 1986) (stating that "a governmental unit may not discriminate against an individual so as to frustrate the fresh start

policies of the bankruptcy code, simply because an individual has filed a petition under Title 11 of the Code").

58. Although the Debtors plainly are protected by section 525 of the Bankruptcy Code, New Chrysler (or other purchaser in a Sale Transaction) and the Remaining Dealers qualify for protection as well, as "person[s] with whom [the Debtors have] been associated." See Betty Owen Schools, Inc. v. U.S. Dep't of Educ. (In re Betty Owen Schools, Inc.), 195 B.R. 23, 29-30 (Bankr. S.D.N.Y. 1996) (finding that the purchaser of a debtor's assets had standing under section 525 of the Bankruptcy Code with respect to its application to the government for certification to participate in a certain government loan program).

59. Given the complexities, exigencies and importance of the transactions contemplated by the Sale Motion, any interference by Government Entities — whether acting *sua sponte* or at the behest of the Affected Dealers — could have a material adverse impact on the Debtors' ability to complete a successful transition of the Debtors' businesses to New Chrysler (or other purchaser) and maximize the value available to stakeholders. To the extent that any such interference by Government Entities, or by Affected Dealers acting through mechanisms made available by Government Entities, is motivated by dissatisfaction with or protests over the commencement of these cases or the rejections of the Rejected Dealer Agreements, such interference would violate section 525 of the Bankruptcy Code because it effectively would punish the Debtors for invoking the fundamental benefits, rights and protections of the Bankruptcy Code.

60. Thus, for example, a Government Entity cannot deny a license based on Dealers' Blocking Rights that might have existed under Dealer Laws had one of the Affected Dealers not been subject to rejection. Section 525 of the Bankruptcy Code must be interpreted



here to preclude Government Entities from attempting to use licensure decisions or any other regulatory authority to punish the Debtors, New Chrysler (or other purchaser) and the Remaining Dealers for the relief requested in this Motion. See FCC v. Nextwave Personal Commc'ns, 537 U.S. 293, 301 (2003) (holding that the FCC violated section 525 of the Bankruptcy Code in cancelling a debtor's broadband personal communications services licenses where the debtor's failure to make payments that were due as a result of its bankruptcy filing was a proximate cause of the FCC's decision to cancel the licenses, even though the FCC could point to an ostensibly valid, nonbankruptcy related regulatory motive for cancellation of the licenses).

***Rejection Gives Rise to a Nonpriority Prepetition Claim***

61. Rejection of each of the Rejected Dealer Agreements constitutes a breach of each such agreement "immediately before the date of the petition" and gives rise to a dischargeable prepetition claim for damages arising out of the fictional breach. See 11 U.S.C. § 365(g)(1). Section 365(g) of the Bankruptcy Code provides, in relevant part, that:

the rejection of an executory contract or unexpired lease of the debtor constitutes a breach of such contract or lease — (1) if such contract or lease has not been assumed under this section or under a plan confirmed under chapter 9, 11, 12 or 13 of this title, immediately before the date of the filing of the petition.

11 U.S.C. § 365(g).

62. Rejection damages include all unperformed obligations that may be reduced to the payment of money. Section 101(5) of the Bankruptcy Code defines the term "claim" as a "(A) right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (B) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment." 11 U.S.C. § 101(5)(B). Accordingly, all of the Debtors' unperformed obligations under the Rejected Dealer Agreements give rise to dischargeable

prepetition claims to the extent they constitute, or may be reduced to, dealer rights to payment of money from the Debtors. See Ohio v. Kovacs, 469 U.S. 274, 282-83 (1985) (holding that a debtor's affirmative obligation to clean up a waste disposal site gave rise to a claim dischargeable in bankruptcy, because the debtor could render performance of the obligation only by the payment of money); Carpetland v. Udell (In re Udell), 18 F.3d 403, 407 (7th Cir. 1994) (stating that a right of foreclosure, for example, gives rise to a right to payment of proceeds of the sale of the house and, consequently, gives rise to a monetary claim); In re Printronics, Inc., 189 B.R. 995, 1001 (Bankr. N.D. Fla. 1995) (stating that "when state law permits a right to payment as an alternative to an equitable remedy, a claim exists which is dischargeable in bankruptcy").

63. For the avoidance of doubt, rights and claims of the Affected Dealers that must be asserted only as Rejection Damages Claims include, without limitation, claims for: (a) the repurchase of unsold inventories of vehicles and parts; (b) payment assistance in connection with Affected Dealers' obligations to third parties; (c) payment of incentives, commissions or other compensation for having sold vehicles or parts; (d) alleged loss of future profits or other consequential damages; (e) payment of any amounts claimed to be due under any statutes governing the termination, nonrenewal, cancellation or discontinuance of the dealership agreements or franchise rights; and (f) alleged damages suffered as a result of the loss of rights and benefits under Dealer Laws.

***Rejection of the Rejected Dealer Agreements Concludes the Dealer Relationship; Full Enforcement of Rejection Is Crucial to the Success of the Sale Transaction***

64. As described above, the rejection of the Rejected Dealer Agreements is a critical aspect of the Fiat Transaction and the success of these chapter 11 cases generally. By rejecting the Rejected Dealer Agreements, the Debtors are concluding their commercial relationships with the Affected Dealers, and the Affected Dealers no longer should be able to

enforce their rights under these agreements. Thus, due to rejection, the Affected Dealers no longer may serve as authorized dealers for the Debtors (or New Chrysler) following rejection, nor may they enforce other contractual rights except as a rejection damages claim (as described above). Nevertheless, the Debtors anticipate that some of the Affected Dealers or Government Entities may be uncertain as to the effect of the rejection of the Rejected Dealer Agreements or may seek to bring claims that interfere with the orderly rejection of such agreements. The Debtors seek through rejection of the Rejected Dealer Agreements to make a clean and complete break from their business relationships with the Affected Dealers. As such, the Debtors desire — indeed, the ultimate success of the transactions contemplated in the Sale Motion mandates — that the Affected Dealers and Government Entities not mistakenly or purposefully take actions to undermine, contradict or otherwise impair the legal and practical effect of the rejections.

65. Such post-rejection actions could take several forms, including but not limited to: (a) retail sales and servicing of Chrysler branded vehicles and parts by an Affected Dealer as if it were still an authorized dealer; (b) the use and display of the Debtors' brand names, logos and other trademarks and servicemarks despite the rejection of these license rights; or (c) the petitioning to one or more Government Entities (or *sua sponte* conduct by such Government Entities) seeking enforcement, interpretation or application of the Dealer Laws in any manner that undermines the rejection of the Rejected Dealer Agreements, the Fiat Transaction (or other Sale Transaction) or the Debtors' efforts to administer these chapter 11 cases, generally.

66. Under these circumstances, it is essential that the Court finds, in a manner that is clear, concise and easily understood by Affected Dealers, Government Entities and third parties, that the rejection of the Rejected Dealer Agreements, pursuant to section 365 of the

Bankruptcy Code, is a conclusion of the commercial relationship and cuts off the rights of the Affected Dealers thereunder, except to the extent that the Affected Dealers may wish to pursue rejection damages in this Court. Likewise, the Order approving this Motion should provide a set of prompt and certain procedures for addressing any situation that conflicts with, or otherwise undermines, the rejection of the Rejected Dealer Agreements.

67. First, the Debtors request that the Court find that, as a result of the rejection of the Rejected Dealer Agreements, that (a) each Affected Dealer shall have no further rights (direct, indirect, contractual or otherwise) to act as a new motor vehicle dealer of the Debtors or otherwise act as an Authorized Dealer under the terms of any agreements with the Debtors or of New Chrysler; and (b) each Affected Dealer's status as a new motor vehicle dealer for Debtors or an Authorized Dealer of the Debtors with respect to these locations is hereby deemed to be revoked, annulled and cancelled for all purposes.

68. Second, the Debtors request that the Court find that, upon rejection, each such Affected Dealer no longer is authorized, appointed or permitted (contractually or otherwise) to, among other things:

- (a) undertake any advertising, sales, trades, repair or service of any Chrysler branded products under the terms of the Rejected Dealer Agreements;
- (b) hold itself out to any third party as an Authorized Dealer of the Debtors or of New Chrysler for any purpose;
- (c) display, distribute or otherwise use any signage, promotional or other materials bearing or containing the Debtors' trademarks and service marks, including, without limitation, company and vehicle make and model names and logos;<sup>13</sup> and

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<sup>13</sup> Affected Dealers must stop using the Debtors' trademarks and servicemarks immediately after rejection because the plain language of the Bankruptcy Code excludes trademarks and servicemarks from the continued use protections of section 365(n) of the Bankruptcy Code. Section 365(n) provides that a licensee of "intellectual property" may elect to continue its use of the rejected license under certain circumstance and limitations. See 11 U.S.C. § 365(n). The term "intellectual property," as defined by the

- (d) exercise or enforce any other rights, entitlements, privileges or status arising from or related to the Rejected Dealer Agreements or having been an Authorized Dealer of the Debtors, including any rights under Dealer Laws, other than through the assertion of Rejection Damages Claims in this Court.

69. In addition, to enable the Debtors and this Court to address quickly and efficiently any Affected Dealer or Government Entity that engages in conduct inconsistent with any of the relief granted in an Order granting this Motion ("Unauthorized Conduct"), the Debtors propose the following procedures:

- (a) If any Affected Dealer or Government Entity undertakes alleged Unauthorized Conduct, the Debtors may, at any time after learning of the alleged Unauthorized Conduct:
  - (i) file a Notice of Unauthorized Conduct, substantially in the form attached hereto as Exhibit C, identifying the Affected Dealer or Government Entity and relevant Rejected Dealer Agreement(s), setting forth the Debtors' belief that the Affected Dealer or Government Entity is in violation of the Order granting this Motion and the Bankruptcy Code, and describing the particular conduct of the Affected Dealer or Government Entity that the Debtors maintain constitutes Unauthorized Conduct; and
  - (ii) seek the entry of an Order to Show Cause, substantially in the form attached hereto as Exhibit D, which shall require the Affected Dealer or Government Entity to appear before the Court within

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(continued...)

Code, however, is limited to mean (a) trade secret; (b) invention, process, design, or plant; (c) patent application; (d) plant variety; (e) work of authorship; or (f) mask work. See 11 U.S.C. § 101(35A). The term does not include trademarks and servicemarks. Id.; see also In re HQ Global Holdings, Inc., 290 B.R. 507, 513 (Bankr. D. Del. 2003) ("Trade names, trademarks, and other proprietary marks are expressly excluded from the definition of 'intellectual property.'"); William L. Norton, Jr., NORTON BANKR. L. & PRAC. 2d § 39:57 (2002) (explaining that the Bankruptcy Code defines intellectual property broadly to protect virtually all types of rights other than trademarks); S. Rep. No. 505, 100<sup>th</sup> Cong., 2d Sess. (1988) (stating that continued use rights do not include trademark licenses). Accordingly, once the Debtors reject the Affected Dealers' licenses to use the Debtors' trademarks and servicemarks under the Rejected Dealer Agreements, the Affected Dealers are left only with Rejection Damages Claims. See In re HQ Global Holdings, 290 B.R. at 513 (stating that rejection of a trademark license leaves the licensee with only a claim for rejection damages and the right to use the trademark ends upon rejection); Raima UK Ltd v. Centura Software Corp. (In re Centura Software Corp.), 281 B.R. 660, 673 (Bankr. N.D. Cal. 2002) (stating that after a rejection of a trademark license, the only recourse for the licensee is a claim for breach); In re Chipwich, Inc., 54 B.R. 427, 431 (Bankr. S.D.N.Y. 1985) (stating that the rejection by the debtor-licensor deprives the licensee of its right to further use of the trademark, resulting in a claim for damages).

five business days (a "Show Cause Hearing") to demonstrate why it should not be found to have willfully violated the order approved in connection with the Motion and the Bankruptcy Code.

- (b) Any Affected Dealer or Government Entity that is served with a Notice of Unauthorized Conduct and an Order to Show Cause but fails to appear for a Show Cause Hearing shall be deemed, without further notice or hearing, to be in contempt of the order approved in connection with this Motion and the Order to Show Cause and may be held liable for all demonstrated damages, fees and costs of the Debtors, and may be subject to additional sanctions, to the extent permitted by law.

**Requested Waiver of Bankruptcy Rule 6006(f)(6)**

70. There are 789 Affected Dealers and, including Ancillary Agreements, well over 1,000 Rejected Dealer Agreements for the dealership locations identified on Exhibit A. Bankruptcy Rule 6006(f)(6) provides that a motion to reject executory contracts "shall . . . be limited to no more than 100 executory contracts. . . ." For several reasons, the Debtors respectfully submit that the 100 contract limitation imposed by Bankruptcy Rule 6006(f)(6) should not apply to this Motion, and the Debtors accordingly request that the Court waive Bankruptcy Rule 6006(f)(6) with respect to this Motion to the extent that it arguably may apply. First, all of the executory contracts implicated by this Motion are of the same type and purpose; i.e., Dealership Agreements and related Ancillary Agreements. They are form contracts that in most cases are substantially identical to each other. Thus, although this is an "omnibus" motion addressing numerous agreements, the nature of these agreements, and in most cases their terms, are substantially similar (if not identical).

71. Likewise, the Debtors' rationale for rejecting the Rejected Dealer Agreements, and the legal and factual support for these determinations, are uniform. Indeed, as explained further herein, the proposed rejections are the result of the Debtors' efforts to conserve cash and pursue transactions that maximize value. Third, consistent with Bankruptcy Rule 6006(f)(2), the Affected Dealers are listed on Exhibit A in alphabetical order by their

dealership names, making the list easy to navigate without the need to file multiple concurrent motions. Even if the Debtors were to limit each motion to 100 Affected Dealers and all Rejected Dealer Agreements for those Affected Dealers, numerous identical motions would be needed, which would be wasteful, confusing and difficult to administer. Under these circumstances, the Debtors submit that including all of the Rejected Dealer Agreements in a single motion is the most efficient and otherwise appropriate course for the benefit not only of the Debtors, but also of the Court and the Affected Dealers themselves. See Fed. R. Bankr. P. 6006 advisory committee's note (stating the drafting committee's intent that a court may order exceptions to Fed. R. Bankr. P. 6006(f) for an omnibus motion).

#### **Notice**

72. No trustee or examiner has been appointed in these chapter 11 cases. In accordance with the Administrative Order, Pursuant to Bankruptcy Rule 1015(c), Establishing Case Management and Scheduling Procedures (Docket No. 661) (the "Case Management Order"), entered on May 12, 2009, notice of this Motion has been given to (a) the parties identified on the General Service List and the Special Service List (as such terms are identified in the Case Management Order), (b) the Affected Dealers and (c) the Government Entities. The Debtors submit that no other or further notice need be provided.

#### **No Prior Request**

73. No prior request for the relief sought in this Motion has been made to this or any other Court.

WHEREFORE, the Debtors respectfully request that this Court: (a) enter an order substantially in the form attached hereto as Exhibit E, granting the relief sought herein; and (b) grant such other and further relief to the Debtors as the Court may deem proper.

Dated: May 14, 2009  
New York, New York

Respectfully submitted,

/s/ Corinne Ball

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Veerle Roovers  
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PROPOSED ATTORNEYS FOR DEBTORS  
AND DEBTORS IN POSSESSION



**EXHIBIT A**

## EXHIBIT A

DEALER NAME	MAJORITY OWNER	DEALER ADDRESS	DEALER CODE	LINES
1099 LLC	VERNON G BUCHANAN	DBA VENICE DODGE 750 US 41 BYPASS SOUTH VENICE, FL 34292	44861	DT
1ST AVENUE CHRYSLER INC	KAREN MICKEY	DBA MICKEY CHRYSLER DODGE 1919 DODGE RD NE CEDAR RAPIDS, IA 52402-2416	66637	CDT
23 AUTO GROUP, LLC	KEVIN DIPIANO	DBA 23 DODGE 1567 STATE RT 23 BUTLER, NJ 07405-1820	45262	DT
A & D AUTO SALES INC	ALAN L WEBB	DBA ALAN WEBB DODGE 3712 NE 66TH AVE VANCOUVER, WA 98661	43298	DT
A B C MOTORS INC	AARON BEECHER	395 WEST MERRICK RD VALLEY STREAM, NY 11580-5243	67225	CJ
A L S INC	STEVEN R SMITH	DBA STEVE SMITH COUNTRY 6372 W SUNSET AVENUE SPRINGDALE, AR 72762-0760	23913	J
ABRAHAM BUICK INC	NICHOLAS M ABRAHAM	DBA ABRAHAM CHRYSLER-JEEP 1111 BROAD STREET ELYRIA, OH 44035	67561	CJ
ADAMS FORD COMPANY	LEWIS W ADAMS JT	DBA ADAMS CHRYSLER COMPANY HIGHWAY 84 EAST LOGANSPORT, LA 71049	42856	DTCJ
ALEXANDRIA MOTOR COMPANY	WESLEY RYDELL	DBA ALEXANDRIA JEEP 2700 S. WASHINGTON GRAND FORKS, ND 58201	26792	J
ALLEN SAMUELS ENTERPRISES ALLEN SAMUELS AUSTIN DODGE INC	MIKE LOWRY	DBA ALLEN SAMUELS DODGE 301 OWNE LANE WACO, TX 76710	45068	DT
ALLEN SAMUELS ENTERPRISES ALLEN SAMUELS CHRYSLER JEEP	MIKE LOWRY	301 OWNE LANE WACO, TX 76710	68550	CJ
ALLEY'S OF KINGSPORT INC	WALLACE D ALLEY JR	DBA ALLEY'S CHRYSLER DODGE WORLD 2761 E STONE DR KINGSPORT, TN 37660-5860	42002	DCT
AMARAL MOTORS INC	DANIEL AMARAL	40 SO MAIN ST NEWTOWN, CT 06470	63966	C
AMBASSADOR AUTO SERV INC	PHILLIP G MACK	525 WEST THIRD STREET MOSCOW, ID 83843-2317	24160	J
ANCHOR MOTOR CO., INC.	WILFRED W REISNGER JR	1120 JEFFREYS DR OSCEOLA, IA 50213	68718	CDTJ
ANDERSON MOTOR COMPANY INC	WILLIAM E ANDERSON	2018 VETERANS MEMORIAL PARKWAY LANETT, AL 36863-4714	23952	J
ANDREWS FORD INC	ANSEL L ANDREWS JR	DBA ANDREWS CHRY-DODGE-JEEP 108 OLD HWY 98 EAST TYLERTOWN, MS 39667	67603	CDTJ
ANTWERPEN CHEVROLET LTD	JACOB M ANTWERPEN	DBA ANTWERPEN DODGE 9420 LIBERTY RD RANDALLSTOWN, MD 21133	44434	DT

The Dealership Agreements include, without limitation, all Dealer Sales and Service Agreements and Direct Dealer Agreements entered into with each Affected Dealer and any amendments, supplements or exhibits to those agreements, as well as all related Ancillary Agreements (as described in the Motion). Designations above for "Lines" refer to the linemakes Chrysler ("C"), Jeep ("J") and Dodge ("D") or Dodge Truck ("T").

DEALER NAME	MAJORITY OWNER	DEALER ADDRESS	DEALER CODE	LINES
ARCHER CHRYSLER JEEP WEST INC	ROBERT P ARCHER	16835 KATY FWY HOUSTON, TX 77094-1405	60042	CJ
ARCHER CHRYSLER-PLYMOUTH INC	ROBERT P ARCHER	DBA ARCHER CHRYSLER-PLYMOUTH-JEEP- 11614 SOUTHWEST FREEWAY HOUSTON, TX 77031-3696	66098	CJ
ARCHER DODGE INC	ROBERT P ARCHER SR	12053 SOUTHWEST FREEWAY STAFFORD, TX 77477	43928	DT
ARCHER FINANCIAL HOLDINGS INC	JAMES E ARCHER	DBA JIM ARCHER CHRYSLER JEEP 19200 NORTHWEST FREEWAY HOUSTON, TX 77065-4715	60123	CJ
ARNOLD MOTOR SALES INC	R C ARNOLD	1134 WEST HWY 60 SUPERIOR, AZ 85273-3408	65116	CDTJ
ARROW FORD INC	HOMER S HIGGINBOTHAM	DBA ARROW CHRYSLER JEEP 3995 SOUTH 1ST ABILENE, TX 79605	60080	CJ
ASBURY AUTOMOTIVE ATLANTA LLC	CHARLES R OGLESBY	DBA NALLEY ROSWELL CHRYSLER JEEP 622 THIRD AVENUE 37TH FLOOR NEW YORK , NY 10017	26630	JC
ATCHISON AUTOMOTIVE GROUP, INC.	BARCLAY CLOSE	DBA ATCHISON AUTOMOTIVE GROUP, INC. 314 WOODLAWN AVE ATCHISON, KS 66002-2165	45401	DTCJ
AUFFENBERG CHRYSLER, INC.	JAMES A AUFFENBERG JR	DBA AUFFENBERG CHRYSLER JEEP 176 AUTO COURT O'FALLON, IL 62269	68628	CJ
AUGUSTA DODGE INC	PETER W MANKINS	1886 GORDON HIGHWAY AUGUSTA, GA 30904-5658	44615	DT
AUTO NATION DODGE LLC	MICHAEL E MAROONE	DBA MAROONE DODGE OF MIAMI 110 SE 6TH ST. FT. LAUDERDALE, FL 33301	43776	DT
AUTO NATION FIRST TEAM JEEP-EAGLE-CHRY- PLYM	MICHAEL E MAROONE	DBA COURTESY CHRY-JEEP OF CASSELBERRY 110 SE 6TH ST. FT. LAUDERDALE, FL 33301	23984	JC
AUTO NATION MAROONE MANAGEMENT SERVICES, INC.	MICHAEL E MAROONE	DBA MAROONE CHRYSLER JEEP DODGE 110 SE 6TH ST. FT. LAUDERDALE, FL 33301	26653	JCDT
AUTO NATION METRO CHRYSLER JEEP INC	MICHAEL E MAROONE	DBA COURTESY CHRYSLER JEEP OF SANFORD 110 SE 6TH ST. FT. LAUDERDALE, FL 33301	68166	CJ
AUTO NATION MILLER-SUTHERLIN AUTOMOTIVE LLC	MICHAEL E MAROONE	110 SE 6TH ST. FT. LAUDERDALE, FL 33301	44212	DTCJ
AUTO NATION SOUTHWEST DODGE LLC	MICHAEL E MAROONE	DBA GO DODGE SOUTHWEST 110 SE 6TH ST. FT. LAUDERDALE, FL 33301	44148	DT
AUTO VILLAGE CADILLAC JEEP, INC	JEROME H FADER	DBA HERITAGE AUTO MALL OF BEL AIR 23 WALKER AVE BALTIMORE, MD 21208	23254	J
AUTOCAL, LLC	DENNIS E HECKER	DBA PENINSULA DODGE 640 VETERANS BOULEVARD REDWOOD CITY, CA 94063	45150	DT

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DEALER NAME	MAJORITY OWNER	DEALER ADDRESS	DEALER CODE	LINES
AUTOMOBILE INTERNTL CORP	ANTHONY J MICHEL II	DBA RUTLAND DODGE ROUTE 7 NORTH CLARENDON, VT 05759	43683	DT
AUTONATION - BLEDSOE DODGE LLC	MICHAEL E MAROONE	DBA BANKSTON DODGE OF GRAND PRAIRIE 110 SE 6TH ST. FT. LAUDERDALE, FL 33301	41548	DT
AXELROD CHRY-DODGE-JEEP INC	NELSON E AXELROD	900 BROAD ST WADSWORTH, OH 44281-9073	42691	DTCJ
AXELROD CHRYSLER, INC	LAWRENCE AXELROD	DBA AXELROD CHRYSLER, INC 6767 BROOKPARK ROAD PARMA, OH 44129-1200	68191	C
B & L DODGE CHRYSLER INC	ROBERT A LEFFLER	DBA B & L DODGE-CHRY-JEEP 300 CENTER STREET SHAMOKIN, PA 17872-1199	41586	DTCJ
B.G.R., LLC	GILBERT L DANNEHOWER	DBA DELAND DODGE 2322 S WOODLAND BLVD DELAND, FL 32720	45228	DT
BALLARD'S OF CLINTON, INC.	CHARLES M MCKINSEY	DBA MCKINSEY MOTOR COMPANY INTERSTATE 40 & HIGHWAY 183 CLINTON, OK 73601	67904	CDTJ
BALLENGER AUTOMOBILE CO	STEVEN H MCCANN	12 ROBERTS STREET SANFORD, ME 04073-3998	58166	DTCJ
BALZEKAS MOTOR SALES INC	STANLEY P BALZEKAS JR	4030 S ARCHER AVE CHICAGO, IL 60632-1140	8269	CJ
BARBER BROS MOTOR CO INC	FRED R BARBER	1339 NORTH MAIN STREET SPANISH FORK, UT 84660-2411	67535	CDTJ
BARBERA CHEVROLET INC	ROBERT A BARBERA	DBA BARBERA CHRYSLER HWY #1 NORTH NAPOLEONVILLE, LA 70390	67128	CDTJ
BARRY DODGE INC	ANDREW RIEXINGER	4579 S MAIN ST BROCKPORT, NY 14420	57709	DTCJ
BATTLEFIELD MOTORS, LLC	STEPHEN FAY	DBA BATTLEFIELD JEEP 1300 RICHMOND ROAD CHARLOTTESVILLE, VA 22911	26748	J
BAUM BOULEVARD ENTERPRISES, INC.	WILLIAM E NUMRICH	DBA DAY'S BAUM BOULEVARD DODGE 5625 BAUM BLVD PITTSBURGH, PA 15206-3701	45277	DTCJ
BAUMGARDNER MOTORS INC	WILLIAM P HOLLERN	DBA HOLLERN & SONS DODGE 402 17TH STREET WINDBER, PA 15963-1720	54368	DT
BAY BRIDGE DODGE CHRYSLER JEEP,	BOBBY ALI	DBA BAY BRIDGE CHRYSLER JEEP DODGE 2735 BROADWAY OAKLAND, CA 94612-3109	26784	JCDT
BEACON SALES INC	ELDON D HOWE	1285 LANSING RD CHARLOTTE, MI 48813-8402	38513	CDTJ
BECKMAN MOTOR CO INC	ALBERT E BECKMAN	PENN AVE AND SCHOOL WAY MT OLIVER, PA 15210	8434	C
BEECHER INC	DEAN R BEECHER	HWY 59 SOUTH SHENANDOAH, IA 51601	68962	CDTJ
BEE'S CHEVY-OLDS INC	JEFFRY R FELDPAUSCH	DBA BEE'S MOTORS 2100 SOUTH U S 27 ST JOHNS, MI 48879	42817	DTCJ

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DEALER NAME	MAJORITY OWNER	DEALER ADDRESS	DEALER CODE	LINES
BEHREND GARAGE INC	ALTON R IMMEL	DBA IMMEL MOTORS 1279 S US HIGHWAY 87 FREDERICKSBURG, TX 78624-5283	43862	DT
BEL AIR DODGE INC	LOUIS M SCHAEFER	DBA SCHAEFER & STROHMINGER DODGE 4212 RIDGE RD BALTIMORE, MD 21047	44018	DT
BELL MCCALL COMPANY	ROBERT N MILLER	300 WEST MAIN STREET HAMILTON, MT 59840	67498	CDTJ
BELLE MEAD GARAGE INC	ROY K HIGGINS	2454 ROUTE 206 BELLE MEAD, NJ 08502-4016	9827	CJ
BELVIDERE MOTORS INC	ROBERT L DIXON	1201 NORTH STATE STREET BELVIDERE, IL 61008	64602	DT
BENNETT AUTOPLEX INC	RALPH BENNETT	651 SOUTH OHIO SALINA, KS 67401-3395	23650	J
BENSON MOTOR INCORPORATED	CARL E BENSON	100 S 16TH ST AMES, IA 50010-8010	43970	DT
BERGEY'S INC	KEVIN R BERGEY	DBA BERGEY'S DODGE 1201 N BROAD ST LANSDALE, PA 19446	44755	DT
BERLIN CHRYSLER INC	LAWRENCE I GORIN	94 W WHITE HORSE PIKE BERLIN, NJ 08009-1290	65052	C
BERO MOTORS INC	ROBERT J BERO	5273 HIGHWAY 2 AND 41 ESCANABA, MI 49829	23756	J
BERRANG PONTIAC CADILLAC GMC	PATRICK E BERRANG	DBA BERRANG CHRYSLER DODGE JEEP 201 LEW DEWITT BLVD WAYNESBORO, VA 22980-1663	68403	CDTJ
BERT OGDEN HARLINGEN MOTORS INC	ROBERT C VACKAR	602 W JACKSON HARLINGEN, TX 78550-6467	68521	CDT
BEYER MOTOR COMPANY INC	KIM M BEYER, JT&	510 MAIN STREET GRIDLEY, KS 66852	6113	CDTJ
BIEGLER'S INC	STEVE BIEGLER	1502 6TH AVE SW ABERDEEN, SD 57401-3703	23661	J
BIG VALLEY FORD-LINCOLN-MERCURY	LARRY D MILES	DBA BIG VALLEY CHRYSLER/DODGE INC 26730 HIGHWAY 50 WEST LAJUNTA, CO 81050	44551	DTCJ
BILL HELLMAN MOTOR CO	RALPH W HELLMAN	DBA HELLMAN MOTOR CO 750 EAST HIGHWAY 92 DELTA, CO 81416-3495	66760	CDTJ
BILL LYONS CAR COMPANY	JOHN M HOSMER	3851 4TH STREET SW MASON CITY, IA 50401	42280	DT
BILL SPURLOCK DODGE INC	WILLIAM S SPURLOCK	351 FOURTH AVENUE HUNTINGTON, WV 25701-1223	43024	DT
BIRMINGHAM CHRYSLER PLYMOUTH INC	RICHARD MEALEY	DBA BIRMINGHAM CHRY PLYM JEEP EAGLE 2100 W MAPLE RD TROY, MI 48084-7128	63747	CJ
BLACKFOOT MOTOR CO. INC.	STEVEN B WACKERLI	DBA BLACKFOOT MOTOR CO. INC. 369 WEST BRIDGE STREET BLACKFOOT, ID 83221	26753	J
BOARDWALK AUTO CENTER INC	JAMIE G KOPF	DBA BOARDWALK CHRYSLER PLYMOUTH JEEP 1 BAIR ISLAND ROAD REDWOOD CITY, CA 94063-2764	24202	JC

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DEALER NAME	MAJORITY OWNER	DEALER ADDRESS	DEALER CODE	LINES
BOB CARVER'S CARS & TRUCKS INC	ROBERT A CARVER	1000 HIGHWAY 71 NORTH MENA, AR 71953	44550	DTCJ
BOB DANCE DODGE INC	ROBERT SCOTT DANCE	3775 NORTH HIGHWAY 17-92 SANFORD, FL 32773	41291	DT
BOB KAVIC CHRYSLER PLYMOUTH DODGE	ROBERT J KAVIC	ROUTE 28 HERKIMER, NY 13350-1044	26301	JCDT
BOB LUEGERS MOTORS INC	ROBERT T LUEGERS	1050 WERNSING RD JASPER, IN 47546-8129	23723	J
BOB MAYBERRY CHRY-DODGE- JEEP INC	ROBERT P MAYBERRY JR	3220 HIGHWAY 74 WEST MONROE, NC 28110	57159	DTCJ
BOB RIDINGS FORD INC	ROBERT R RIDINGS	DBA BOB RIDINGS INC 931 SPRINGFIELD ROAD TAYLORVILLE, IL 62568-1220	23740	JC
BOB RIDINGS IN JACKSONVILLE INC	ROBERT R RIDINGS	1110 W MORTON JACKSONVILLE, IL 62650	26649	J
BOB RIDINGS LINC-MERC INC	ROBERT R RIDINGS	DBA BOB RIDINGS JEEP-EAGLE 3103 NORTH 22ND STREET DECATUR, IL 62526-2194	26543	J
BOB ROHRMAN MOTORS, INC	ROBERT V ROHRMAN	DBA BOB ROHRMAN JEEP EAGLE 701 SAGAMORE PKWY S LAFAYETTE, IN 47905-4730	23349	J
BOB TAYLOR JEEP INC	ROBERT M TAYLOR	5665 N AIRPORT PULLING RD NAPLES, FL 34109	23980	J
BOBBY TRENT MOTORPLEX INC	BOBBY G TRENT	DBA MUSTANG COUNTRY 600 WEST BROADWAY DENVER CITY, TX 79323	43988	DTCJ
BOE CHRYSLER CENTER INC	PETER B.BOE	115 STATE STREET WEST CONCORD, MN 55985	23695	JCDT
BOLLINGER'S INC	BILL F BESEMER	208 LINCOLN AVENUE LAKEVIEW, MI 48850-9779	25078	DTCJ
BONDY'S FORD INC	FRANCES BONDY	DBA BONDY'S JEEP 3615 ROSS CLARK CIRLCE DOTHAN, AL 36303	23934	J
BOUCHER IMPORTS INC	FRANK A BOUCHER	DBA FRANK BOUCHER CHRYSLER 4141 S. 108TH STREET HWY 100 GREENFIELD, WI 53228	68396	C
BOWEN BROS.	ALFRED FULLER	31 PARK ST LIVERMORE FALLS, ME 04254-1319	23037	J
BOWLING GREEN LINCOLN- MERCURY,	CARL E HEFFERNAN JR	DBA BOWLING GREEN JEEP 1079 N MAIN ST BOWLING GREEN, OH 43402-1302	23380	J
BP AUTOMOTIVE, LP.	SCOTT BOSSIER	DBA BOSSIER DODGE 2405 N. INTERSTATE 35E WAXAHACHIE, TX 75165	60254	CDT
BRAEGER CHRYSLER JEEP	TODD M REARDON	6133 S 27TH ST MILWAUKEE, WI 53221-4836	68383	CJ
BREHM GROUP INCORPORATED	DAVID C LIVINGSTON	DBA RUSSWOOD CHRYSLER 8350 O STREET LINCOLN, NE 68510-2676	68069	C

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DEALER NAME	MAJORITY OWNER	DEALER ADDRESS	DEALER CODE	LINES
BRIGGS AUTO GROUP INC	RUSSELL K BRIGGS	DBA BRIGGS JEEP 2600 AUTO LANE MANHATTAN, KS 66502	26023	J
BROTHER'S MOTORS INC	DARRYL R SACKS	DBA DIAMOND DODGE-CHRY-PLYM 350 N SWITZER CANYON DR FLAGSTAFF, AZ 86001	68771	CDT
BROWN & WOOD AUTO LLC	THOMAS B BROWN	DBA BROWN & WOOD JEEP 603 SW GREENVILLE BLVD GREENVILLE, NC 27834	26490	J
BROWNFIELD C-D-J PRODUCTS L.P.	GAINES B STANLEY JR	DBA STANLEY 1704 LUBBOCK RD BROWNFIELD, TX 79316	60203	CDTJ
BROWN'S CHRYSLER-JEEP-DODGE, INC.	MICHAEL L BROWN	DBA BROWN'S CHRYSLER-JEEP-DODGE, INC. 225 SOUTH MAYO TRAIL PAINTSVILLE, KY 41240	42363	DTCJ
BRUCE CAMPBELL DODGE INC	BRUCE A CAMPBELL	14875 TELEGRAPH REDFORD, MI 48239	43102	DT
BUD BROWN CHRYSLER INC	PHILLIP J BROWN	9101 METCALF OVERLAND PARK, KS 66212-1499	62529	C
BUD CLARY	JAMES E CLARY	DBA BUD CLARY JEEP 961 COMMERCE AV LONGVIEW, WA 98632	24145	J
BUDDY JONES FORD LINCOLN MERCURY	JAMES A JONES	DBA BUDDY JONES CHRY-PLYM-DODGE-JEEP 1601 HIGHWAY 82 WEST GREENWOOD, MS 38930	68500	CDTJ
BURGUNDER MOTORS INC	GREGORY E BURGUNDER	3000 WASHINGTON PIKE BRIDGEVILLE, PA 15017	56634	DT
BURKE AUTOMOTIVE GROUP, INC.	EDWARD J BURKE	DBA NAPERVILLE JEEP/DODGE 3300 OGDEN AVENUE LISLE, IL 60532-1677	23581	JDT
BURKE BROTHERS INC	DAVID A BURKE	519 STONE HARBOR BOULEVARD CAPE MAY COURT HOUSE, NJ 08210-2417	68096	CJ
BURT DGE CHRY JEEP IN PARKER, INC.	LLOYD G CHAVEZ, JR	DBA BURT DGE CHRY JEEP IN PARKER, INC. 9900 TWENTY MILE RD PARKER, CO 80134-4938	60306	CDTJ
BUTTS PONTIAC-CADILLAC INC	DONALD C BUTTS	DBA BUTTS JEEP-EAGLE 4 HEITZINGER PLAZA SEASIDE, CA 93955-3613	24190	J
BY FISHEL'S JEEPS INC	JEFFREY B FISHEL	DBA FISHEL CHRYSLER JEEP 2980 CAPE HORN ROAD RED LION, PA 17356	23190	JC
BYERS DUBLIN DODGE LLC	GEORGE W BYERS JR	6851 VILLAGE PARKWAY DUBLIN, OH 43017	44333	DT
BYRNE MOTORS INC	MARTHA H BYRNE	331 WEST BROADWAY PRINCETON, IN 47670-2001	6413	CJ
C F SCHWARTZ MOTOR CO INC	ROBERT A SCHWARTZ	1536 N DUPONT HWY DOVER, DE 19901	8789	C
CAMPBELL MOTORS INC	LARRY R CAMPBELL	1550 NORTH FIRST STREET HERMISTON, OR 97838	24140	JCDT
CANNON CHRYSLER DODGE JEEP, INC	GUY R CANNON	DBA CANNON CHRYSLER DODGE JEEP, INC 2017 JESSE JAMES ROAD EXCELSIOR SPRINGS, MO 64024	44153	DTCJ

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CANTON MOTORS INC	DONALD R BARRIER	I-20 & HWY 19 CANTON, TX 75103	67252	CDTJ
CAPE COUNTY AUTOPARK I INC	CHRIS G AUFFENBERG	DBA AUFFENBERG CHRYSLER DODGE JEEP 611 S KINGSHIGHWAY ST CAPE GIRARDEAU, MO 63703-7603	43923	DTCJ
CARDENAS MOTORS INC	R E CARDENAS	1500 NORTH EXPRESSWAY BROWNSVILLE, TX 78521	42753	DT
CARLISLE CHEVROLET COMPANY INC	F BLANKENBECKLER III	DBA CARLISLE JEEP IH 35E AND US 287 BYPASS WAXAHACHIE, TX 75165	23904	J
CARLSONS MOTOR SALES INC	BERGER H CARLSON	13 MANCHESTER ST CONCORD, NH 03301-5106	65085	C
CARMACK CAR CAPITAL, INC	GARY W KNIGHT	3722 N VERMILION ST DANVILLE, IL 61832-1266	66769	CJ
CARSON AUTOMOTIVE INC	LAWRENCE AXELROD	DBA CARSON JEEP 3390 S CARSON ST CARSON CITY, NV 89701-5537	26667	J
CARSON CJ, LLC	KENNETH M PHILLIPS	DBA CAR PROS CHRYSLER JEEP 21126 AVALON BLVD CARSON, CA 90745-2203	60238	CJ
CARTWRIGHT FORD INC	GEORGE G CARTWRIGHT	DBA CARTWRIGHT MOTORS 909 N SECOND ST BOONEVILLE, MS 38829-1313	42895	DTCJ
CASCADE CHEVROLET COMPANY	STEPHEN J BALDOCK	DBA CASCADE AUTOCENTER 150 EASY STREET WENATCHEE, WA 98801	26488	J
CEDRIC THEEL INC	CEDRIC K THEEL	3955 TRENTON DR. BISMARCK, ND 58503	43145	DT
CENTURY DODGE INC	COLEEN A MCDONALD	13500 TELEGRAPH ROAD TAYLOR, MI 48180-4691	42189	DT
CENTURY III DODGE INC	ROBERT M RAYMOND	911 CLAIRTON BLVD RT 51 PLEASANT HILLS, PA 15236	42833	DT
CENTURY MOTOR CORPORATION	FRANK J MOCK	DBA CENTURY DODGE CHRYSLER JEEP 13500 VETERANS MEMORIAL PKWY WENTZVILLE, MO 63385-4857	43817	DTCJ
CHILDRE CHRYSLER PLYMOUTH DODGE	ROBERT L CHILDRE	126 ROBERSON MILL ROAD MILLEDGEVILLE, GA 31061	43058	DTCJ
CHILSON INC	BERNARD J CHILSON	3443 HWY 93 SOUTH EAU CLAIRE, WI 54701	23672	J
CHRIS AUFFENBERG FORD INC	CHRISTOPHER G AUFFENBERG	DBA CHRIS AUFFENBERG JEEP 5840 HWY 100 WASHINGTON, MO 63090	26005	J
CHUCK NASH CHEV-OLDS-BUIC	CHARLES D NASH JR	DBA CHUCK NASH JEEP EAGLE 123 SEGUIN HWY SAN MARCOS, TX 78666	23869	J
CIMINO BROTHERS FORD INC	GAIL A CIMINO	DBA CIMINO BROTHERS CHRYSLER PLYMOUTH 246 CLARK AVE RATON, NM 87740-3827	43961	DTCJ
CINCYAUTOS, INC.	ROBERT C REICHERT	DBA UNIVERSITY CHRYSLER JEEP DODGE 4999 COLLEGE CORNER PIKE OXFORD, OH 45056-1101	60354	CDTJ

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CITY MOTORS INC	LEONARD B CRANFORD	1601 WESTOVER TERRACE GREENSBORO, NC 27408-7199	24013	J
CLARKSTON MOTORS INC	C L FORTINBERRY II	DBA CLARKSTON CHRY-JEEP 8105 BIG LAKE RD CLARKSTON, MI 48346	67545	CJ
CLASSIC AUTOMOTIVE, INC	OLIN W BRYANT	DBA CLASSIC AUTOMOTIVE, INC 1645 2ND AVENUE NORTHWEST CULLMAN, AL 35055	26386	J
CLAUDE DEBEAUX INC	HENRY C DEBEAUX,III	HIGHWAY 1 SO VIVIAN, LA 71082	66657	CDTJ
CLAY DILLAHUNTY'S TRI-CTY MOTOR CO	WM C DILLAHUNTY	17825 HIGHLAND DRIVE MCKENZIE, TN 38201-2201	42961	DTCJ
CLAYTON AMERMAN INC	ROGER D RUBRIGHT	163-165 MAIN STREET PEAPACK, NJ 07977	53696	DT
COLEMAN AUTO GROUP, INC.	WILLIAM R KENDALL	DBA COLEMAN JEEP 1710 N OLDEN AVE TRENTON, NJ 08638-3102	26424	J
COLEMAN CHRY-JEEP INC	WILLIAM R KENDALL	917 ROUTE 130 HIGHTSTOWN, NJ 08520	68796	CJ
COLONIAL DODGE INC	DARRYL PAVLIK	24211 GRATIOT AVENUE EASTPOINTE, MI 48021-3387	57042	DT
COLONIAL DODGE INC	JOHN J FITZGERALD JR	11411 ROCKVILLE PIKE KENSINGTON, MD 20895-1089	58697	DT
COLUMBIA FORD-MERCURY- LINCOLN INC	WILLIAM R SARI	DBA COLUMBIA CHRYSLER-PLYMOUTH 700 SEVENTH AVENUE LONGVIEW, WA 98632	68240	C
COLUMBUS MOTOR COMPANY	L T YOUNGER	2302 MAIN ST COLUMBUS, MS 39701-6048	61769	C
COMPASS DODGE INC	BRUCE BENDELL	199 CENTRAL AVENUE ORANGE, NJ 07050	42603	DT
CONSOLIDATED MOTOR HOLDINGS, LLC	MITCHELL N RASHID	DBA LOGAN CHRYSLER JEEP DODGE ROUTE 44 SOUTH LOGAN, WV 25601	67281	CDTJ
CONTI CAUSEWAY FORD	DAVID C WINTRODE	DBA CAUSEWAY JEEP ROUTE 72 EAST MANAHAWKIN, NJ 08050-3391	26540	J
CONTINENTAL CHRYSLER JEEP INC	CHERYL W NELSON	5800 SOUTH LAGRANGE ROAD COUNTRYSIDE, IL 60525-4064	26017	JC
COOK CHEVROLET INC	SCOTT E COOK	DBA COOK CHEVROLET INC 1776 WEST VICTORY WAY CRAIG, CO 81625	24233	J
COOK JEEP CHRYSLER INC	ETHEL L COOK	1000 MAIN STREET LITTLE ROCK, AR 72202-3817	23921	JC
CORWIN JEEP SALES AND SERVICE INC	CHESTER W CORWIN, JR	DBA CORWIN JEEP 133 MAIN ST HICKORY, PA 15340-1144	23505	JC
COUNTRY MOTORS, INC.	RONALD CAPASSO	DBA BOB'S DODGE 756 NEW HAVEN RD NAUGATUCK, CT 06770-4782	45317	DT
COUNTRYSIDE MOTORS, LLC	LARRY R WALLACE	701 EAST 16TH ST WELLINGTON, KS 67152	44635	DTCJ

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COURTESY DODGE INC	BRUCE S BULLOCK	2210 E WALNUT AVE DALTON, GA 30721-4528	68140	DT
COURTESY MOTORS AUTO CENTER INC	RONALD L FARIA	2522 COHASSET RD CHICO, CA 95973-1307	24178	JC
COURTESY NISSAN,INC	DALE D ZUDE	DBA COURTESY CHRYSLER-JEEP 2301 39TH AVENUE MOLINE, IL 61265-7257	26294	JC
COVELLO MOTOR COMPANY	PAUL A COVELLO	1306 MAIN STREET TORRINGTON, WY 82240-3399	43503	DTCJ
COYLE DODGE INCORPORATED	MICHAEL D COYLE SR	513 EAST SPRING STREET NEW ALBANY, IN 47150	43973	DT
CRAIN CDJ, LLC	LARRY P CRAIN	DBA CRAIN CHRYSLER DODGE JEEP 5809 S UNIVERSITY AVE LITTLE ROCK, AR 72209-2153	45351	DTCJ
CRAWFORD'S RAYTOWN J-E CO	MICHAEL CRAWFORD	9401 EAST 350 HIGHWAY RAYTOWN, MO 64133	26029	J
CREST DODGE INC	RICHARD FITZPATRICK JR	175 AMITY ROAD WOODBIDGE, CT 06525	44572	DT
CRESTMONT CHRYSLER JEEP, LLC	JAY J PARK	DBA CRESTMONT CHRYSLER JEEP, LLC 25855 CHAGRIN BLVD BEACHWOOD, OH 44122-4224	60236	CJ
CROSS JEEP INC	CHALMERS J CROSS	1312 EAST JACKSON MACOMB, IL 61455-2593	23606	J
CROWN DODGE, INC.	JAMES R HOUSE	DBA CROWN DODGE, INC. 400 FIRST AVENUE NITRO, WV 25143	45210	DT
CUNNINGHAM CHRYSLER JEEP, INC.	RONALD C CUNNINGHAM	DBA CUNNINGHAM CHRYSLER JEEP, INC. 85 WEST MAIN ST NORTH EAST, PA 16428-1194	64723	CJ
CURFIN INVESTMENTS INC	STEVEN JANKELOW	DBA CURRIE MOTORS OF FOREST PARK CO 8401 WEST ROOSEVELT ROAD FOREST PARK, IL 60130-2531	66952	C
CUTRUBUS MOTORS INC	HOMER K CUTRUBUS	DBA ROCKY MOUNTAIN CHRYSLER JEEP 770 WEST RIVERDALE ROAD OGDEN, UT 84405-3716	66598	CJ
D & B MOTORS INCORPORATED	DANNY E ROY	702 9TH AVENUE E LANGDON, ND 58249-2934	43934	DTCJ
D & E CAR EXCHANGE INC	MARION DUBOSE	6220 MARKET STREET WILMINGTON, NC 28405	59320	DT
D & R MOTORS, LLC	DAVID S SPANGENBERG	DBA D & R MOTORS, LLC 311 W MAIN ST ENTERPRISE, OR 97828-1245	45283	DTCJ
D PATRICK INC	MICHAEL J O'DANIEL	250 N GREEN RIVER RD EVANSVILLE, IN 47715-2406	23717	J
DALE CARTER FORD INC	DALE CARTER	DBA DALE CARTER MOTORS 510 SOUTH BARRON EATON, OH 45320-2499	66864	CDTJ
DARCARS OF FAIRFAX, INC.	JOHN R DARVISH	DBA DARCARS CHRYSLER OF FAIRFAX 10620 LEE HIGHWAY FAIRFAX, VA 22030-4398	66420	C

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DARNER MOTOR SALES INC	JOEL O DARNER II	DBA DARNER CHRYSLER JEEP 837 WEST MAIN STREET MESA, AZ 85201-7194	35058	CJ
DARROW AUTOMOTIVE GROUP RUSS DARROW-MADISON INC	RUSSELL M DARROW JR	DBA RUSS DARROW CHRYSLER JEEP W133 N8569 EXECUTIVE PARKWAY MENOMONEE FALLS, WI 53051	8223	CJ
DAVE CROFT MOTORS INC	DAVID CROFT	901 N BLUFF RD COLLINSVILLE, IL 62234-5900	41527	DTCJ
DAVE HAMILTON CHEVROLET- OLDSMOBILE	NANCY L HAMILTON	DBA DAVE HAMILTON MOTORS 2067 NORTH HIGHWAY 97 REDMOND, OR 97756	24131	J
DAVID BRUCE AUTO CENTER INC	WILLIAM H KELLY JR	DBA DAVID BRUCE JEEP 555 LATHAM DRIVE BOURBONNAIS, IL 60914	26280	J
DAVID E SUTTON	DAVID E SUTTON	DBA JOHN T SUTTON ROUTE 360 ST STEPHENS CHURCH, VA 23148	64968	CDTJ
DAVIS CHRYSLER INC	LARRY D DAVIS	HWY 76 WEST AVA, MO 65608	44201	DTCJ
DAVIS DODGE-CHRYSLER JEEP INC	EDWARD J DAVIS SR	ROUTE #3 KILMARNOCK, VA 22482	59573	DTCJ
DAVIS MOTORS INC	CHARLES R DAVIS	DBA WEESE MOTORS 101 NORTH 3RD EAST TREMONTON, UT 84337	68039	CDTJ
DELMAR HAYNES PONTIAC-GMC INC	DELMAR HAYNES	DBA DELMAR HAYNES JEEP-EAGLE 2939 ALCOA HIGHWAY ALCOA, TN 37701	23833	J
DELZELL MOTOR CO	BRADFORD P DEERY	DBA DEERY DODGE CHRYSLER 1300 N ROOSEVELT AVE BURLINGTON, IA 52601	58934	DCT
DEPENDABLE DODGE INC	WILLIAM J RUSSO	1440 U S #1 VERO BEACH, FL 32960	57555	DT
DES MOINES CHRYSLER- PLYMOUTH, INC.	CHARLES GABUS	DBA DES MOINES CHRYSLER 4410 MERLE HAY ROAD DES MOINES, IA 50310	66517	C
DET AUTOMOTIVE GROUP, INC.	DONALD R BRAGG	DBA GEGNAS CHRYSLER JEEP 3875 KENSINGTON AVENUE PHILADELPHIA, PA 19124-5689	62824	CJ
DEWEY MOORE FORD	DEWEY M MOORE	DBA DEWEY MOORE CHRY-DODGE HIGHWAY 49 SOUTH HUGHES SPRINGS, TX 75656	42825	DTCJ
DICK SMITH CORP DICK SMITH MOTORS OF AIKEN INC	BRIAN SMITH	DBA DICK SMITH CHRY-JEEP 4030 BELTLINE BLVD COLUMBIA, SC 29204	26706	JC
DIRK WALTZ BUICK-OLDS-JEE	DIRK B WALTZ	DBA DIRK WALTZ BU/OLDS/JP, IN 615 E BUTTLES MIDLAND, MI 48640-5215	23415	J
DJ-MACK INC	DANIEL J WOMACK	DBA CLAXTON CHRYSLER DODGE JEEP 3 NORTH DUVAL ST. CLAXTON, GA 30417	60194	CDTJ
DODGE CITY MOTORS INC	LARRY G ESTES	1300 VANDIVER DR COLUMBIA, MO 65202-1925	43855	DT

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DODGE CITY OF MILWAUKEE INC	MICHAEL J SCHLOSSMANN	4640 SOUTH 27TH STREET MILWAUKEE, WI 53221-2199	42085	DT
DODGE OF ENGLEWOOD INC	MARK CURCIO	DBA GRAND DODGE OF ENGLEWOOD 60 ROCKWOOD PLACE ENGLEWOOD, NJ 07631-4938	44470	DT
DOMINIC CONDINO MOTORS IN	JAMES F CONDINO	229 STATE ST CARTHAGE, NY 13619-1427	64099	CDTJ
DOMINION CAR COMPANY	ANDREW F KAPLAN	1259 EAST MAIN STREET SALEM, VA 24153-4415	42246	DT
DON BESSETTE MOTORS, INC	DONALD C BESSETTE	DBA DON BESSETTE MOTORS, INC. 1715 N BROADWAY MINOT, ND 58703-1362	23692	J
DON DRENNEN CHRYSLER JEEP INC	DONALD W DRENNEN III	1626 MONTGOMERY HWY HOOVER, AL 35216-4902	23808	JC
DON HILL PONTIAC INC	J D HILL	DBA DON HILL JEEP EAGLE 2523 E STONE DR KINGSPORT, TN 37660-5858	23828	J
DON MILLER CHRYSLER-JEEP INC	DAVID J MILLER	5339 WAYNE TERRACE MADISON, WI 53718-6384	68165	CJ
DON MILLER DODGE INC	DAVID J MILLER	754 E WASHINGTON AVE MADISON, WI 53703-2934	41098	DT
DON PHILLIPS & SON ENTERPRISES INC	DONALD L PHILLIPS	1820 ROSEMONT AVE FREDERICK, MD 21702-8218	26190	J
DONATO & SONS MOTORS INC	LULU DONATO	1600 W MARKET STREET LOGANSPOUT, IN 46947-9806	23352	J
DOWNER MOTOR CO INC	WALTER J DOWNER JR	10 FRONT STREET ELMER, NJ 08318-0564	54196	DCT
DRAKE CHEVROLET-OLDS-PONTIAC INC	R D DRAKE	DBA DRAKE CHRY-PLYM-DODGE-JEEP 912 NORTH MAIN STREET MONTICELLO, KY 42633-1598	43097	DTCJ
DRAPER CHEVROLET COMPANY	ROBERT T DRAPER	DBA DRAPER DODGE 4200 BAY ROAD SAGINAW, MI 48603	44571	DT
DSMS OF HOUSTON,LP	STEPHEN A HALL	DBA DRIVERSSELECT CHRYSLER JEEP DODGE 411 N AVENUE G CLIFTON, TX 76634-1529	45431	DTCJ
DULLES MOTOR CARS, INC.	HAMID SAGHAFI	DBA DULLES JEEP 107 CATOCTIN CIRCLE SOUTHEAST LEESBURG, VA 20175-3712	26413	J
DUTCHESS COUNTY CPDT LTD	THOMAS J BEVILACQUE	DBA AMENIA MOTORS ROUTE 22 AMENIA, NY 12501	42792	DTCJ
DUVAL MOTORCARS OF GAINESVILLE,	WILLIAM M STANTON	DBA DUVAL MOTORCARS 3525 NW 97TH BLVD GAINESVILLE, FL 32606-5062	26759	J
DUVALL CHRYSLER DODGE JEEP, INC.	JEFFREY H DUVALL	DBA DUVALL CHRYSLER DODGE JEEP, INC. 464 HIGHWAY 441 S CLAYTON, GA 30525-5448	60387	CDTJ
E H GREEN MOTORS INC	ROBERT W HARMAN	700 VOSS AVE ODEM, TX 78370	56259	DTCJ

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EAGLE AUTO-MALL CORP	MARK P CALISI	1320 OLD COUNTRY ROAD RIVERHEAD, NY 11901	26641	JC
EAREHART CHRYSLER INC	GUS J FARRIS	250 AUTO PLAZA DRIVE BECKLEY, WV 25801	63813	C
EASTLAND COUNTY AUTOMOTIVE	GAINES STANLEY	DBA STANLEY 1310 E MAIN ST EASTLAND, TX 76448-3021	45416	DTCJ
ED NAPLETON AUTO GROUP ED NAPLETON DODGE INC	EDWARD F NAPLETON	1 EAST OAK HILL DR. SUITE 100 WESTMONT, IL 60559	43808	DT
ED PAYNE MOTORS INCORPORATED	EDWIN M PAYNE	DBA ED PAYNE JEEP-EAGLE 1101 SOUTH COMMERCE HARLINGEN, TX 78550	26447	J
ED SCHMIDT PONTIAC-GMC TRUCK INC	EDWARD H SCHMIDT	DBA ED SCHMIDT JEEP EAGLE 26875 DIXIE HWY PERRYSBURG, OH 43551-1716	26571	J
EDDIE CORDES INCORPORATED	EDDIE CORDES	DBA EDDIE CORDES JEEP-EAGLE-DODGE 4800 CACHE ROAD LAWTON, OK 73505-3411	23893	JDT
EDENTON MOTORS INC	WILLIAM S DEACON III	NORTH BROAD STREET EXTENSION EDENTON, NC 27932	43828	DTCJ
EDINBURG MOTORS INC	HOUSTON R MILLER JR	517 NORTH MAIN EDINBURG, VA 22824	23319	J
EDWARD J WILSON'S SONS INC	JEFFREY N WILSON	1530 EAST MAIN ST TORRINGTON, CT 06790-1049	41336	DT
EDWARDS AUTO SALES COMPANY	ROBERT H EDWARDS	3440 BLUE RIDGE BLVD. WALHALLA, SC 29691	24032	J
EJE, INC.	JAMES E CROWLEY	DBA NORTH COUNTY JEEP 1501 AUTO PARK WAY SOUTH ESCONDIDO, CA 92029	26579	J
EL DORADO MOTORS INC	STANLEY V GRAFF	DBA EL DORADO CHRYSLER JEEP 2110 N CENTRAL EXPY MCKINNEY, TX 75070-3744	68399	CJ
ELHART DODGE INC	JEFFREY L ELHART	870 CHICAGO DRIVE HOLLAND, MI 49423-3006	43251	DT
ELHART PONTIAC-GMC TRUCK INC	WAYNE J ELHART	DBA ELHART JEEP INC 822 CHICAGO DR HOLLAND, MI 49423-3006	23405	J
ELM AUTO SALES INC	CARL A SIGNORE JR	23 KEARNY AVENUE KEARNY, NJ 07032-2389	23127	DT
ENFIELD CHRY-PLY INC	DANA W MILLER	907 ENFIELD ST ENFIELD, CT 06082-3698	62255	C
ENGLE-RISSINGER AUTO GROUP INC	ROBERT L MEREDITH	1661 N RIVER HALIFAX, PA 17032	26561	J
EPP'S CHEVROLET COMPANY	THOMAS N EPPERSON	DBA EPP'S JEEP 1935 US 25 EAST MIDDLESBORO, KY 40965	26148	J
ERNIE VON SCHLEDORN LOMIRA, INC.	PERRY E NICHOLS	DBA ERNIE VON SCHLEDORN LOMIRA, INC. 700 EAST AVENUE LOMIRA, WI 53048	44301	DTCJ

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ERTLEY CHRYSLER JEEP DODGE, LLC	RONALD D ERTLEY	DBA ERTLEY CHRYSLER JEEP DODGE, LLC 4225 BIRNEY AVE MOOSIC, PA 18507	60011	CDTJ
EVANSVILLE CHRYSLER INC	DOUGLAS L DUELL	4000 E DIVISION ST EVANSVILLE, IN 47715-8608	66101	C
EXTREME JEEP INC	CARL G MYERS	3017 WEST ROUTE 120 MCHENRY, IL 60050	26632	J
FAA SERRAMONTE, INC.	B S SMITH	DBA SERRAMONTE CHRYSLER JEEP DODGE 6415 IDLEWILD RD SUITE #109 CHARLOTTE, NC 28212	44385	DTCJ
FACTOR MOTORS INC	GARY J FACTOR	112 E MINNESOTA ST LE CENTER, MN 56057-1504	6504	CJ
FAIRVIEW CHRYSLER JEEP INC	HAROLD E DOWNEY	7589 WEST RIDGE RD FAIRVIEW, PA 16415-1016	8711	CJ
FALVEY'S INC	TIMOTHY D FALVEY	471 OCEAN AVE NEW LONDON, CT 06320-4502	23067	JC
FAWS GARAGE	CALVIN H FAW	MAIN STREET ARAPAHOE, NE 68922	62044	CDT
FENTON MOTORS OF STILLWATER INC	TRAVIS L FENTON	4300 WEST SIXTH STREET STILLWATER, OK 74074	45088	DCT
FIESTA LINCOLN MERCURY LTD	GEORGE L WHITCHURCH	DBA FIESTA AUTO CENTER 6320 BANDERA RD SAN ANTONIO, TX 78238-1632	43884	DT
FISHER MOTORS INCORPORATED	JOHN D STEWART	1111 20TH AVENUE SOUTHWEST MINOT, ND 58701	23691	J
FITZGERALD AUTO MALL INC	J J FITZGERALD III	DBA FITZGERALD DODGE 11411 ROCKVILLE PIKE KENSINGTON, MD 20895	43286	DT
FITZGERALS AUTOMOITVE FITZGERALD MOTORS INC	JOHN FITZGERALD JR	DBA FITZGERALD'S COUNTRYSIDE JEEP 11411 ROCKVILLE PIKE KENSINGTON, MD 20895	26309	JC
FLANAGAN'S INC	LARRY M FLANAGAN	DBA FLANAGAN'S JEEP-EAGLE 1700 STEPHENS AVENUE MISSOULA, MT 59801-5693	24148	J
FLANDREAU MOTORS INC	TERRY SCHULTE	HWY 32 WEST FLANDREAU, SD 57028	68497	CDTJ
FLETCH'S INC	MARGARET JOHNSON	805 CHARLEVOIX AVENUE PETOSKEY, MI 49770-2255	23423	J
FLOYD MOTOR COMPANY INC	DR. C FLOYD	144 SOUTH RON MCNAIR BLV LAKE CITY, SC 29560-3260	51562	DTCJ
FORT MORGAN AUTO CENTER INC.	RICKEY J HARPER	DBA FORT MORGAN AUTO CENTER INC. 1010 WEST PLATTE AVE. FORT MORGAN, CO 80701-2950	45143	DTCJ
FOULKE MANAGEMENT CORP	CHARLES W FOULKE JR	DBA CHERRY HILL JEEP 1708 WEST MARLTON PIKE CHERRY HILL, NJ 8002	26576	J
FOUR B'S INC	WILLIAM H ECHOLS	DBA FAMILY DODGE-CHRY-JEEP 2840 HWY 129 SOUTH CLEVELAND, GA 30528	44437	DTCJ

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FOX HILLS CHRYSLER JEEP, INC.	JAMES J SCHEBIL	DBA FOX HILLS CHRYSLER JEEP, INC. 111 W ANN ARBOR ROAD PLYMOUTH, MI 48170-2290	66924	CJ
FRAHER CHRYSLER-PLYMOUTH	HAROLD E FRAHER	301 SOUTH LADD PONTIAC, IL 61764-1611	66921	CJ
FRANK KENT DODGE, LLC	WILLIAM P CHURCHILL	DBA FRANK KENT DODGE, LLC 3435 W LOOP 820 S FORT WORTH, TX 76116-6646	45402	DT
FRED PILKILTON MOTORS	ESTATE OF FRED PILKILTON	420 W WOODARD DENISON, TX 75020-3139	56822	DT
FRENZEL MOTORS INC	FRENZEL J PERE	2110 VETERANS MEMOR ABBEVILLE, LA 70510	64255	CDTJ
FRIDAY'S SERVICE INC	GERALD L FRIDAY	SOUTH MAIN STREET CONRAD, IA 50621	64279	CDTJ
FROSTROM & SONS INC	MARK S FROSTROM	DBA FROSTROM & SONS INC 1727 MARKET ST POCOMOKE CITY, MD 21851-3000	23292	J
FT AUTOMOTIVE II LLC	DONALD C FORMAN	DBA UNITED DODGE 5750 SKY POINTE DR LAS VEGAS, NV 89130-4985	45336	DT
FT AUTOMOTIVE IV, LLC	DONALD C FORMAN, JR.	DBA UNITED CHRYSLER JEEP 3250 E SAHARA AVE LAS VEGAS, NV 89104-4304	60361	CJ
FULLER OLDSMOBILE & CADILLAC- GMC	EDWARD G KOLMOSKY	DBA FULLER JEEP 179 CAMDEN STREET ROCKLAND, ME 04841	23083	J
FURY DODGE, LLC	THOMAS J LEONARD	DBA FURY DODGE CHRYSLER 11144 STILLWATER BLVD N LAKE ELMO, MN 55042-4435	45257	DCT
G. K. ALCOMBRACK, INC.	GARY K ALCOMBRACK	DBA LIBERTY MOTORS DODGE CHRYSLER 600 FREEMAN LANE GRASS VALLEY, CA 95949	68333	CDT
G. SPITLER, INC.	GERAOLD G SPITLER III	DBA BUZZ LEONARD CHRYSLER-JEEP 622 WEST 15TH STREET PANAMA CITY, FL 32401	60157	CJ
GAINESVILLE DODGE RALLYE MOTORS INC	ARTHUR SULLIVAN	3000 NORTH MAIN STREET GAINESVILLE, FL 32609	41562	DT
GANLEY MANAGEMENT GANLEY CHRYSLER-JEEP INC	THOMAS D GANLEY	13215 DETROIT AVENUE LAKEWOOD, OH 44107	62224	CJ
GANLEY MANAGEMENT GANLEY DODGE WEST INC	THOMAS D GANLEY	13215 DETROIT AVENUE LAKEWOOD, OH 44107	43117	DT
GANLEY MANAGEMENT GANLEY EAST INC	THOMAS D GANLEY	13215 DETROIT AVENUE LAKEWOOD, OH 44107	44945	DT
GARY HARDY CHRY-DODGE-JEEP INC	GARY P HARDY	430 SO ARIZONA AVE HOLTON, KS 66436	68891	CDTJ
GARY MILLER DODGE INC	GARY L MILLER	4021 PEACH STREET ERIE, PA 16509-1422	42274	DT
GENE BELTZ' SHADELAND DODGE, INC.	KEVIN E BELTZ SR	1630 NORTH SHADELAND AVENUE INDIANAPOLIS, IN 46219	57694	DT
GEORGE MOTOR COMPANY	HAROLD J GEORGE JR	315 WASHINGTON CLYDE, KS 66938-9998	59600	DTCJ

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GEORGE ORDUS FORD-MERCURY INC	GEORGE D ORDUS	DBA GEORGE ORDUS CHRYSLER DODGE AND DODGE TRUCK 123 SOUTH PORT CRESCENT BAD AXE, MI 48413-1329	67152	CDTJ
GEORGE T TATOR & SONS INC	CHARLES W TATOR	DBA TATOR'S DODGE 20 SPRING STREET SOUTH SOUTH SALEM, NY 10590	53608	DT
GIL'S JEEP INC	DENNIS T GUILFOYLE	50 PORTSMOUTH AVE STRATHAM, NH 03885-2523	23034	J
GLYNN SMITH CHEVROLET, INC.	GLYNN E SMITH	DBA GLYNN SMITH JEEP 600 COLUMBUS PKWY OPELIKA, AL 36801-5934	23949	J
GOLDEN MOTORS INC	ROBERT E GOLDEN	DBA VENICE CHRYSLER 1550 S TAMIAMI TRAIL VENICE, FL 34293-1000	68423	C
GOLDSBORO CHRY-DODGE-JEEP INC	HAL M HOWARD	604 HIGHWAY 70 EAST BY-PASS GOLDSBORO, NC 27530	68900	CDTJ
GOLICK CHRYSLER-JEEP INC	JAMES L GOLICK	HIGHLAND & SEVENTH ST PITCAIRN, PA 15140	23492	JC
GRAFT CHRY-DODGE-JEEP INC	DOUGLAS A GRAFT	301 NORTH BROADWAY ST SCOTTDAL, PA 15683-1552	41555	DTCJ
GRAFTON DODGE INC	L A JULIEN JR	6326 GEORGE WASHINGTON HWY GRAFTON, VA 23692	44803	DT
GRAHAM DEALERSHIP COMPANIES INC	JAMES F GRAHAM	DBA GRAHAM JEEP 1515 W FOURTH STREET MANSFIELD, OH 44906-1840	26407	J
GRAVES PONTIAC-CHEVROLET-BUICK INC	RONALD W GRAVES	DBA GRAVES MOTORS 4040 NORTH FIRST MILAN, TN 38358	42370	DTCJ
GRAYSON PONTIAC INC	ARTHUR W GRAYSON	DBA GRAYSON JEEP EAGLE 8729 KINGSTON PIKE KNOXVILLE, TN 37923-5126	23829	J
GREAT NORTHERN DODGE INC	EDWIN J SCHATMAN	26100 LORAIN ROAD NORTH OLMSTED, OH 44070-2700	42331	DT
GREAT NORTHERN MOTORS INC	STEPHEN C BAILEY	3350 STATE ROUTE 11 MALONE, NY 12953-4712	23541	J
GREENWAY CHRYSLER JEEP DODGE, INC. PEACHTREE AUTOMOTIVE	FRANK J RODRIGUEZ	DBA ATLANTA CHRYSLER JEEP DODGE 9051 EAST COLONIAL DRIVE ORLANDO, FL 32817	45343	DTCJ
GREGORY CHRY-PLYM-JEEP INC	GREGORY F GESUALDO	DBA GREGORY CHRYSLER JEEP, INC. 18850 W GRAND AVENUE LAKE VILLA, IL 60046	68851	CJ
GRESHAM CHRYSLER JEEP, INC.	CLARENCE PARKER	DBA GRESHAM CHRYSLER JEEP, INC. 1990 EAST POWELL BOULEVARD GRESHAM, OR 97080	67809	CJ
GRIBBLE'S RIVER VLY MTRS	ROBERT R SICKAFOOSE JR	DBA RIVER VALLEY CHRY-JEEP 1903 RIVERWAY LANCASTER, OH 43130	62888	CJ
GRUBBS NISSAN MID-CITIES LTD	ERIC K GRUBBS	DBA GRUBBS CHRY-JEEP 310 AIRPORT FREEWAY BEDFORD, TX 76022-6404	67552	CJ

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GUETTERMAN MOTORS INC	JACK C GUETTERMAN JR	2210 SYCAMORE ST CAIRO, IL 62914-1640	64494	CDTJ
GUNNING MOTORS INC	JOHN R GUNNING	DBA MANASSAS DODGE 9020 LIBERIA AVE MANASSAS, VA 20110-5322	43866	DT
GURLEY-LEEP DODGE INC	MICHAEL R LEEP	215 WEST DOUGLAS MISHAWAKA, IN 46545	44188	DTCJ
H E WAGNER MOTOR SALES CO	ROGER PAVLIK	76 VALLEY PIKE JOHNSTOWN, PA 15905-4191	54231	DT
HAHN MOTOR COMPANY	STEPHEN C HAHN	1201 S 1ST ST YAKIMA, WA 98901-3501	9066	C
HAIGLER ENTERPRISES LLC	CHARLES B HAIGLER III	DBA GREENVILLE MOTOR COMPANY 169 INTERSTATE DRIVE GREENVILLE, AL 36037	42910	DTCJ
HAMILTON CHRYSLER INC	IRVING F ROTH	1240 HIWAY 33 HAMILTON SQUARE, NJ 08690	64980	C
HAMILTON FAIRFIELD DODGE JEEP	CHARLES C SMITH	790 SOUTH ERIE HIGHWAY HAMILTON, OH 45011-3999	44355	DTJ
HANFORD CHRYSLER-DODGE- JEEP, INC	DWIGHT G NELSON	DBA LIBERTY CHRYSLER DODGE JEEP 369 N 11TH AVE HANFORD, CA 93230	68266	CDTJ
HARDEN CHEVROLET CO	NED W HARDEN	DBA HARDEN CHRYSLER 324 W MAIN ST CIRCLEVILLE, OH 43113	67121	C
HARLAN AUTO MART INC	MICHAEL J BYRNES	HIGHWAYS 59 & 44 HARLAN, IA 51537	62418	CDTJ
HARMON MOTOR SALES INC	EDWARD F HARMON	1014 SOUTH THIRD ST IRONTON, OH 45638-1929	52036	DTCJ
HARRY GREEN CHEVROLET INC	HARRY L GREEN JR	U S ROUTE 50 EAST CLARKSBURG, WV 26301	23259	J
HARRY LANE CHRYSLER- PLYMOUTH INC	KENNY E LANE	240 PETERS ROAD NORTH KNOXVILLE, TN 37923-4909	61977	C
HARRY LEWIS C-P INC	HAROLD G LEWIS	196 ALABAMA BOULEVARD JACKSON, GA 30233	42898	DTCJ
HARVEY M HARPER CO	HARVEY G HARPER	DBA HARPER JEEP COUNTRY 4800 HWY 101 NORTH EUREKA, CA 95503	24181	J
HEART CITY AUTOMOTIVE INC	DONNA LOCHMANDY	711 NORTH NAPPANEE ST ELKHART, IN 46514-1598	66946	C
HENDERSON CHRYSLER DODGE JEEP INC	DON R HENDERSON	2190 WEST WHEELER ARANSAS PASS, TX 78336-4711	67936	CDTJ
HENDRICKSON ENTERPRISE IN	VERA KLIPPEL	3144 W HIGHWAY 62 BOONVILLE, IN 47601-9592	66185	CDTJ
HERITAGE CHRY-JEEP INC	KAY CHURCH	802 W JACKSON OZARK, MO 65721	26715	JC
HERTCO INCORPORATED	FREDERICK W HERTRICH III	DBA HERTRICH JEEP 1378 S DUPONT HWY DOVER, DE 19901-4404	26482	J

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HILL COUNTY AUTOMOTIVE PRODUCTS,	GAINES B STANLEY	DBA MIKE CRAIG CHRYSLER DODGE JEEP-306 I 35 HWY SW HILLSBORO, TX 76645-2662	45367	DTCJ
HILLS EDGE AUTO SALES INC	JAMES L SIEG	HIGHWAY 385 N HOT SPRINGS, SD 57747	59898	DTCJ
HOLDIMAN MOTOR INC	THOMAS A HOLDIMAN	4325 UNIVERSITY AVENUE CEDAR FALLS, IA 50613-6217	66086	CJ
HOLLEY DODGE OF MIDDLETOWN, INC.	ROBERT G HOLLEY	DBA HOLLEY CHRYSLER DODGE JEEP 1000R NEWFIELD ST MIDDLETOWN, CT 06457-1818	43593	DTCJ
HONDRU CHRYSLER, INC.	PETER J HONDRU	DBA HONDRU CHRYSLER, INC. 700 LANCASTER RD MANHEIM, PA 17545	67813	C
HOOD MOTOR CO LLC	WILLIAM K HOOD	DBA HOOD AUTOMOTIVE 503 SOUTH FIRST STREET AMITE, LA 70422-3201	42869	DTCJ
HOOVER CHRYSLER JEEP, INC HOOVER CHRY-DODGE INC	RONALD E HOOVER	DBA HOOVER DODGE INC 2250 SAVANNAH HWY CHARLESTON, SC 29414	42133	DT
HOOVER CHRYSLER-JEEP LP	RONALD E HOOVER	DBA HOOVER CHRYSLER JEEP, INC. 2250 SAVANNAH HWY CHARLESTON, SC 29414-5314	65009	CJ
HUFFINES CHRYSLER JEEP KIA INC	RAY HUFFINES	DBA HUFFINES CHRYSLER JEEP 5150 S I-35 E # SOUTH DENTON, TX 76210-2341	26591	JC
HYSEN-JOHNSON FORD INC	PERRY J FALK	DBA PERRY JEEP 12200 LOS OSOS VALLEY RD SAN LUIS OBISPO, CA 93405	24122	J
I M JARRETT & SON INC	FRANKLIN JARRETT	335 S YORK ROAD HATBORO, PA 19040-3494	57987	DT
INTEGRITY CHRYSLER- PLYMOUTH INC.	GREGORY J BASHANT	DBA INTEGRITY CHRYSLER JEEP DODGE 6770 REDWOOD STREET LAS VEGAS, NV 89118	67569	CDTJ
INTEGRITY MOTOR SALES INC	ROBERT S PATRICK	DBA INTEGRITY CHRYSLER PLYMOUTH DODGE 20390 US 24 WEST DEFIANCE, OH 43512	68495	CDTJ
IRON TRAIL MOTORS, LLC	BRADFORD SKYTТА	DBA IRON TRAIL CHRYSLER 1301 S. 17TH STREET VIRGINIA, MN 55792	45234	DTCJ
IRWIN AUTO CO OF WINTERSET LLC	H G IRWIN JR	1524 N JOHN WAYNE DRIVE WINTERSET, IA 50273	45024	DTCJ
ISAKSON MOTOR SALES INC	WILLIAM C ISAKSON	3530 NORTH HOBART ROAD HOBART, IN 46342	64540	CDT
ISLAND JEEP INCORPORATED	JAMES T ANDERER	DBA ISLAND JEEP-EAGLE 1 EAST MONTAUK HIGHWAY LINDENHURST, NY 11757-5833	26272	J
J O STEVENSON INC.	JOHN O STEVENSON	DBA STEVENSON CHRYSLER JEEP 1805 N MARINE BLVD JACKSONVILLE, NC 28546-6555	26451	JC
JACK CARUSO'S REGENCY DODGE INC	JOHN E CARUSO	DBA CARUSO CHRYSLER JEEP DODGE 10979 ATLANTIC BLVD JACKSONVILLE, FL 32225	59580	DTCJ

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JACK DIMOND L-M INC	JOHN W DIMOND IV	DBA JACK O'DIAMONDS 127 S SPUR 63 LONGVIEW, TX 75601	42384	DT
JACK PHELAN DODGE, LLC	JOHN C PHELAN JR	DBA JACK PHELAN DODGE, LLC 7050 OGDEN AVE BERWYN, IL 60402-3653	45239	DT
JACKIE EDGAR AUTO SUPERCENTER,	JACQUELINE L EDGAR	DBA JACKIE EDGAR AUTO SUPERCENTER 331 NORTHWEST BLVD FRANKLIN, LA 70538-3001	60392	CDTJ
JAMES W HALTERMAN INCORPORATED	JAMES W HALTERMAN	DBA HALTERMAN'S AUTO RANCH 400 ANALOMINK RD, ROUTE 447 EAST STROUDSBURG, PA 18301	23230	J
JANZEN, INC.	JERRY L JANZEN	DBA JANZEN JEEP 2602 N VAN BUREN ST ENID, OK 73703-1712	26531	J
JCMC INCORPORATED	JAMES B CLARK	DBA JIM CLARK AUTO CENTER 911 GOLDENBELT BOULEVARD JUNCTION CITY, KS 66441-1727	26412	J
JEEP-EAGLE 17 INCORPORATED	LEIGH E RZASA	633 N RTE 17 PARAMUS, NJ 07652-3110	26371	J
JEFF D'AMBROSIO DODGE OF FRAZER,	JEFFREY A D'AMBROSIO	DBA JEFF D'AMBROSIO MAIN LINE JEEP 1221 EAST LANCASTER AVE DOWINGTOWN, PA 19355	44668	DTJ
JEFF HUNTER MOTORS INC	JEFFREY M HUNTER	DBA JEFF HUNTER CHRYSLER 1440 W LOOP 340 WACO, TX 76712-6836	68190	C
JELMAC LLC	RON JELLING	DBA WESTWOOD CHRYSLER JEEP 20 KINDERKAMACK WESTWOOD, NJ 07675-1720	60014	JC
JENSEN'S INC	LARRY D JENSEN	218 SOUTH MAIN FAIRVIEW, OK 73737	44399	DTCJ
JERRY SPADY PONT-CAD INC	JERRY SPADY	DBA JERRY SPADY JEEP-EAGLE 2750 OSBORNE DR E HASTINGS, NE 68901-2626	23626	J
JHS BUSINESS ASSOCIATES INC	ROBERT S SULLINS	DBA CROSSROADS SUPERSTORE 1701 SOUTH MISSISSIPPI ATOKA, OK 74525	44970	DTCJ
JIM BOAST DODGE, INC.	JAMES F KEEDY	DBA BOB BOAST DODGE 4827 14TH ST WEST BRADENTON, FL 34207	57588	DT
JIM BRYANT MOTORS INC	HAROLD G SCHWARTZ	DBA SPRINGDALE DODGE CHRYSLER 3709 SOUTH THOMPSON SPRINGDALE, AR 72764	57984	DCT
JIM CLARK MOTORS INC	LORIS G BRUBECK	2121 W 29TH TERRACE LAWRENCE, KS 66047-3163	58812	DTCJ
JIM FIORE MOTORS	JAMES J FIORE	DBA FIORE CHRYSLER JEEP ROUTE 36 - LOGAN BLVD. ALTOONA, PA 16603	60214	CJ
JIM MARSH AMERICAN CORPORATION	JAMES R MARSH	DBA JIM MARSH CHRY-JEEP 8555 W CENTENNIAL PARKWAY LAS VEGAS, NV 89149	26717	JC

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JIM MCNATT AUTOMOBILE CO	JAMES L MCNATT	DBA JIM MCNATT DODGE 4100 I-35 SOUTH DENTON, TX 76210	44524	DT
JIM RUSH GMC TRUCK CO	JAMES R RUSH	DBA JIM RUSH CHRYSLER S BUS HWY 13 BOLIVAR, MO 65613	44299	DTCJ
JIMMIE VICKERS INC	BETTY I VICKERS	535 E MERRITT ISLAND CSY MERRITT ISLAND, FL 32952	23957	J
JJ FLYNN, INC.	JOHN J FLYNN, JR.	DBA JOHN FLYNN CHRYSLER JEEP 6225 RIDGE AVE PHILADELPHIA, PA 19128-2630	60356	CJ
JOE HOLLAND CHRYSLER, LLC	JOSEPH B HOLLAND JR	DBA JOE HOLLAND CHRYSLER, LLC 131 MACCORKLE AVENUE S. CHARLESTON, WV 25303	60151	C
JOE KIDD DODGE INC	TRUDI R SCHWARZ	1065 OHIO PIKE CINCINNATI, OH 45245-2399	41975	DT
JOE RICCI OF DEARBORN LLC	JOSEPH RICCI	14765 MICHIGAN AVENUE DEARBORN, MI 48126-3455	44350	DT
JOHN C MILLER, INC.	JOHN C MILLER	DBA JOHN C MILLER, INC 509-513 N PERRY ST JOHNSTOWN, NY 12095	23539	J
JOHN CULLEN DODGE, LLC	BARRY J CULLEN	DBA JOHN CULLEN DODGE, LLC 40 WALT SANDERS MEMORIAL DR NEWNAN, GA 30265-2169	45387	DT
JOHN FUREY MOTORS INC	JOHN J FUREY	16102 HIGHWAY 21 SOUTH BOGALUSA, LA 70427-3925	43822	DTCJ
JOHN HINE PONTIAC	JOHN A HINE JR	DBA JOHN HINE DODGE 1561 CAMINO DEL RIO SOUTH SAN DIEGO, CA 92108	68445	DT
JOHN P HUGHES MTR CO INC	HOLCOMBE A HUGHES	ROUTE 29 N & LAKEVIEW DR MADISON HEIGHTS, VA 24572	51448	DT
JOHN QUADEN DODGE INC	JOHN QUADEN	W 127 E WISCONSIN OKAUCHEE, WI 53069	58391	DT
JOHN THOMAS CHRY-DOD-JEEP INC	JOHN C THOMAS	1305 EAST MAIN CORDELL, OK 73632	44716	DTCJ
JOHNSON COUNTY MOTORS, L.C.	DENNIS P GORDON	DBA MCGURK-MEYERS CHRYSLER 404 2ND ST CORALVILLE, IA 52241-2612	60195	C
JOHNSON MOTOR SALES INC	KENNETH W WALTERS	DBA JOHNSON CHRYSLER JEEP 2 MAIN STREET LENOXVILLE, PA 18441	64471	CJ
JOHNSON MOTORS OF ST. CROIX	MICHAEL C ANDERSON	DBA JOHNSON MOTORS 2180 US HIGHWAY 8 SAINT CROIX FALLS, WI 54024-8328	45263	DTCJ
JONES BROTHERS AUTO INC	JAMES K JONES	1011 HIGHWAY 65 NORTH HARRISON, AR 72601	23917	J
JONES FORD-MERCURY, LLLP	THOMAS G JONES	DBA JONES DODGE CHRYSLER JEEP 781 W WICKENBURG WAY WICKENBURG, AZ 85390	42779	DTCJ
JTW ENTERPRISES INC	FRANK A PEARSON	DBA PEARSON DODGE 11701 MIDLOTHIAN PIKE MIDLOTHIAN, VA 23113-2646	67125	DT

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JUSTIN DODGE CHRYSLER JEEP LLC	TODD D HACIAS	5747 BROOKSTONE WALK NW ACWORTH, GA 30101	60045	CDTJ
KALMAR MOTOR SALES INC	GARY R KALMAR	603 STATE ROUTE 66 LEECHBURG, PA 15656-9702	23502	J
KEMPTHORN MOTORS INC	RICHARD J KEMPTHORN	DBA KEMPTHORN DODGE-DGE TRUCK 1449 CLEVELAND AVE N W CANTON, OH 44703-3181	52422	DT
KEMPTHORN MOTORS INC	RICHARD J KEMPTHORN	DBA KEMPTHORN MOTORS INC 1449 CLEVELAND AVE N W CANTON, OH 44703-3181	67568	CJ
KEN KRAUSE MOTORS INC	KEN KRAUSE	HIGHWAY 18 EAST EMMETSBURG, IA 50536	41881	DTCJ
KEN NELSON AUTO MALL INC	KENNETH A NELSON	2503 NORTH LOCUST ROAD STERLING, IL 61081	26292	J
KENNEDHY, KOONTZ & FARINASH PREBUL JEEP INC	JERROLD D FARINASH	DBA PREBUL CHRY-JEEP-DODGE 320 NORTH HOLTZCLAW AVE CHATTANOOGA, TN 37404	23815	JCDT
KERN MOTOR COMPANY INC	RICHARD D KERN JR	2110 VALLEY AVE WINCHESTER, VA 22601-2754	23318	J
KERRY CHRYSLER JEEP DODGE, INC.	PATRICK DECASTRO	DBA KERRY CHRYSLER JEEP DODGE, INC. 701 CHAMBER DRIVE MILFORD, OH 45150	44717	DTCJ
KETCHAM MOTORS INC	CHARLES V VOORHIS	1148 MAIN STREET FISHKILL, NY 12524	63811	C
KEY BUICK-PONT-AMC INC	DAVID J KEHOE	DBA KEY DODGE 3700 16TH STREET MOLINE, IL 61265	42569	DT
KEYSTONE CHRYSLER INC	THOMAS P DOHERTY	6819 JOHNSON DRIVE MISSION, KS 66202	68749	C
KEYSTONE DODGE INC	CHARLES E MERRILL IV	2350 LEHIGH ST ALLENTOWN, PA 18103-4703	41281	DT
KINCHELOE MOTORS INC	JOSEPH R KINCHELOE	14TH AND PEARCY STREET PARKERSBURG, WV 26101	63103	C
KING AUTO GROUP, INC.	YALE KING	DBA KING AUTO GROUP 1800 INDUSTRIAL CIR LONGMONT, CO 80501-6524	26758	J
KINGSTON DODGE INC	CHARLES W POMPEY	DBA POMPEY DODGE 303 WYOMING AVENUE KINGSTON, PA 18704-3587	58664	DT
KIRBY OLDSMOBILE	JOHN W KIRBY	DBA JEEP OF VENTURA 6424 AUTO CENTER DR VENTURA, CA 93003-7210	24101	J
KIRCHNER CHRY-DODGE-JEEP LLC	RALPH KIRCHNER	1968 OLD ROUTE 17 ROSCOE, NY 12776	44963	DTCJ
KIRK JACKSON MOTOR CO	JAMES K JACKSON	1130 S COLORADO ST LOCKHART, TX 78644-3422	59524	DCT
KITAGAWA MOTORS INC	ROY M KITAGAWA	DBA ISLAND DODGE 110 SOUTH HANA HIGHWAY KAHULUI, HI 96732-2399	57812	CDTJ
KOBZA MOTORS, INC.	VACLAV J KOBZA	566 E STREET DAVID CITY, NE 68632	67102	CDTJ

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KOTBY ENTERPRISES INC	MOHAMED G KOTBY	DBA KOTBY MOTORS 969 N 3RD ST LARAMIE, WY 82072-2509	67558	CDTJ
KOVATCH BUICK-OLDSMOBILE	JOHN J KOVATCH JR	DBA KOVATCH JEEP 423 WEST CATAWISSA ST NESQUEHONING, PA 18240	23235	J
KOVATCH DEALERSHIPS INC	JOSEPH J KOVATCH	DBA KOVATCH LEHIGHTON JEEP 363 NORTH FIRST STREET LEHIGHTON, PA 18235-1450	23212	J
KREBS CHRYSLER JEEP INC	JAMES J KREBS	1015 WILLIAM FLYNN HWY RTE 8 GLENSHAW, PA 15116	62431	CJ
KREBS MOTORS NORTH INC	JAMES J KREBS	DBA KREBS DODGE 100 KREBS DRIVE GIBSONIA, PA 15044	26616	DT
L E RICHARDSON ENTERPRISES, INC	LAWRENCE RICHARDSON	DBA RICHARDSON DODGE CHRYSLER JEEP 1376 EAST F ST. OAKDALE, CA 95361	42443	DTCJ
LAFLAM CHRYSLER INC	JAMES H LAFLAM JR	165 SOUTH BLACK HORSEPIKE RUNNEMEDE, NJ 08078	36589	C
LAHM INC	RICHARD E LAHM	119 N BROADWAY ST SUGARCREEK, OH 44681	58492	DTCJ
LAKEFOREST CHRYSLER JEEP, INC	JOHN J FITZGERALD JR	DBA LAKEFOREST CHRYSLER JEEP, INC 11411 ROCKVILLE PIKE KENSINGTON, MD 20895	66264	CJ
LAKELAND OLDSMOBILE-PONTIAC-GMC	RONALD J REITER	DBA LAKELAND JEEP N48W36216 WISCONSIN AVE OCONOMOWOC, WI 53066-3257	23782	J
LAKES CHRYSLER JEEP LIMITED	ALAN SILBERBERG	36 LACONIA RD BELMONT, NH 03220-3202	26448	JC
LAKEWOOD CHRY-PLYM INC	JOHN F MEDVED	DBA MEDVED CHRY-JEEP INC 11201 WEST I-70 FRONTAGE RD N WHEAT RIDGE, CO 80033	63829	CJ
LAKEWOOD CHRY-PLYM INC	ALAN SPITZER	DBA SPITZER-LAKEWOOD 150 EAST BRIDGE STREET ELYRIA, OH 44035	62147	CJ
LANCASTER DODGE CHRYSLER JEEP, INC	KAREN W HADDAD	DBA LANCASTER DODGE CHRYSLER JEEP, INC 1277 GREAT FALLS HIGHWAY LANCASTER, SC 29720	45133	DTCJ
LARRY MENKE INC	DOUGLAS A GRAHAM	6 HEITZINGER PLAZA SEASIDE, CA 93955-3613	66860	C
LARSEN AUTO CENTER INC	TERRY LARSEN	1105 WISCONSIN AVE FREDERIC, WI 54837	44957	DTCJ
LARSON AUTOMOTIVE HOLDINGS, INC.	ROBERT S LARSON	DBA ROBERT LARSON'S CHRYSLER JEEP 7601 SOUTH TACOMA WAY TACOMA, WA 98409-7592	68239	CJ
LAUREL DODGE INC	SAVA TSHONTIKIDIS	10052 NORTH WASHINGTON BLVD LAUREL, MD 20723	57858	DT
LAWRENCE MOTOR COMPANY, INC.	WALTER L LAWRENCE II	DBA AIRPORT CHRYSLER JEEP 5400 S LABURNUM AVE RICHMOND, VA 23231-4416	39517	CJ

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LAYTON DODGE INCORPORATED	HOMER K CUTRUBUS	DBA CUTRUBUS MOTORS CHRYSLER JEEP 1234 NORTH MAIN STREET LAYTON, UT 84041	68270	CDTJ
LEE COUNTY AUTOMOTIVE PRODUCTS LLC	GAINES B STANLEY	DBA STANLEY 2072 W AUSTIN ST GIDDINGS, TX 78942-5794	60309	CDTJ
LEE MOTORS, LLC	TERRY L LEE	DBA LEE CHRYSLER DODGE US HWY. 25 E.S. MIDDLESBORO RD. PINEVILLE, KY 40977	60277	CDT
LEE PETERSON MOTORS INC	LEE PETERSON	407 SOUTH FIRST STREET YAKIMA, WA 98901-2807	24176	J
LEE PONTIAC-OLDS-GMC TRUCK, INC.	GARY E LEE JR	DBA LEE JEEP 235 MIRACLE STRIP PKWY SW FORT WALTON BEACH, FL 32548-6616	23936	J
LEFTA INCORPORATED	GARRETT GIOULOS	DBA PREMIER CHRYSLER JEEP 6936-6955 WEST GRAND AVENUE CHICAGO, IL 60707	26381	JC
LEGLUE AUTOMOTIVE INC	GERALD J LEGLUE	4601 COLISEUM BLVD ALEXANDRIA, LA 71303-3518	26548	JC
LENIHAN JEEP, INC.	THOMAS D LENIHAN	DBA LENIHAN JEEP ROUTE 73 SOUTH MARLTON, NJ 08053	23185	J
LESKOVAR LINCOLN-MERCURY INC	THEODORE S LESKOVAR	DBA LESKOVAR JEEP-EAGLE 3020 WEST CLEARWATER KENNEWICK, WA 99336	24143	J
LEWIS EAST OAK HILL CORPORATION	JAMES A DAVIS	DBA LEWIS JEEP 830 E MAIN ST OAK HILL, WV 25901	26584	J
LEWIS GOODMAN INC	ESTATE OF LEWIS GOODMAN	917-923 W GENESEE ST SYRACUSE, NY 13204	9866	C
LIBERTY MOTORS INC	LARRY PATNOE	600 CAMBELL ST RAPID CITY, SD 57701-3002	24265	J
LICCARDI MOTORS INC	CLEMENTE LICCARDI	DBA LICCARDI CHRYSLER DODGE 130 US HIGHWAY 22 GREEN BROOK, NJ 08812-2129	36041	CDT
LIEBERTH & SONS DODGE INC	HILDA A LIEBERTH	303 HULTON ROAD OAKMONT, PA 15139-1916	42801	DT
LIGONIER BUICK GARAGE INC	GREGORY C GRAHAM	DBA GRAHAM COLONIAL MOTORS IN ROUTE 711 NORTH LIGONIER, PA 15658	23476	J
LIMA AUTO MALL INC	W C TIMMERMEISTER	2200 NORTH CABLE ROAD LIMA, OH 45807	26594	J
LITHA INC. C/O LITHIA CO SPGS JEEP-CHRY INC	SIDNEY B DEBOER	360 E. JACKSON RD. COLORADO SPRINGS, OR 97501	26171	JC
LITHIA INC. C/O LITHIA CJD OF OMAHA, INC.	SIDNEY B DEBOER	DBA LITHIA CHRYSLER JEEP DODGE OF OMAHA 360 E. JACKSON RD. COLORADO SPRINGS, OR 97501	60182	CDTJ
LIVE OAK COUNTY AUTOMOTIVE	GAINES B STANLEY	DBA STANLEY 3165 HWY 281 N GEORGE WEST, TX 78022	26790	JCDT

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LIVERMORE AUTO GROUP, INC.	JAGROOP S GILL	DBA LIVERMORE CHRYSLER JEEP 2304 KITTY HAWK RD LIVERMORE, CA 94551-7621	26760	JC
LIVONIA CHRYSLER JEEP INC	COLEEN A MCDONALD	30777 PLYMOUTH ROAD LIVONIA, MI 48150-2101	66415	CJ
LLOYDS MOTORS	LARRY B KREIN	500 BLK 17ST SW JAMESTOWN, ND 58401	63290	C
LOMAN AUTO GROUP INC	DAVID LOMAN	DBA LOMAN CHRYSLER JEEP 3469 ROUTE 46 PARSIPPANY, NJ 07054	68549	CJ
LOS FELIZ FORD INC	EDMUND JUSSEN JR	DBA STAR CHRYSLER JEEP 1401 S BRAND BLVD GLENDALE, CA 91204-2809	24118	JC
LOU BACHRODT CHEVROLET COMPANY	PATRICK M BACHRODT	DBA LOU BACHRODT JEEP 7070 CHERRYVALE NORTH BLVD ROCKFORD, IL 61112-1002	23616	J
LOUIS GEORGE MOTOR CO	DANNY K GEORGE	514 S WALNUT OSCEOLA, AR 72370-3198	53136	DCT
LUCAS-SMITH AUTOMOTIVE, INC.	DENNIS R SMITH	DBA LUCAS-SMITH AUTOMOTIVE, INC. 10623 W STATE HWY E POTOSI, MO 63664-1323	45365	DTCJ
LUNDE LINCOLN-MERCURY INC	WESLEY RYDELL	DBA LUNDE JEEP 2700 S. WASHINGTON GRAND FORKS, ND 58201	26185	J
LUNT MOTOR COMPANY	LANELL N LUNT	39 S MAIN ST CEDAR CITY, UT 84720-3336	54409	DCT
M & M DODGE INC	OLIVER L MCMICKENS	3220 S MACARTHUR DR ALEXANDRIA, LA 71301-2931	59731	DT
M & M MOTOR MALL INC	RAND L KOETJE	DBA M & M DODGE 3829 LAKE ST KALAMAZOO, MI 49048-3313	42267	DT
MADERE'S GARAGE INC	JAN G MADERE	15042 RIVER ROAD HAHNVILLE, LA 70057	38440	CDTJ
MAIN STREET MOTORS, INC.	ROBERT B HELPHENSTINE	DBA PALM CHRYSLER 3535 NORTH MAIN STREET GAINESVILLE, FL 32609	7421	C
MALL CHRYSLER INC	CHARLES W FOULKE JR	587 ROUTE 38 MAPLE SHADE, NJ 08052	67676	C
MALVERN MOTORS L.L.C.	RAYMOND DALE HORN	DBA MALVERN CHRYSLER DODGE JEEP 1103 MARTIN LUTHER KING BLVD MALVERN, AR 72104-2222	45377	DTCJ
MANCARI AUTO GROUP MANCARI'S OF ORLAND HILLS INC	FRANK MANCARI	15859 RIDGELAND AVE, #D FOREST, IL 60452	68590	CJ
MANUEL DODGE, LTD	TOMMY J MANUEL	DBA MANUEL DODGE 1295 N CENTRAL EXPY RICHARDSON, TX 75080-4606	41933	DT
MARCHANT MOTOR COMPANY	HARLAN J MARCHANT	117-121 EAST MAIN ST SPRING VALLEY, MN 55975	63372	CDTJ
MARK DODGE CHRYSLER JEEP, LLC	MARK E BONIOL	DBA MARK DODGE CHRYSLER JEEP, LLC 3777 GERSTNER MEMORIAL DRIVE LAKE CHARLES, LA 70607	60332	CDTJ

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MARKETPLACE CHRY-PLYM INC	DENNIS PETRISAK	3755 WEST HENRIETTA RD ROCHESTER, NY 14623-3787	66785	C
MARRA BROS MOTOR CO INC	ALBERT J MARRA SR	1211 E STATE ST OLEAN, NY 14760	38729	C
MARSTALLER MOTORS INC	CHAS MARSTALLER JR	3000 SPEIGHT WACO, TX 76711-1599	23903	J
MARTIN CHEVROLET SALES INC	WILLIAM M MARTIN	DBA MARTIN CHRY-JEEP 8800 GRATIOT RD SAGINAW, MI 48609-4809	23428	JC
MASON MOTOR COMPANY	R W MASON JR	DBA BILL MASON CHRY-JEEP 440 WATER STREET EXCELSIOR, MN 55331	6518	CJ
MASSEY-YARDLEY INC	HERBERT G YARDLEY	DBA MASSEY-YARDLEY CHRYSLER DODGE 777 N. STATE ROAD #7 PLANTATION, FL 33317	66867	CDT
MATT MONTGOMERY, INC.	CHARLES A MONTGOMERY	DBA ALEX MONTGOMERY MT WASHINGTON 9000 HIGHWAY 44 EAST MT WASHINGTON, KY 40047-7309	66592	CDTJ
MATTHEWS CHRYSLER INC	JAMES F MATTHEWS	2100 VESTAL PARKWAY EAST VESTAL, NY 13850-1999	62248	CJ
MAURICE SCHWARTZ & SONS INC	JAMES SCHWARTZ	DBA SCHWARTZ CHRYSLER 585 SHREWSBURY AVE SHREWSBURY, NJ 07702	8760	C
MAURO MOTORS INC	CECELIA MAURO	611 AMBOY AVE WOODBIDGE, NJ 07095-3048	5977	C
MC CORMICK MOTORS	C D MCCORMICK	HIGHWAY #59 - 175 WEST IDA GROVE, IA 51445	57647	DT
MEADOWBROOK DODGE INC	ANTHONY J VIVIANO	3050 S ROCHESTER RD ROCHESTER HILLS, MI 48307-5038	42043	DT
MEDINA WORLD CARS, INC.	PAUL HRNCHAR	3926 PEARL RD MEDINA, OH 44256	26637	JC
MEDLYN MOTOR INC	EDWARD R MEDLYN	441 ELM ST MILFORD, NH 03055	23059	J
MEDVED CHRYSLER JEEP DODGE INC	JOHN F MEDVED	11201 WEST I-70 FRONTAGE RD N WHEAT RIDGE, CO 80033	43188	DTCJ
MEGGS FORD INC	H H MEGGS	DBA MEGGS CHRYSLER JEEP DODGE HIGHWAY 15-401 BYPASS BENNETTSVILLE, SC 29512	43077	DTCJ
MELCHIORRE INCORPORATED	DONATO G MELCHIORRE	DBA WARNER CHRYSLER-JEEP 1475 MANHEIM PIKE LANCASTER, PA 17601	68119	CJ
MELROSE AND WELLESLEY DODGE LLC	ANTHONY DILORENZO	DBA MELROSE DODGE 732 NEWBURYPORT TURNPIKE MELROSE, MA 02176	45060	DT
MEMERING MOTORPLEX INC	GARY L MEMERING	1949 HART STREET VINCENNES, IN 47591-5597	23742	J
MEYER - EARP AUTO CENTER, LLC	DOUGLAS E MEYER	DBA MEYER - EARP AUTO CENTER, LLC 807 CENTRAL AVE AUBURN, NE 68305-1615	60275	CDTJ
MEYER AUTO SALES INC	LYNN F MEYER	116 MAIN STREET MONROEVILLE, IN 46773	62409	CDTJ

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MID-MISSOURI MOTORS INC	JULIAN HARRISON	617 OLD ROUTE 66 ST ROBERT, MO 65584-4632	23745	J
MIDTOWN MOTORS, INC.	RANDY W BUZZO	DBA JOHN HOWARD MOTORS 1730 MILEGROUND RD MORGANTOWN, WV 26505-3753	60256	CDT
MIDWAY MOTORS INC	NAI N KO	510 COCHITUATE RD FRAMINGHAM, MA 01701-0203	26638	JC
MIKE CRAIG CHRYSLER, DODGE, JEEP,	GAINES B STANLEY	DBA MIKE CRAIG CHRYSLER, DODGE, JEEP 106 HWY 36 BYPASS SOUTH GATESVILLE, TX 76528-2691	60095	CDTJ
MIKE FINNIN MOTORS INC	MICHAEL L FINNIN	4355 DODGE STREET DUBUQUE, IA 52003	23754	JC
MIKE PILE AUTOPLEX INC	MICHAEL P PILE	DBA MIKE PILE JEEP-EAGLE 2401 WEST SW LOOP 323 TYLER, TX 75701	26610	J
MILAM JEEP MAZDA, INC	KENNETH K DINSMORE	DBA MILAM JEEP 608 RIVER ROAD PUYALLUP, WA 98371	24170	J
MILLER MOTOR CAR CORPORATION	WENDELL H MILLER	4455 VESTAL PARKWAY VESTAL, NY 13851	25064	DT
MILLER-CAMPBELL COMPANY	JACK C MILLER	DBA JACK MILLER CHRYSLER JEEP 30 N E VIVION ROAD KANSAS CITY, MO 64118-4589	65282	CJ
MILLERSTOWN CHRYSLER INC	SAMUEL J POTTER	22 NORTH MARKET STREET MILLERSTOWN, PA 17062	65776	CT
MILNER-O'QUINN CHRYSLER DODGE	CHARLES S O'QUINN	DBA MILNER-O'QUINN CHRYSLER DODGE 2502 CANTELL ROAD HARRISONVILLE, MO 64701	68444	CDTJ
MILO GORDON CHRYSLER, INC	MICHAEL T WYATT	DBA MILO GORDON CHRYSLER, INC 5002 CACHE ROAD LAWTON, OK 73505	64033	C
MITCH CRAWFORD'S HOLIDAY MOTORS CO	MICHAEL CRAWFORD	9209 E STATE ROUTE 350 RAYTOWN, MO 64133-6597	62078	C
MONARCH DODGE INC	MARK S HODOS	2000 NORTH STATE ROAD #7 LAUDERDALE LAKES, FL 33313-7098	41322	DT
MONICATTI CHRYSLER JEEP SALES,	TIMOTHY S MONICATTI	DBA MONICATTI CHRYSLER JEEP SALES, 40755 VAN DYKE AVENUE STERLING HEIGHTS, MI 48313	61888	CJ
MONTROSE MOTORS INC	DAVID R SHAUB JR	DBA MONTROSE DODGE 19560 FREDERICK RD GERMANTOWN, MD 20876-1304	23313	DT
MOORE MOTOR CO	ROBIN R MOORE	412 WEST 5TH WASHINGTON, NC 27889	62261	CDTJ
MORGAN HUCKABY AUTOMOTIVE INC	W M HUCKABY	DBA SUPERIOR JEEP-CHRY-PLYM 120 SOUTH QUINTARD AVE ANNISTON, AL 36201	26485	JC
MORONG BRUNSWICK	H W SOWLES	314 BATH ROAD BRUNSWICK, ME 04011	23026	J
MOTHER LODE MOTORS	KAREN FLAKE	13411 MONO WAY SONORA, CA 95370-5398	65269	CDTJ

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MOTOR INN INC	MARK HEYWOOD	114 SOUTH 6TH ST ESTHERVILLE, IA 51334-1940	68496	CDTJ
MOTOR INN OF LE MARS INC	MARK HEYWOOD	205 5TH AVENUE NW LE MARS, IA 51031-3101	44748	DTCJ
MOTOR MART AUTO SALES INC	ANTHONY CERRONE	DBA MOTOR MART DODGE 800 WASHINGTON STREET SOUTH ATTLEBORO, MA 02703-7598	42375	DT
MOTORQUEST OF JACKSON L.L.C.	RICK INATOME	DBA MOTORQUEST OF JACKSON L.L.C. 3500 PAGE AVENUE JACKSON, MI 49203	68868	CJ
MT CLEMENS DODGE INC	TIBOR GYARMATI	43774 N GRATIOT AVE CLINTON TOWNSHIP, MI 48036-3331	59244	DT
MUELLER CHRYSLER INC	N D MUELLER	2060 OMRO RD OSHKOSH, WI 54904-7706	64826	C
MULLINS MOTORS INC	WILLARD D SMALL	DBA MULLINS CHRYSLER DODGE JEEP 3391 HIGHWAY 76 EAST MULLINS, SC 29574	44382	DTCJ
MURPHY AND SHELBY DODGE INC	CRAIG L SANDERS	603 SAN FERNANDO RD SAN FERNANDO, CA 91340	44419	DT
MURRAY MOTORS INC	ELIZABETH MURRAY	302 EAST 1ST PORT ANGELES, WA 98362-3106	59285	DCT
NAPLETON AUTOMOTIVE GROUP ED NAPLETON JUPITER MOTOR SALES	EDWARD F NAPLETON	DBA ED NAPLETON DODGE 1 EAST OAK HILL DR. SUITE 100 WESTMONT, IL 60559	44854	DT
NEIL HUFFMAN ENTERPRISES INC	DOW A HUFFMAN	DBA NEIL HUFFMAN DODGE 4136 SHELBYVILLE ROAD LOUISVILLE, KY 40207-3223	43947	DT
NEIL HUFFMAN INCORPORATED	DOW HUFFMAN	DBA NEIL HUFFMAN CHRYSLER-JEEP 4126 SHELBYVILLE ROAD LOUISVILLE, KY 40207-3218	68107	CJ
NELSON AUTO GROUP SOUTH INC	GEORGE R NELSON JR	DBA NELSON DODGE 303 W CHURCH ST MARTINSVILLE, VA 24112-2613	68651	DT
NEOSHO CHRY-PLYM-DODGE-JEEP INC	MARK L HENDREN	180 SOUTH HIGHWAY 71 NEOSHO, MO 64850	44703	DTCJ
NERESON AUTOMOTIVE INC.	JEROME H TAPPE	DBA NERESON JEEP HIGHWAY 10 SOUTH DETROIT LAKES, MN 56501	23670	J
NEW CITY AUTO SALES INC	OSVALDO S GUGLIELMO	2813 PENNSYLVANIA AVENUE WEIRTON, WV 26062-3792	41090	DTJ
NEW COUNTRY AUTO CENTER INC	NANCY M ARIANO	DBA NEW COUNTRY CHRYSLER 1200 CARBON JUNCTION RD DURANGO, CO 81301-7678	42846	DCT
NEW RICHMOND AUTO SALES	IRENE HENDERSON	335 FRONT STREET NEW RICHMOND, OH 45157-1392	37042	CDTJ
NEW ROADS MOTOR COMPANY, L.L.C.	JAMES M BOUANCHAUD	DBA NEW ROADS MOTOR COMPANY, L.L.C. 608 PARENT ST NEW ROADS, LA 70760	66851	CDTJ
NEWARK DODGE INC	GARY P HENDRIXSON SR	250 ELKTON ROAD NEWARK, DE 19711	44591	DT

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NIKLES MOTOR CO INC	BRADLEY J NIKLES	HWY 10 & 29 MASON CITY, IL 62664	44903	DTCJ
NORTH STAR GARAGE INC	BRUCE A JACOBSEN	125 S CENTRAL AVE MILACA, MN 56353-1187	57823	DTCJ
NORTHERN AUTO CO INC	MICHAEL O LYNCH	1294 WEST THIRD ST ROGERS CITY, MI 49779-1206	26515	J
NORTHGLENN DODGE INC	DAVID C FITZGERALD	759 W 104TH AVE NORTHGLENN, CO 80234-4007	44260	DT
OAKDALE MOTORS INC	JOSEPH L CRAWFORD	297 HWY 165 SOUTH OAKDALE, LA 71463	8742	CDTJ
OAKLEY PONTIAC-BUICK INC	DAVID W OAKLEY JR	DBA OAKLEY JEEP 201 S CHEROKEE AVE BARTLESVILLE, OK 74003-3649	26385	J
OBAUGH FORD INC	PAUL OBAUGH	DBA PAUL OBAUGH CHRYSLER 13 LEE JACKSON HIGHWAY STAUNTON, VA 24401	66673	C
OGDEN CHRYSLER INC	NINA KOLOSEIKE	DBA BILL KAY'S CHRYSLER OF DOWNERS 2100 OGDEN AVENUE DOWNERS GROVE, IL 60515-2618	65746	C
OMAKASE, LLC	CARL D JOHNSON, JR.	DBA JOHNSON CHRYSLER DODGE JEEP OF 925 JACKIE ROBINSON DR DURHAM, NC 27701-3653	60319	CDTJ
ORLEANS DODGE CHRYSLER JEEP, L.L.C	STEVEN G BONNER	DBA ORLEANS DODGE CHRYSLER JEEP, L.L.C 13000 I-10 SERVICE ROAD NEW ORLEANS, LA 70128	45231	DTCJ
OROVILLE MOTORS INCORPORATED	SHIRLEY J CARPENTER	2700 LINCOLN BOULEVARD OROVILLE, CA 95966	44092	DTCJ
ORRIN B HAYES INCORPORATED	ROBERT O HAYES	DBA ORRIN B HAYES JEEP-EAGLE 543 WEST MICHIGAN KALAMAZOO, MI 49007-3796	26160	J
OURISMAN CHANTILLY, INC.	DANIEL L KORENGOLD	DBA OURISMAN CHANTILLY DODGE 4105 AUTO PARK CIR CHANTILLY, VA 20151-1224	45312	DT
OWOSSO MOTORS INC	IRMA B ELDER	DBA SIGNATURE JEEP EAGLE 1960 E MAIN STREET OWOSSO, MI 48867-9063	26135	J
OZARK DODGE INC	KAY CHURCH	6151 NO. 21ST STREET OZARK, MO 65721	65954	DT
P K SMITH MOTORS INCORPORATED	KENNETH M SMITH	HIGHWAY 167 AND 84 WEST WINNFIELD, LA 71483	43076	DTCJ
PAINTER SALES AND LEASING	PATRICK L PAINTER	DBA PAINTER CHRY-DODGE-JEEP 1100 N MAIN ST NEPHI, UT 84648	67360	CDTJ
PAINTERS SUN CTRY CHR INC	JAMES L PAINTER	1600 SOUTH HILTON DR ST GEORGE, UT 84770-6763	67407	CDTJ
PAL AUTO GROUP, INC.	PERCY C MYERS IV	DBA PIERCE CHRYSLER CENTER 423 N. HICKORY DUQUOIN, IL 62832-1773	60128	CDTJ
PALACE MOTORS INC	BARBEE G KRANZ	219 EAST FIRST AVENUE MITCHELL, SD 57301-3425	26264	J

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PALMER DODGE INC	DONALD L PALMER	4545 EAST 96TH STREET INDIANAPOLIS, IN 46240	55483	DT
PALMER DODGE WEST, INC.	DONALD L PALMER	DBA PALMER CHRYSLER JEEP DODGE 5051 W PIKE PLAZA RD INDIANAPOLIS, IN 46254-3002	42224	DTCJ
PARKWAY MOTORS	DAVID H NAKKEN	1010 NORTH MAIN STREET CEDAR CITY, UT 84720-2134	24048	J
PARSONS & PARSONS LC	ELLEN M PARSONS	DBA PARSONS & PARSONS LC 2525 VALLEY AVENUE WINCHESTER, VA 22601-2761	63143	C
PATRICK PONTIAC INC	PATRICK M MULVIHILL	DBA PATRICK JEEP 4700 W HENRIETTA RD HENRIETTA, NY 14467-9357	23548	J
PAUL BUSCH AUTO CTR INC	PAUL J BUSCH	148 EAST MAIN STREET WABASHA, MN 55981-1421	67148	CDTJ
PAULS AUTO SALES	PAUL R BOGGS, JR.	1331 MAIN ST RAINELLE, WV 25962	58726	DTCJ
PAVLIK MOTOR CARS INC	CHARLES A PAVLIK	3662 MAIN STREET WEIRTON, WV 26062-4567	67651	C
PEN MOTORS INC	ROBERT J PLUCINAK	DBA MILLER HILL CHRYSLER JEEP 4710 MILLER TRUNK HIGHWAY DULUTH, MN 55811	26517	JC
PEOPLE'S CHRYSLER JEEP, INC.	GARY A HAMNER	DBA FOLSOM LAKE CHRYSLER JEEP 12530 AUTOMALL CIRCLE FOLSOM, CA 95630	68652	CJ
PERFORMANCE DODGE LLC	WILLIAM R COULTER	DBA PERFORMANCE CHRY-JEEP-DODGE 4240 W GLENDALE AVE PHOENIX, AZ 85051-8190	44364	DTCJ
PETES GARAGE INC	RAYMOND G GREENWALT	SOUTH 6 JEFFERSON RITZVILLE, WA 99169	62885	CDTJ
PHIL LAMB INC	JOHN P LAMB	US HWY 36 EAST TUSCOLA, IL 61953	66994	CDTJ
PHIL LONG DENVER JEEP, LLC	GERALD D CIMINO	DBA PHIL LONG DENVER JEE-CHRY 7800 WEST STANFORD AVENUE DENVER, CO CO 80123	24238	JC
PHIL'S FORD-LINCOLN-MERCURY INC	PHILLIP KUPERMAN	DBA PHIL'S JEEP EAGLE 257 EAST MAIN STREET PORT JERVIS, NY 12771-2209	23162	J
PIERSON CHEVROLET INC	GARY D KILPATRICK	DBA PIERSON JEEP 413 EAST MEIGHAN BLVD GADSDEN, AL 35903-1050	23821	J
PIKE COUNTY CHRYSLER CENTER	ALBERT F RENNECKER	200 DECATUR ST BARRY, IL 62312-0137	44302	DTCJ
PIONEER CHEVROLET CADILLAC INC	RICHARD P NOURSE	DBA PIONEER CHRYSLER JEEP 1315 PIKE STREET MARIETTA, OH 45750	68943	CJ
PLACH AUTOMOTIVE	CHARLES E PLACH	INTERSECTION HWY 45 & 54 NEW LONDON, WI 54961	43613	DTCJ
PLATNER AUTOMOTIVE TARPON SPRINGS DODGE, INC.	DOUGLAS D PLATTNER	DBA TARPON SPRINGS DODGE, INC. 1891 PORTER LAKE DRIVE UNIT 101 SARASOTA, FL 34240	45376	DT

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PLATNER AUTOMOVITE WINTER PARK DODGE, INC.	DOUGLAS D PLATTNER	DBA WINTER PARK DODGE, INC. 1891 PORTER LAKE DRIVE SARASOTA, FL 34240	45157	DT
PLEASANT VALLEY MOTORS INC	WILLIAM E RINEHART	RT 209 BRODHEADSVILL, PA 18322	43814	DT
POHANKA OF LEESBURG, INC.	SCOTT A CRABTREE	DBA POHANKA CHRYSLER DODGE OF LEESBURG 219 CATOCTIN CIR SE LEESBURG, VA 20175-3707	60220	CDT
POPE FAMILY ENTERPRISES LLC	KENNETH K POPE	DBA FAMILY CHRYSLER DODGE JEEP 1520 NORTH MAIN STREET MARION, VA 24354	45103	DTCJ
PREMIER CHRYSLER JEEP DODGE, LLC	SAM KAZRAN	DBA PREMIER CHRYSLER JEEP DODGE, LLC 1655 CHURCH ST DECATUR, GA 30033-5920	26773	JCDT
PRESTON AUTO MALL INC	ROBERT L PRESTON III	DBA PRESTON CHRYSLER JEEP 3843 YOUNGSTOWN ROAD SE WARREN, OH 44484-2895	68662	CJ
PRESTON CHRYSLER JEEP, INC.	GARY LAU	DBA PRESTON CHRYSLER JEEP 13439 PRESTON ROAD DALLAS, TX 75240-5277	63181	CJ
PRIDE CHRYSLER JEEP	ALFREDO M DOS ANJOS	11 TAUNTON AVE SEEKONK, MA 02771	67773	CJ
QUALITY JEEP-CHRYSLER INC	C P DILORENZO	8101 LOMAS BLVD N E ALBUQUERQUE, NM 87110-7912	24044	JC
QUINLAN ENTERPRISES INC	JAMES G QUINLAN	DBA BURGIN DODGE 4500 CLINTON HIGHWAY KNOXVILLE, TN 37912	45090	DT
QUINN MOTORS OF ELLSWORTH	MEGHAN QUINN-KUMMER	405 WEST MAIN STREET ELLSWORTH, WI 54011	68980	CDTJ
RACEWAY AUTOMOTIVE OF HARTSVILLE	JOHN C RAMSEY	DBA RACEWAY CHRY-JEEP-DODGE 900 E BOBO NEWSOME HWY HARTSVILLE, SC 29550	68998	CDTJ
RALLYE AUTOPLAZA INC	MARC L TREIBER	563 ROUTE 17M MONROE, NY 10950	44078	DTCJ
RAY'S FORD-MERCURY INC	RAYMOND H COTTRELL	DBA RAY'S CHRYSLER-DODGE-JEEP 385 BYPASS RD BRANDENBURG, KY 40108	67191	CDTJ
RAYTOWN DODGE COMPANY	MICHAEL CRAWFORD	10000 EAST 350 HIGHWAY RAYTOWN, MO 64138	41450	DT
REED BROTHERS DODGE INC	RICHARD L GARTNER	15955 FREDERICK ROAD ROCKVILLE, MD 20855-2290	54193	DT
REGAL PONTIAC INC	SALVADOR V CAMPISI	DBA REGAL JEEP EAGLE 2615 LAKELAND HILLS BLVD LAKELAND, FL 33805-2217	23973	J
REUTHER DODGE, LLC	JANET T SCHOPP	DBA REUTHER DODGE, LLC 11664 OLIVE BLVD CREVE COEUR, MO 63141-7002	45357	DT
REUTHER'S INVESTMENT CO	JANET T SCHOPP	DBA REUTHER'S JEEP-CHRY-PLYM 11654 OLIVE BLVD CREVE COEUR, MO 63141-7002	23738	JC

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REYNOLDS AUTOGROUP, INC.	TERRY W REYNOLDS	DBA REYNOLDS AUTOGROUP, INC. 2104 W EVERGREEN ST DURANT, OK 74701-4624	68323	CDTJ
RFJS COMPANY LLC	ROBERT L FREDERICK II	DBA FREDERICK CHRYSLER JEEP DODGE 7871 MARKET ST BOARDMAN, OH 44512-5970	56617	DTCJ
RHODEN AUTO CENTER INC	RODNEY D RHODEN	3400 SOUTH EXPRESSWAY COUNCIL BLUFFS, IA 51501	66787	CDTJ
RICHARD CHRYSLER JEEP, INC.	ROCCO MASSARELLI	DBA RICHARD CHRYSLER JEEP DODGE 1845 E MAIN ST ST CHARLES, IL 60174-2307	68218	CDTJ
RICHARDS AUTO SALES INC	KENNETH G RICHARDS	810 LINCOLN WAY EAST MC CONNELLSBURG, PA 17233-1510	59109	DTCJ
RICHMOND MOTOR SALES	RONALD L BERGSMA	10400 MAIN STREET RICHMOND, IL 60071	66070	C
RICKABAUGH MOTORS INC	ROGER D LIPPELMAN	1001 W MAIN LYONS, KS 67554-2425	52837	DCT
RIMROCK CHRYSLER INC	JOHN E SOARES JR	3045 KING AVE W BILLINGS, MT 59102-6435	68985	CJ
RINK BROS	RAYMOND RINK	900 EAST MAIN ST BRADFORD, PA 16701-3298	36607	CJ
RIVER OAKS CHRYSLER JEEP INC	JOSEPH J HENNESSY	17225 TORRENCE AVENUE LANSING, IL 60438-1086	67508	CJ
RIVERSIDE AUTO SALES OF MARQUETTE	TIMOTHY R DAGENAIS	2025 US 41 WEST MARQUETTE, MI 49855	67984	CDTJ
RIVERTON CHRY-DODGE-JEEP INC	JONATHAN GUNNISON	1575 NORTH FEDERAL BLVD RIVERTON, WY 82501-2729	67780	CDTJ
RIVERTOWN FORD LINCOLN- MERCURY,	TIMOTHY W HEBDA	DBA RIVERTOWN JEEP 10459 N. STRAITS HWY CHEBOYGAN, MI 49721-9075	26747	J
ROBERT H HINCKLEY INC	JAMES S. HINCKLEY	2810 WASHINGTON BLVD OGDEN, UT 84401-4299	54433	DT
ROBERTS CHRY-JEEP-DODGE LLC	DENNIS S ROBERTS	DBA ROBERTS CHRY-JEEP DODGE 36 ELM ST PETERBOROUGH, NH 03458-1052	68952	CDTJ
ROBERTS MOTORS INC	SAMUEL ROBERTS	4350 ALBY ALTON, IL 62002-5999	66786	CJ
ROCHESTER LINC-MERC INC	LISA M CASACCIO	DBA ROCHESTER DODGE POB 1598 ROUTE 11 WEST ROCHESTER, NH 03867	42618	DT
ROCK OF TEXAS AUTOMOTIVE INC	GARY L CURRY	DBA BAYTOWN CHRYSLER JEEP DODGE 5225 I 10 EAST BAYTOWN, TX 77521	60020	CDTJ
ROD JAMES CJD, LLC	RODNEY JAMES	DBA ROD JAMES CJD, LLC 7680 STATE ROUTE 309 GALION, OH 44833-9735	60357	CDTJ
ROGER JOBS MOTORS INC	ROGER O JOBS	DBA ROGER JOBS JEEP 2200 IOWA ST BELLINGHAM, WA 98229-4722	24130	J

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ROGERS DODGE INC.	PETE MANKINS	DBA ROGERS DODGE OF ALVIN 2616 N. BYPASS 35 ALVIN, TX 77511	45044	DT
ROHRMAN AUTO GROUP ROHR-ALPHA, INC	ROBERT V ROHRMAN	DBA ARLINGTON CHRYSLER JEEP DODGE 1285 EAST DUNDEE RD PALATINE, IL 60067	60230	CDTJ
RON & ANN ENTERPRISES	RONALD W SMITH	DBA RON SMITH JEEP 1900 AUTO CENTER DR MERCED, CA 95340	24188	J
RON HULETT AUTOMOTIVE INC	RONALD P HULETT	513 NORTH STATE HIGHWAY 5 CAMDENTON, MO 65020	23621	J
RON WILLEY FORD INC	RONALD L WILLEY	1155 SOUTH G AVENUE NEVADA, IA 50201	23561	JCDT
ROSS JEEP-EAGLE, INC.	RONALD E ROSS	219 HARCOURT ROAD MT VERNON, OH 43050-3913	23364	J
ROTHROCK MOTOR SALES INC	BRUCE L ROTHROCK SR	DBA ROTHROCK CHRYSLER 1648 PLAZA LANE ALLENTOWN, PA 18104	67274	C
ROUNDTREE AUTOMOTIVE GROUP LLC BIRMINGHAM DODGE, LLC	FRANK M STINSON	DBA GREATER BIRMINGHAM DODGE CHRYSLER 910 PIERREMONT ROAD STE 312 SHREVEPORT, LA 71135	45190	DTCJ
RUSSELL WHATLEY MOTOR CO	R A WHATLEY JR	115 N E 2ND ST MINERAL WELLS, TX 76067	58875	DTCJ
RUSSO GROUP ENTERPRISES, INC.	AUGUST A RUSSO	DBA LOCHMOOR CHRYSLER JEEP 18165 MACK AVE DETROIT, MI 48224-1444	63391	CJ
RVR INC	ROBERT V RINALDI	DBA R & R AUTO GROUP 388 ROUTE 61 SOUTH SCHUYLKILL HAVEN, PA 17972	26694	J
S.J. MARNANCE INC	DONALD L SCHOENHARD JR	DBA SCHOENHARD DODGE 101 SECOND STREET SOUTHWEST HURON, SD 57350-2502	43990	DT
SALEM CHRYSLER JEEP INC	MARK K ZAPPIA	DBA SALEM CHRYSLER JEEP INC 5010 SALEM AVE DAYTON, OH 45426-2095	63051	CJ
SALEM MOTORS INC	GORDON R SALEM	1375 HWY 2 EAST CROOKSTON, MN 56716	66920	CDT
SALMON MOTORS INC	JEFFREY D SALMON	1260 CRAIG AVE TRACY, MN 56175	68316	CDTJ
SAM OGLE CHRYSLER JEEP INC	SAMUEL E OGLE	HWY 61-67 AT 6TH ST CRYSTAL CITY, MO 63019	65345	CJ
SAN AUGUSTINE MOTOR CO	DANIEL H FUSSELL	202 E COLUMBIA SAN AUGUSTINE, TX 75972-2099	67344	CDTJ
SAN JUAN MOTORS INC	RICHARD D POLLARD	DBA POLLARD BROS MOTORS LTD 1880 NORTH TOWNSEND AVENUE MONTROSE, CO 81401-5931	24258	J
SANDOVAL DODGE	RUDOLPH SANDOVAL	909 S VALLEY DR LAS CRUCES, NM 88005-3076	59423	DT
SANDY SANSING CHRYSLER, INC.	MICHAEL M ADDISON	DBA SANDY SANSING CHRYSLER, INC. 6105 PENSACOLA BOULEVARD PENSACOLA, FL 32505-2205	60106	C

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SANSONE PLAZA DODGE INC	JOSEPH P SANSONE	3301 ROUTE 66 NEPTUNE, NJ 07753	44232	DT
SARASOTA CHRYSLER, LTD.	GREGORY P VOLACK	DBA SARASOTA CHRYSLER, LTD. 6826 SOUTH TAMiami TRAIL SARASOTA, FL 34231	67768	C
SAVANNAH DODGE INC	MARK E MEDINGER	7011 ABERCORN EXTENSION SAVANNAH, GA 31406	44569	DT
SAYLOR MOTOR CO INC	H F SAYLOR	301 N CENTER AVE SOMERSET, PA 15501-1429	56006	DT
SCHAEFER & STROHMINGER INC	LOUIS M SCHAEFER	DBA SCHAEFER & STROHMINGER DODGE 1765 JOPPA ROAD BALTIMORE, MD 21234-3687	57623	DT
SCHAFER INC	COLEN J LAFAVE	125 NORTH MABLE STREET PINCONNING, MI 48650	66950	CDT
SCHOCKER CHRYSLER AND DODGE	STEVEN L MEINSCHOCK	DBA SCHOCKER CHRYSLER AND DODGE 205 SOUTH 4TH AVE. ST. NAZIANZ, WI 54232	60341	CT
SCHOLTES MOTORS INC	WAYNE R SCHOLTES	DBA SCHOLTES AUTO WORLD 1215 SHERWOOD AVE WORTHINGTON, MN 56187-2999	39834	CDTJ
SCHUELKE AUTO COMPANY	SCOTT SCHUELKE	211 W 5TH STREET STORM LAKE, IA 50588-2345	38306	CDTJ
SCK, INC	SHERRI BREYER	DBA BREWER JEEP 2020 MABRY DR CLOVIS, NM 88101-8028	26795	J
SCOTIA MOTORS INC	VINCENT J KOEHLER JR	110 MOHAWK AVE SCOTIA, NY 12302-2292	54885	DT
SCOTT CHEVROLET INC	ANDREW M SCOTT	DBA SCOTT CHRYSLER 2120 33RD STREET ALLENTOWN, PA 18103-7008	67023	C
SCOTT NEWCOMB MOTORS, LLC	S. SCOTT NEWCOMB	DBA SCOTT NEWCOMB CHRYSLER JEEP 7461 VIRGINIA AVE BASSETT, VA 24055-6300	26786	JC
SCOTT-PREUSSE INC	R S PREUSSE	1300 E BRIDGE ST REDWOOD FALLS, MN 56283	43350	DTCJ
SCOTTSBLUFF MOTOR CO INC	LOREN S HOLUB	DBA TEAM JEEP 2014 EAST 20TH PLACE SCOTTSBLUFF, NE 69361-2799	26595	J
SEACOAST MOTORS OF SALISBURY INC	NICHOLAS G DIMOPOULOS	2 MERRILL ST SALISBURY, MA 01952-2308	23017	JCDT
SEXTON CHEVROLET CADILLAC INC	THOMAS W VICARY	DBA SEXTON CHRY-PLYM-DODGE-JEEP-EAGLE 261 SOUTH ROANE ST HARRIMAN, TN 37748	24282	JCDT
SHAFFER FORD INC	RANDAL T SHAFFER	DBA SHAFFER JEEP 10335 MT SAVAGE RD, NW CUMBERLAND, MD 21502	23260	J
SHEPPARD MOTORS LTD	PHILIP W SPEERS	2300 WEST 7TH EUGENE, OR 97402	24138	J
SHETLER-CORLEY MOTORS LTD	DONNA S CORLEY	N. HIGHWAY 13 CROWLEY, LA 70527-0427	44181	DTCJ

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SHOEMAKER'S JEEP INC	BRYAN J SHOEMAKER	4131 WALBERT AVENUE ALLEN TOWN, PA 18104-1626	23178	J
SHOTTENKIRK - ILLINOIS INC	GREGORY J SHOTTENKIRK	309 S. GEAR AVE WEST BURLINGTON, IA 52655	68830	CDT
SIEMANS IMPORTS INCORPORATED	EDWARD A SEMANS	DBA SIEMANS JEEP 2712 NILES AVENUE ST JOSEPH, MI 49085-2414	26338	J
SIGNATURE NISSAN INC	EDMOND R SHULTS JR	DBA SIGNATURE JEEP-EAGLE 254 FLUVANNA AVENUE JAMESTOWN, NY 14701-2051	26211	J
SKAGIT AUTO CENTER INC	DONALD O TAPLEY	640 AUTO BLVD BURLINGTON, WA 98233	26619	J
SKS AUTO PARK INC	LOUIS M SCHAEFER	DBA SCHAEFER & STROHMINGER DELMARVA 4212 RIDGE RD BALTIMORE, MD 21236	68012	CDTJ
SMITH CAIRNS MTR SLS OF BREWSTER	DWIGHT MCGUIRK	1021 ROUTE 22 BREWSTER, NY 10509-1589	26643	J
SMITH MTR CO-MARCELINE IN	LAWRENCE C SMITH	DBA SMITH MOTOR 309 FORREST DRIVE BROOKFIELD, MO 64628	66701	CDTJ
SNOW, L.L.C	THOMAS J BRUNER	DBA CHAMPION CHRYSLER DODGE JEEP 2321 STATE HIGHWAY 155 PALESTINE, TX 75803-8601	44620	DTCJ
SOECHTING MOTORS, INC.	MARCIEL	DBA SOECHTING MOTORS, INC. 603 E. KINGSBURY ST. SEGUIN, TX 78155	26746	J
SONJU TWO HARBORS LLC	BRAD SKYTТА	1100 7TH AVE TWO HARBORS, MN 55616	67008	CDTJ
SORG SOUTH, INC.	TOBY D SORG	DBA SORG SOUTH, INC. 2845 N DETROIT ST WARSAW, IN 46582-2277	45397	DTCJ
SOUTH CHARLOTTE CHRYSLER JEEP	REGINALD T HUBBARD	DBA METROLINA CHRYSLER JEEP DODGE 7601 SOUTH BLVD CHARLOTTE, NC 28273-6917	45314	DTCJ
SOUTH HOLLAND DODGE INC	PATRICK J FITZGIBBON	113 W 162ND ST SOUTH HOLLAND, IL 60473	43020	DT
SOUTH SHORE CHRYSLER INC	MICHAEL A SHEA	178-180 WASHINGTON BRAINTREE, MA 02184	64030	C
SOUTHEAST AUTOMOTIVE INC	WILLIAM J PRATT JR	DBA SOUTHEAST CHRYSLER JEEP DODGE 2800 NOLENSVILLE ROAD NASHVILLE, TN 37211-2240	23926	JCDT
SOUTHEAST/SIGNATURE MOTORS INC	DAVID A HARRIS	2203 NORTH WEST BROAD STREET MURFREESBORO, TN 37129	68230	CJ
SOUTHERN STATES BDM, LLC	ROBERT D DUNN JR	DBA SOUTHERN STATES DODGE 2511 WAKE FOREST ROAD RALEIGH, NC 27609	45204	DT
SOUTHLAKE DODGE INC	MICHAEL KORS	4191 E LINCOLN HIGHWAY MERRILLVILLE, IN 46410-5886	41575	DT
SOUTHLAND CHRYSLER-JEEP, INC.	JOHN W ROY	DBA SOUTHLAND CHRYSLER-JEEP, INC. 223 GOODMAN ROAD EAST SOUTHAVEN, MS 38671	67725	CJ

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SOUTHTOWNE MOTORS OF NEWNAN II INC	HAROLD M PHILIPSON	800 BULLSBORO DR NEWNAN, GA 30265-1034	68992	CJ
SOWELL AUTOMOTIVE INC	KENT B SOWELL	DBA DODGE CITY CHRY-JEEP 79-025 HIGHWAY 11 LA QUINTA, CA 92253	43120	DTCJ
SPANGLER MOTOR SALES INC	RICHARD A SPANGLER	121 SOUTH LOCUST OAK HARBOR, OH 43449-1322	56792	DTCJ
SPARKMAN, SHEPARD & MORRIS P.C. CLOVERLEAF DECATUR, LLC	KEVIN M MORRIS	DBA CLOVERLEAF CHRYSLER DODGE JEEP 303 WILLIAMS AVE. SW # 1411 HUNTSVILLE, AL 35801	23820	JCDT
SPEARFISH MOTORS INC	TODD L JENSEN	1910 NORTH MAIN STREET SPEARFISH, SD 57783	26196	J
SPENCER AUTO GROUP, LLC	STEVEN M SHAVER	DBA SPENCER AUTO GROUP, LLC 276 E MAIN ST SPENCER, WV 25276-1602	60328	CDTJ
SPITZER MANAGEMENT SPITZER AUTOWORLD AKRON LLC	ALAN SPITZER	150 EAST BRIDGE STREET ELYRIA, OH 44035	64950	CDTJ
SPITZER MANAGEMENT SPITZER AUTOWORLD SHEFFIELD LLC	ALAN SPITZER	150 EAST BRIDGE STREET ELYRIA, OH 44035	45049	DT
SPITZER MANAGEMENT SPITZER DODGE INC	ALAN SPITZER	150 EAST BRIDGE STREET ELYRIA, OH 44035	41299	DTCJ
SPITZER MANAGEMENT SPITZER MOTOR CENTER INC	ALAN SPITZER	150 EAST BRIDGE STREET ELYRIA, OH 44035	59829	DT
SPITZER MANAGEMENT SPITZER MOTOR CITY INC	ALAN SPITZER	150 EAST BRIDGE STREET ELYRIA, OH 44035	55816	DT
SPITZER MANAGEMENT SPITZER-COLUMBUS INC	ALAN SPITZER	150 EAST BRIDGE STREET ELYRIA, OH 44035	53619	DT
ST PETE JEEP EAGLE INC	WILLIAM P DOUGLAS	DBA ST PETE JEEP CHRYSLER PLYMOUTH 2500 34TH STREET NORTH ST PETERSBURG, FL 33713-3697	26318	JC
STADIUM AUTO MALL SALES, INC.	CECIL S WRIGHT	DBA QUALITY AUTO MALL 27 ROUTE 17 RUTHERFORD, NJ 07070-2154	60267	CJ
STAGG CHEVROLET INC	HOWARD J STAGG	DBA THE CAPE COD AUTO MALL 182 ROUTE 137 E HARWICH, MA 02645-1316	66600	CDT
STAN BOOS AUTO SALES INC	DONNA L BOOS	1812 OREGON ST HIAWATHA, KS 66434-9804	42398	DTCJ
STAR CHRYSLER INC	WILLIAM A KOLOSEIKE	DBA BILL KAY'S NAPERVILLE CHRYSLER 1550 WEST OGDEN AVENUE NAPERVILLE, IL 60540-3907	67592	C
STEARNS CHRY-JEEP INC	JEFFREY B STEARNS	327 AUTO PARK DR GRAHAM, NC 27253	68206	CJ
STEVEN CHRYSLER JEEP DODGE,INC	MICHAEL E STEVEN	DBA STEVEN CHRYSLER JEEP DODGE,INC 11028 W KELLOGG ST WICHITA, KS 67209-1227	66735	CDTJ
STILLWATER MOTOR COMPANY	PATICA RADUENZ	5900 STILLWATER BLVD NO STILLWATER, MN 55082	23703	J

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DEALER NAME	MAJORITY OWNER	DEALER ADDRESS	DEALER CODE	LINES
STORY AUTOMOTIVE GROUP INC	LEO JEROME	DBA STORY CHRY-JEEP 3165 E. MICHIGAN AVENUE LANSING, MI 48912-4618	68944	CJ
STRANDQUIST MOTOR COMPANY	JACK D STRANDQUIST	601 W JEFFERSON ST ROCKFORD, IL 61103-6742	36269	C
STROM ALTMAN DODGE, INC.	WARREN ALTMAN	DBA STROM ALTMAN DODGE, INC. 2049 REMOUNT RD N CHARLESTON, SC 29406-3242	45278	DT
SUBWAY MOTORS CO.	RODNEY L HOPPE	115 S HIGHWAY 6 MILFORD, NE 68405-9587	41024	DTCJ
SULLIVAN BROS CHRYSLER DODGE INC	JOHN L. SULLIVAN	5 GALLEN ROAD KINGSTON, MA 02364	68558	CDT
SUNSHINE DODGE INC	GEORGE C JOSEPH	840 SO HARBOR CITY BLVD MELBOURNE, FL 32901-1999	41373	DT
SUPERIOR MOTORS INC	JAMES M GUTHRIE III	835 FIVE CHOP RD ORANGEBURG, SC 29115-6222	24026	J
SUSAN SCHEIN CHEVROLET SUSAN SCHEIN CHRYSLER DODGE, INC.	SUSAN S SCHEIN	DBA SUSAN SCHEIN CHRYSLER DODGE, INC. 3171 PELHAM PARKWAY PELHAM, AL 35124	67045	CDT
SWAFFORD'S FORD SALES INC	GARY L SWAFFORD	DBA SWAFFORD'S INC 223 SOUTH THORNTON RICHMOND, MO 64085	42596	DTCJ
T & C MTRS OF SEDALIA INC	WILLIAM J SHUMAKE	DBA TOWN & COUNTRY MOTORS 3110 WEST BROADWAY SEDALIA, MO 65301-2117	23651	J
T & K AUTOMOTIVE INVESTMENTS, INC.	ANTONIO MA	DBA BURLINGAME CHRYSLER JEEP DODGE 1025 ROLLINS RD BURLINGAME, CA 94010-2501	45438	JCDT
T & T PONTIAC-BUICK INC	TULLIO A RAMELLA	DBA T & T JEEP 1015 BLUEFIELD AVENUE BLUEFIELD, WV 24701-2745	23293	J
TACOMA DODGE INCORPORATED	PHILIP P SCHAEFER	4101 S TACOMA WAY TACOMA, WA 98409	41108	DT
TAMAROFF DODGE INC	JEFFREY L TAMAROFF	24625 W 12 MILE ROAD SOUTHFIELD, MI 48034-1200	43581	DT
TAMIAMI AUTOMOTIVE GROUP	CARLOS PLANAS	DBA TAMIAMI CHRYSLER JEEP DODGE 8250 SOUTH WEST 8TH STREET MIAMI, FL 33144	68064	CDTJ
TANSKY INC	JAMES J KOBUNSKI	DBA TANSKY CHRYSLER 3260 NORTH MAPLE AV ZANESVILLE, OH 43701-1384	63373	C
TARBOX CHRYSLER JEEP, LLC.	JAMES TARBOX	DBA TARBOX CHRYSLER JEEP, LLC. 676 PLEASANT ST ATTLEBORO, MA 02703-2529	60316	CJ
TARBOX MOTORS INC	JAMES D TARBOX	1100 TOWER HILL ROAD NORTH KINGSTOWN, RI 02852-6618	23061	J
TAYLOR & SONS INC	GREG TAYLOR	DBA TAYLOR-PARKER MOTOR CO 300 CEDAR STREET SANDPOINT, ID 83864-1413	67959	CDTJ
TED BRITT OF FREDERICKSBURG	EDWARD C ARNOLD	DBA BRITT CHRYSLER JEEP 3427 JEFFERSON-DAVIS HIGHWAY FREDERICKSBURG, VA 22401-4160	67720	CJ

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DEALER NAME	MAJORITY OWNER	DEALER ADDRESS	DEALER CODE	LINES
TED MILES JEEP INC	TED W MILES	7380 EL CAMINO REAL ATASCADERO, CA 93422-4629	26031	J
TENAFly CHRYSLER JEEP INC	RICHARD W ENGEL	95 COUNTY ROAD TENAFly, NJ 07670	23109	JC
TERRY CHRYSLER JEEP INC	NOELLA A MORRIS	ROUTE 50 BURNT HILLS, NY 12027	67314	CJ
TERRY MOWERY CHRYSLER PLYMOUTH	M T MOWERY	DBA TERRY MOWERY CHRYSLER PLYMOUTH STATE ROUTE 95 WEST EDISON, OH 43320	67473	CDTJ
TERRY SLIGH AUTOMOTIVE INC	TERRY A SLIGH	1630 SECOND AVENUE ONEONTA, AL 35121	66576	CDTJ
TETON MOTORS INC	DAVID E AUGE	1020 WEST BROADWAY JACKSON, WY 83001	24250	J
THE UNION SALES COMPANY	B A POLAND III	305 N QUEEN STREET MARTINSBURG, WV 25401-3497	55025	DT
THE WESTERN MOTOR CO INC	R K NANNINGA	409 E FULTON GARDEN CITY, KS 67846	24244	J
THEEL INC	DONOVAN A BERTSCH	519 11TH ST WEST BOTTINEAU, ND 58318	43406	DTCJ
THOMAS AUTO GROUP THOMAS DODGE OF ORLAND PARK INC	GREGORY A THOMAS	9825 INDIANAPOLIS BLVD HIGHLAND, IN 46322	43140	DT
THOMAS DODGE CORP OF NEW YORK	THOMAS MAMMOLITO	1201 ROUTE 112 PORT JEFFERSON, NY 11776	44098	DT
THOMAS SALES & SERVICE INC	WILLIAM B THOMAS	DBA T S & S 2060 NORTHEAST HIGHWAY 20 BEND, OR 97701	41927	DCT
THOMASSEN FORD-MERCURY INC	GEORGE W THOMASSEN	DBA THOMASSEN CHRYSLER DODGE JEEP 100 SOUTH WEST STREET CHARLES TOWN, WV 25414-1658	67217	CDTJ
THOMASTON FORD-MERCURY INC	JANE S HARNESS	DBA THOMASTON CHRY-PLYM-DODGE-JEEP 1011 HIGHWAY 19 NORTH THOMASTON, GA 30286	67885	CDTJ
TIMBERLINE DODGE INC	ARTHUR A LAWS	DBA TIMBERLINE CHRYSLER JEEP DODGE 2406 N E SANDY BLVD PORTLAND, OR 97232-2399	42184	DTCJ
TOM MASANO CHRYSLER JEEP, INC.	JOHN J MASANO	DBA TOM MASANO CHRYSLER JEEP, INC. 1600 LANCASTER AVEN READING, PA 19607-1597	64103	CJ
TOMKINSON DODGE INCORPORATED	J R TOMKINSON	929 AVENUE OF AUTOS FORT WAYNE, IN 46804	44091	DT
TOMMY MANUEL CHRY-PLYM-JEEP INC	TOMMY MANUEL	DBA TOMMY MANUEL CHRY-JEEP 1501 EAST I-20 ARLINGTON, TX 76014	68987	CJ
TOMSIC MOTOR COMPANY	FRANK VALENCIC	150 RACE TRACK ROAD WASHINGTON, PA 15301-8908	64565	CJ
TONY MARTENS DODGE INC	PHILLIP A MARTENS	601 MAIN STREET PLATTE CITY, MO 64079	43553	DT
TOWN & COUNTRY MOTORS, INC.	DAVID S SAPONE	DBA TOWN & COUNTRY CHRYSLER DODGE 508 N MARKET ST LIGONIER, PA 15658-1364	60208	CDT

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DEALER NAME	MAJORITY OWNER	DEALER ADDRESS	DEALER CODE	LINES
TRANSIT LLC	JAMES K VANDENBERG	DBA MAPLE HILL CHRYSLER 5622 W MAIN ST KALAMAZOO, MI 49009-1014	68591	C
TRANSPORTATION CENTER -	CHRISTOPHER T MILLS	DBA MONTROSE CHRYSLER 2100 W MAIN ST LOUISVILLE, OH 44641-8235	67660	C
TRI STAR DCJ HUNTINGDON INC	ROWLAND H TIBBOTT III	9492 WILLIAM PENN HWY HUNTINGDON, PA 16652-7167	60059	CDTJ
TRI STATE MOTORS	DAVID D MORRIS	DBA TRI-STATE MOTORS 298 SOUTH MAIN STREET CEDAR CITY, UT 84720-3445	24047	J
TRI-CITIES MOTOR SALES LLC	DWIGHT MARQUART	DBA CHRYSLER OF TRI-CITIES 3203 W MARIE ST PASCO, WA 99301	68717	C
TRIER FORD LINCOLN MERCURY INC	VERNON E TRIER	DBA TRIER CHRY-DODGE-JEEP 499 S MAIN ST COLUMBIA CITY, IN 46725-2143	68443	CDTJ
TRI-STATE AUTOMOTIVE ASSOCIATES IN	PETER B KRAUSE	DBA TRI-STATE DODGE 191 WEST MAIN STREET DUDLEY, MA 01571	44356	DT
TYSINGER MOTOR CO INC.	MARK TYSINGER	2712 MAGRUDER BLVD HAMPTON, VA 23666	55022	DT
UAG HUDSON CJD, LLC	ROGER PENSKE	DBA HUDSON CHRYSLER JEEP 2555 TELEGRAPH RD BLOOMFIELD HILLS, MI 48302	60273	CJ
UFTRING CHRYSLER, INC.	GARY UFTRING	DBA UFTRING CHRYSLER, INC. 3905 N UNIVERSITY ST PEORIA, IL 61614-6938	60297	C
UFTRING FORD INC	GARY L UFTRING	DBA UFTRING JEEP 500 FAIRLANE DR EAST PEORIA, IL 61611	26040	J
UNDERRINER MOTORS INC	MARY S UNDERLINER	DBA UNDERRINER JEEP 607 N 30TH ST BILLINGS, MT 59101-1194	24222	J
UNION DODGE INC	CHARLES S LEE	DBA UNION CHRYSLER JEEP DODGE 9898 TRASK AVE GARDEN GROVE, CA 92844-2800	44542	DTCJ
UNITED CHRYSLER DODGE INC	CHARLES R DUNN	1700 FORREST STREET DYERSBURG, TN 38024	67689	CDT
UNITY AUTOMOTIVE GROUP, LLC	SHAWN BUCHANAN	DBA WEST POINT AUTO PLAZA 1128 N LINCOLN ST WEST POINT, NE 68788-1006	60286	CDTJ
UNIVERSITY AUTO PARK INC	JOSEPH D O'BRIEN JR	DBA O'BRIEN CHRYSLER OF URBANA 1111 O'BRIEN DRIVE URBANA, IL 61802	68730	C
UNIVERSITY MOTORS LTD	GARY A DUNCAN	DBA DUNCAN JEEP 3965 S MAIN ST CHRISTIANSBURG, VA 24073-4052	23255	J
URBAN AUTOMOTIVE GROUP, LLC	AGOP E GOZUKARA	DBA URBAN CHRYSLER JEEP DODGE 81 AUTO CENTER DR FOOTHILL RANCH, CA 92610-2816	45350	DTCJ
URKA AUTO CENTER INC	MICHAEL R URKA	3736 WEST U S 10 LUDINGTON, MI 49431	23414	J

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DEALER NAME	MAJORITY OWNER	DEALER ADDRESS	DEALER CODE	LINES
VALLEY DODGE INC	HOWARD S SELLZ	6110 VAN NUYS BOULEVARD VAN NUYS, CA 91401-3305	43535	DT
VALLEY DODGE, INC.	HOWARD S SELLZ	DBA BIG VALLEY CHRYSLER JEEP 6110 VAN NUYS BLVD VAN NUYS, CA 91401-3305	60335	CJ
VAN BURKLEO MOTORS INC	CHRISTINE A VAN BURKLEO	3201 NORTH 10TH STREET MC ALLEN, TX 78501-1997	23861	J
VAN LIESHOUT AND SIMON DODGE	GEORGE SIMON JR	225 DODGE STREET KAUKAUNA, WI 54130-2531	51825	DT
VER HAGE OF HOLLAND INC	LLOYD A VERHAGE	343 EAST 8TH STREET HOLLAND, MI 49423-3787	62356	C
VERGARA GROUP, LLC	JAIME VERGARA	DBA NASHVILLE CHRYSLER JEEP DODGE P. O. BOX 1360 COOKVILLE, TN 38503-1360	45386	DTCJ
VERO BEACH LINCOLN-MERCURY INC	W H WILLIAMSON IV	DBA VERO BEACH JEEP 1066 U S 1 HIGHWAY VERO BEACH, FL 32960	23998	J
VERONA MOTOR SALES INC	CINDY L MOLITIERNO	DBA VERONA JEEP 524 WILDWOOD AVENUE VERONA, PA 15147-1224	23490	J
VIC OSMAN LINCOLN-MERCURY INC	PERRY OSMAN	DBA OSMAN JEEP 625 EAST NASA BOULEVARD MELBOURNE, FL 32901-1986	23975	J
VICTOR GEORGE CHRYSLER JEEP INC	FREDERICK T GEORGE	G-5050 S SAGINAW ST FLINT, MI 48507-4487	68733	CJ
VICTORY MOTOR COMPANY INC	FATE L WAGNER	DBA VICTORY MOTOR COMPANY 625 EAST MAIN PRATTVILLE, AL 36067	68685	CDTJ
VIKING DODGE INC	JAMES D SAMARAS	680 W TERRA COTTA AVE CRYSTAL LAKE, IL 60014-3441	41517	DT
VILLAGE CHRYSLER JEEP, INC.	WILLIAM E HAHN SR	DBA VILLAGE CHRYSLER JEEP, INC. 31200 WOODWARD AVE ROYAL OAK, MI 48073-0927	23388	JC
W R THOMAS INC	DAVID C MERRILL	DBA DIRECT AUTO PLAZA 2351 SOUTH 4TH ST EL CENTRO, CA 92243	43687	DTCJ
WACO DODGE SALES INC	SAMUEL H NAY III	1220 N VLY MILL WACO, TX 76710	41132	DT
WAIKEM MOTORS INC	GEO WAIKEM JR	DBA WAIKEM CHRYSLER JEEP 3716 LINCOLN WAY EAST MASSILLON, OH 44646-8609	65884	CJ
WALDEN FLEET GROUP, INC.	DENNIS E HECKER	DBA DENNY HECKER'S CHRYSLER DODGE JEEP OF PINE CITY 715 NORTHRIDGE CT NW PINE CITY, MN 55063-5316	60345	CDTJ
WALKER MOTORS INC	WADE D WALKER	265 RIVER STREET MONTPELIER, VT 05602-4302	23005	J
WALLACE CHRYSLER JEEP LLC	WILLIAM L WALLACE	DBA WALLACE CHRYSLER JEEP LLC 5555 S US HIGHWAY 1 FORT PIERCE, FL 34982-7371	26763	JC
WALLYS AUTO SERVICE INC	LEONARD MANKUS	HIGHWAY 53 SOUTH ORR, MN 55771	9424	CDTJ

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WALSER BLOOMINGTON MOTORS, LLC	PAUL M WALSER	DBA WALSER DODGE 320 MAINSTREET HOPKINS, MN 55343-9231	45345	DT
WALSH DODGE INC	PETER WALSH	271 CULVER AVE JERSEY CITY, NJ 07305-1121	44906	DT
WAVERLY MOTORS INC	N P PEEBLES III	209 S COUNTY DR WAVERLY, VA 23890	56088	DTCJ
WAYNE DODGE INC	AZAD V KHUBANI	DBA WAYNE DODGE 777 MOUNTAINVIEW BLVD WAYNE, NJ 07470	52741	DT
WAYNE WILLIAMS MOTOR CO INC	H W WILLIAMS	620 SOUTH 4TH STREET CROCKETT, TX 75835-2740	59503	DTCJ
WEATHERS DODGE INC	LAWRENCE G WEATHERS JR	1187 W BALTIMORE PIKE LIMA, PA 19037	56761	DT
WEAVER AUTOMOTIVE INC	THOMAS H WEAVER	DBA WEAVER AUTO AND TRUCK CENTER 400 IDAHO MARYLAND RD GRASS VALLEY, CA 95945-5958	26593	J
WEBSTER CHRYSLER JEEP INC	RANDOLPH B HENDERSON JR	2111 EMPIRE BOULEVARD WEBSTER, NY 14580	68251	CJ
WEINBERG DODGE INC	STEPHEN WEINBERG	13100 S 71 HWY GRANDVIEW, MO 64030	58678	DT
WEST END GARAGE INC	NELSON L TAYLOR JR	965 ST GEORGES AVE RAHWAY, NJ 07065	6948	C
WESTBORO MOTORS INC	CHARLES A J TONELLI	DBA WESTBORO DODGE 271 TURNPIKE ROAD WESTBORO, MA 01581-2898	42116	DT
WESTMINSTER DODGE INC	CHARLES BICKFORD	710 MORRISSEY BOULEVARD DORCHESTER, MA 02122-3584	41718	DT
WESTSIDE DODGE INC	JAMES L PATTERSON	201 HANSEN BLVD NORTH AURORA, IL 60542	44609	DT
WESTSIDE DODGE INC	JOHN R DARVISH	11613 HIGHLAND FARM RD POTOMAC, MD 20854	57511	DT
W-G INC	RODNEY A GRIFFIN	DBA GREAT WESTERN AUTOPLEX INC 2100 ELK STREET ROCK SPRINGS, WY 82901	26506	J
WHARTON CADILLAC-OLDS CO	DANIEL B WHARTON	DBA WHARTON JEEP 1225 7TH STREET PARKERSBURG, WV 26101	23289	J
WHEATON DODGE CITY INC	JOHN J FITZGERALD	11411 ROCKVILLE PIKE KENSINGTON, MD 20895	59786	DT
WHEELER LEASING CO II INC	MICHAEL C WHEELER	DBA WHEELER JEEP 350 COLUSA AVENUE YUBA CITY, CA 95991-4206	24191	J
WHITEYS INC	DIRK SCHLUTER	1493 PARK AVE WEST MANSFIELD, OH 44906	62197	C
WILLEY INC	MARY M WILLEY	123 AIRPORT ROAD AMES, IA 50010	68156	CJ
WILLIAM T PRITCHARD INC	WILLIAM T PRITCHARD	304 S CAYUGA ST # 6 ITHACA, NY 14850-5512	57104	DTCJ

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WILLIAMS CHEVROLET-PONTIAC INC	BUREN B WILLIAMS JR	DBA WILLIAMS CHRY-DODGE-JEEP 1100 EAST MAIN STREET STIGLER, OK 74462	68216	CDTJ
WILLIAMSON MOTORS INC	DWIGHT E SAUNDERS	813 NORTHEAST BLVD CLINTON, NC 28328	9449	CDTJ
WILSON CHEVROLET INC	DATHAN V WILSON	DBA WILSON JEEP EAGLE 4850 WEST 6TH ST. STILLWATER, OK 74074	26507	J
WILSON DODGE INC	C D WILSON	4200 LAKELAND DRIVE FLOWOOD, MS 39232	43679	DT
WISSLER MOTORS INC	J C DELBERT WISSLER	DBA WISSLER CHRYSLER-JEEP 1205 WEST MAIN STREET MOUNT JOY, PA 17552-9596	23196	JC
WOLF'S MOTOR CAR COMPANY INC	MICHAEL J WOLF	N5908 WILLOW ROAD PLYMOUTH, WI 53073	67966	CJ
WOODBIDGE NISSAN CORP	FRANK L COWLES JR	DBA COWLES CHRYSLER 14777 JEFFERSON DAVIS HWY WOODBIDGE, VA 22191-3416	66910	C
WRIGHT DODGE, LLC	KENNETH E WRIGHT	DBA WRIGHT AUTOMOTIVE GROUP 10677 PERRY HWY WEXFORD, PA 15090-9248	45301	DT
WRIGHT'S INC	DOUGLAS K WRIGHT	109 EAST D STREET HILLSBORO, KS 67063-1509	68577	CDTJ
WULLENWEBER MOTORS INC	STEVEN E WULLENWEBER	DBA WULLENWEBER CHRYSLER JEEP 6315 HARRISON AVENUE CINCINNATI, OH 45247	23326	JC
WYCKOFF CHRYSLER INC	ROBERT L ENGEL	290 FRANKLIN AVE WYCKOFF, NJ 07481-2815	67977	C
YOUNG VOLKESWAGEN INC	ROBERT J YOUNG	DBA YOUNG DODGE 191 COMMERCE PARK DRIVE EASTON, PA 18045	42507	DT
ZEISER CHRYSLER DODGE JEEP INC	DAVID G ZEISER	1420 E VETERANS MEMORIAL PKWY TRUESDALE, MO 63383-1316	68245	CDTJ
ZIMMER MOTOR INC	THOMAS W ZIMMER	DBA ZIMMER CHRYSLER-JEEP 1086 BURLINGTON PIKE FLORENCE, KY 41042-1236	66559	CJ

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## **EXHIBIT B**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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	:
In re	:
	:
Chrysler LLC, <i>et al.</i> ,	:
	:
Debtors.	:
	:
-----	X

Chapter 11  
Case No. 09- 50002 (AJG)  
(Jointly Administered)

**SECOND DECLARATION OF PETER M. GRADY**

I, Peter M. Grady, make this Declaration under 28 U.S.C. § 1746 and state:

1. I am the current Director of Dealer Operations for Chrysler Motors, LLC, which is a corporation organized under the laws of the state of Delaware, and one of the above-captioned debtors and debtors in possession (collectively, the "Debtors" or "Chrysler"). I have worked at Chrysler or an affiliate of Chrysler since 1987. I am older than 21 years of age and suffer no legal disability. I am competent to make this Declaration.

2. I have worked with Chrysler's dealer network on the marketing and distribution of Chrysler vehicles for over 20 years. I have held a wide variety of positions at Chrysler, including Zone Manager or Assistant Zone Manager for Field Operations in Chicago, Memphis, Phoenix and New York; President of Chrysler Taiwan Ltd; Director of the Great Lakes Business Center; Director of Mid Atlantic Business Center; Director of Remarketing and Fleet Operations; and Director of Dealer Operations.

3. As Director of Dealer Operations, I am familiar with the network of Chrysler, Dodge and Jeep dealers that sell and service Chrysler's vehicles in the United States (the "Domestic Dealer Network") and I am also familiar with Chrysler's international distribution

networks. I have worked on the dealer programs described in this Declaration and performed the dealer network analysis described below. Except as otherwise indicated, my testimony in this Declaration is based upon my personal knowledge, my review of business records or my first-hand experience and knowledge acquired in the ordinary and regular course of Chrysler's business as to the matters described in this Declaration. If I were called upon to testify, I could and would testify competently to the facts set forth in this Declaration.

4. I earned my B.S. and B.A. degree in Management, Marketing and Finance from John Carroll University in 1981. Virtually my entire professional career has been with Chrysler. I started in 1984 as a district sales manager at American Motors Corporation, which was later acquired by Chrysler in 1987. I worked in a variety of positions in the Chicago zone and served as Assistant Zone Manager for Memphis from 1994 to 1997. In that capacity, I had responsibilities for working with the dealers in my zone in the sale and service of Chrysler vehicles. Starting in 1997, I served as President of Chrysler Taiwan, Ltd., where I had responsibility for overseeing the sales, service and distribution of Chrysler vehicles in Taiwan.

5. In 2000, I became the Zone Manager of Phoenix and, in 2001, I became the Zone Manager of New York. As Zone Manager, I was responsible for working with Chrysler dealers and managing the Chrysler dealer network in my zones. In 2002, Chrysler restructured its twenty-five zones into eight Business Centers and I became the Director of Great Lakes Business Center. In 2003, I became the Director of Mid-Atlantic Business Center. In my capacity as the Director of Business Centers, I had responsibility for the dealer network in the sale and service of Chrysler vehicles. From 2005 through January 2009, I was the Director of Remarketing and Fleet Operations and, in that capacity, I supervised the marketing and

distribution of fleet sales, which includes the sale of vehicles to third party companies such as rental car companies. In 2009, I began serving as the Director of Dealer Operations.

**The Debtors' Domestic Dealer Network**

6. Other than certain sales to the government, virtually all of the vehicles manufactured by Chrysler are sold to the U.S. general public through Chrysler's Domestic Dealer Network. Over the years, this Domestic Dealer Network grew to cover all 50 states, peaking at approximately 6,500 dealers in the mid-1960's, which has subsequently declined over time. As of April 30, 2009 (the "Petition Date"), the Domestic Dealer Network was comprised of 3,181 dealers. Except with respect to a small number of dealerships, all the dealers are independently owned.<sup>1</sup>

7. Approximately 62% of the dealers in the Domestic Dealer Network are "full line" dealers, meaning they sell all three of the Debtors' brands: Chrysler, Jeep and Dodge. The remaining approximately 38% of the dealers in the Domestic Dealer Network are "partial line" dealers, selling only one or a combination of two of the Debtors' brands. The Domestic Dealership Network includes dealers in every U.S. state and in every major U.S. metropolitan area, as well as widespread coverage of secondary and rural markets.

8. Despite the size and breadth of the Domestic Dealer Network, the sales volume, productivity and efficiency of the dealer network is not evenly distributed. Approximately 25% of the Domestic Dealer Network accounts for approximately 50% of the Debtors' domestic sales. Further, just over 50% of the Domestic Dealer Network accounts for approximately 90% of the Debtors' domestic sales.

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<sup>1</sup> Debtor Chrysler Realty owned 14 active and seven inactive dealerships as of the Petition Date, referred to as "manufacturer investment dealerships" or "MIDs."

### ***The Dealership Agreements***

9. Consistent with industry practice, and with the exception of a small percentage of dealers using older Direct Dealer Agreements, the Debtors have used a standard uniform dealership agreement (as modified from time to time) for all new domestic dealers starting in approximately 1988.<sup>2</sup> The Debtors enter into a separate dealership agreement for each of the Debtors' linemakes that a dealer sells. Thus, for example, a "full line" dealer will have three dealership agreements: one for Dodge/Dodge Truck, one for Jeep and one for Chrysler. The Debtor party to each of these agreements is Chrysler Motors LLC ("Chrysler Motors").

### ***The Challenges Confronting the Domestic Dealer Network***

10. Although the Debtors' large and extensive Domestic Dealer Network provides increased outlets for the sale of the Debtors' products, its size and scope has created significant challenges as market conditions and demographic factors have changed over time. The Debtors' dealers compete not only with dealers selling the products of other Original Equipment Manufacturers ("OEM's"), such as Ford and Toyota, but also with each other in surrounding markets. Some of the Debtors' dealers may have only one linemake (for example, Chrysler, Dodge or Jeep), while other dealers may have all three linemakes. Thus, a Chrysler-Jeep dealership may compete with a nearby Dodge dealership. For example, a Chrysler dealer may sell a Chrysler Town & Country minivan and a nearby Dodge dealer may sell the Dodge Caravan minivan, which may compete for the same customers.

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<sup>2</sup> Specifically, the form of agreement the Debtors have used since approximately 1988 is called, for each applicable linemake, the Sales and Service Agreement. From approximately the 1960's until the development of the Sales and Service Agreement, the Debtors used a form of agreement called the Direct Dealer Agreement. As of the Petition Date, approximately 112 of the dealerships in the Domestic Dealer Network continue to be governed under Direct Dealer Agreements. (Copies of the form Dealer Sales and Service Agreement and the Direct Dealer Agreement are attached hereto as Exhibit A and Exhibit B, respectively.)

11. Over time, the market for new motor vehicles has changed dramatically. Numerous other competitors selling a wide variety of vehicles, including Toyota, Honda, Hyundai and Kia, have entered the market and captured a larger share of the automotive market. As a result, the larger Domestic Dealer Network has faced increasing financial pressures on profitability as the market share of the Debtors and other domestic OEMs declined over time in the face of increasing foreign competition. With so many outlets available for the Debtors' products and more limited market share, many dealers' annual sales of vehicles (or throughput) fell below targeted levels, limiting dealer profitability and the ability of many dealers to reinvest in the dealership and enhance the experience of consumers.

12. In addition, as suburbs grew and the modern interstate system continued to evolve, longstanding dealerships were no longer in the best or growing locations. Many rural locations also served a diminishing population of potential consumers. Some dealership facilities became outdated. Other locations faced declining traffic count and declining populations.

13. By contrast, the newer OEMs selling competitive vehicles, such as Toyota, Honda, Hyundai and others, did not enter the U.S. markets or did not significantly expand within the U.S. markets until much later in time. They did not have the legacy network dealers. They began to assemble new networks with new and better locations in growing markets, with numerous models consolidated under a single roof and with more modern facilities focused on large metropolitan areas.

14. Over time, the throughput of the newer OEMs continued to grow while the throughput of the Debtors continued to decline. On average, the dealers for several of the newer OEMs now have substantially higher throughput, resulting in better and more sustainable sales

and profitability and providing greater resources for marketing, reinvesting in the business, improving facilities and enhancing the consumer experience and customer service. In 2008, Chrysler sold approximately 1,000,000 new vehicles through approximately 3,298 dealers. The average throughput for Chrysler dealers was approximately 303 per dealer. In 2008, Toyota sold approximately 1,604,952 new vehicles in the United States through approximately 1,242 dealers. The average throughput for Toyota's dealers in the United States was approximately 1,292 per dealer. In 2008, Honda sold approximately 1,255,411 new vehicles in the United States through approximately 1,030 dealers. The average throughput for Honda's dealers in the United States was 1,219 per dealer.

15. Thus, the throughput for Toyota and Honda dealers is approximately 415 percent higher than Chrysler's average throughput. Such larger throughput supports substantially higher average profits for competitive dealerships, enables those dealerships to invest additional resources in facilities and other operations, enables competitors to often attract the more experienced and highly qualified personnel from Chrysler's Domestic Dealer Network, provides additional resources to advertise products and services to customers, and enables those dealers to offer extra services and benefits that can improve customer satisfaction for the brands offered. The smaller, more efficient, more profitable dealer network for the transplant OEM's has become a competitive disadvantage for Chrysler's Domestic Dealer Network.

16. Chrysler's larger Domestic Dealer Network also substantially increases expenses and inefficiencies in the distribution system, forcing Chrysler to spend additional resources on training, new vehicle allocation personnel, processes, and procedures, oversight of the dealer network, auditing and monitoring expenses for dealer operations, and all of the other operational expenses that must be incurred to maintain, support, facilitate and oversee a larger



dealer network. In addition, the numerous "partial line" dealerships in the Domestic Dealer Network requires the continued production of overlapping models under different brands, which further increases unnecessary costs and introduces substantial inefficiencies in the distribution system.

***The Debtors' Dealership Rationalization — Project Genesis***

17. The Debtors have been actively addressing their dealer network issues for a number of years. As part of the Debtors ongoing business plans, the Debtors have engaged in a long term process to rationalize their dealer network. The goals of this effort included working with the dealers to consolidate all three of the Debtors' brands at each dealership and reshape the network to realign the retail outlets using the best dealers, in the best locations, with the best facilities. This process has been time-consuming and expensive as a result of a complex web of state laws that protect dealers and limit the ability of the Debtors to expeditiously terminate, relocate or consolidate dealerships. Despite these obstacles, and at substantial cost, the Debtors have reduced their dealer network from approximately 4,320 dealers in 2001 to 3,188 as of Tuesday, April 28, 2009. As part of their Viability Plan (as defined in other filings), the Debtors have identified the completion of their dealership rationalization efforts as one of the core initiatives.

18. Consistent with their Viability Plan, the Debtors are seeking to obtain approval of the Fiat Transaction as expeditiously as possible. A key component of the Fiat Transaction is the transfer to New Chrysler of a strong, well-positioned dealer network to continue selling Chrysler, Dodge and Jeep vehicles to consumers and to service these vehicles. To that end, the Fiat Transaction contemplates and, in fact, requires the acceleration of the Debtors' network rationalization. From a business perspective, this effort to strengthen the Domestic Dealer Network is a critical component of the proposed Fiat Transaction.

19. As a result, the Debtors have determined that they need reject 789 dealership agreements and related ancillary agreements for the long-term health of the Domestic Dealer Network and to further the objectives of the Debtors as described in this and other declarations. The rejection of these carefully selected dealership agreements will assist the Debtors in achieving their goal of strengthening the Domestic Dealer Network in support of long-term viability and ensuring the success of the Fiat Transaction. In addition, the rejection of these dealership agreements will help the Debtors rationalize the Domestic Dealer Network in a manner that substantially improves overall operational efficiencies. With a smaller network consisting of more "full line" dealerships, the Debtors can also reduce redundancies and inefficiencies in marketing, distribution, and production that results from overlapping models offered under multiple linemakes.

20. Chrysler has reviewed a substantial volume of data and carefully analyzed the Domestic Dealer Network to arrive at its selection of the dealerships included in the Motion. In 2001, the Debtors initiated a program to: (a) evaluate their dealership network and key locations; (b) identify the most desirable dealerships and dealership locations from the perspective of long-term planning; and (c) streamline the Domestic Dealer Network to meet long-term goals, including, among other things, the consolidation of the Debtors' brands at "partial line" dealers to make them "full line" dealers. This program has been re-named over the years and most recently has been called "Project Genesis."

21. The objectives of Project Genesis include brand consolidation, as well as reducing and reconfiguring the Domestic Dealer Network to achieve the goal of having a smaller and stronger network, with the best dealers, in the best locations, with the best facilities. Although the overall size of the network would contract as a result of implementing Project

Genesis, it is projected that dealers remaining in the network would become more profitable, generate greater capital to reinvest in the business, improve customer amenities and customer satisfaction, attract experienced and highly qualified personnel, and, ultimately, increase their sales over time to the benefit of the Debtors. After a period of time, and substantially improved marketing and investments, overall sales in the reduced network are anticipated to grow beyond current sales levels within the existing network.

22. Although Project Genesis primarily focused on dealers in metropolitan markets and key secondary markets (where, among other things, there had been less brand consolidation), the Debtors also have evaluated the remaining secondary and rural market dealers. Based on this extensive and ongoing work, between 2001 and the Petition Date, the Debtors worked with dealers in a cooperative manner to reduce and consolidate the Domestic Dealer Network, within the limitations imposed by the Dealer Statutes and any existing agreements, in a continued effort to improve efficiency, strengthen individual dealers, elevate customer service and minimize costs.

23. The Debtors have been working diligently on Project Genesis and its predecessor programs for well over eight years and have spent more than \$216 million implementing the objectives of the program.

***The Dovetailing of Project Genesis with the Alliance Viability Plan***

24. The objectives of Project Genesis and the underlying analyses of the Domestic Dealer Network have guided the Debtors in developing the Alliance Viability Plan and in working with New Chrysler on the terms of the Fiat Transaction to implement that plan. The long-term viability and success of New Chrysler, and its willingness to consummate the Fiat Transaction, depends, among other things, on having a strong and vibrant dealer network consistent with the goals of Project Genesis. Accordingly, in recent months, the Debtors, in

cooperation with New Chrysler, have continued to refine their evaluation of dealers under Project Genesis to model an anticipated dealership network for the Alliance Viability Plan and for the proposed Fiat Transaction.

25. It is critical to the Viability Plan that the dealer network optimized quickly so that New Chrysler can begin implementing the efficiencies, marketing strategies, production plans, and model changes that go hand in hand with a smaller, more profitable Domestic Dealer Network with more "full line" dealerships throughout the country. The alternative would disrupt and delay the goals of the Viability Plan and implementation of the changes needed to rationalize the Domestic Dealer Network and obtain the efficiencies associated with those objectives.

***The Debtors' Extensive Qualitative Assessment of Each Dealership***

26. Project Genesis and the selection of dealerships to be included in the relief sought in the Motion involved the evaluation of each dealership. In particular, the Debtors reviewed and analyzed numerous performance and planning factors for each dealership, including, among other things:

- (a) the dealer's —
  - (i) brand affiliations;
  - (ii) raw sales volume;
  - (iii) sales performance relative to its Minimum Sales Responsibility;
  - (iv) location;
  - (v) type of market;
  - (vi) facilities;
  - (vii) customer service;
  - (viii) history of experience; and
  - (ix) market share;

- (b) the planning potential for the dealership; and
- (c) other factors.

27. In addition, the Debtors are able to draw on external metrics including, among other things:

- (a) new vehicle registration information for the Debtors' and other manufacturers' comparable products, indicating the location of new vehicle registrations within the market and the location of registrations of new motor vehicles sold by each dealer;
- (b) demographic data including —
  - (i) current population and household density;
  - (ii) anticipated shift of population and household density; and
  - (iii) average household income;
- (c) the average distance to the nearest dealer by manufacturer for each locality; and
- (d) competing manufacturers' market share within the locality.

28. Using these analytical methods, the Debtors can create comprehensive statistical assessments of each dealer and make reasoned judgments regarding the optimal configuration for each market in the Domestic Dealer Network and the best means of implementing the goals of Project Genesis.

29. Consistent with the Alliance Viability Plan and in support of the Fiat Transaction, the Debtors have reached the business conclusion that rejection of the Rejected Dealer Agreements is in the best interests of the Debtors' restructuring efforts and estates. Moreover, the Debtors believe, in their business judgment, that immediate rejection of these agreements is necessary and appropriate to begin the work necessary to complete the transition to a smaller, more effective, and more profitable dealer network, limit any ongoing postpetition obligations to the Affected Dealers, and minimize disruption upon the closing of the Fiat

Transaction or other Sale Transaction involving the sale of the Domestic Dealer Network. In addition, the Debtors believe that any delay in identifying the dealers to remain as part of the Domestic Dealer Network following the sale would be extraordinarily detrimental to the Debtors' efforts to preserve the network pending the sale.

30. The Debtors' dealers are facing unprecedented financial challenges in the current economic environment, and will face further strain as a result of the Debtors' commencement of these cases. The best dealers with the best facilities and locations are being approached regularly by other OEMs. Others are actively considering other opportunities. The Debtors believe that it is essential under these circumstances to immediately identify the Remaining Dealers that will comprise the Domestic Dealer Network following the sale to provide them with a reason to continue to support the Debtors and the Debtors' products — as they have for many years — in the face of these various challenges and pressures. Faced with further uncertainty about whether they are part of the future plans of New Chrysler, key dealers may not take the steps needed to complete the transition to new ownership.

31. Thus, it is critical that the Domestic Dealer Network be reconfigured quickly to create a dealer network that improves the profitability of the best dealers in the best locations with the best facilities in the Domestic Dealer Network and encourages those dealers to remain committed to selling and servicing the Debtors' products and undertaking the substantial investments required to promote the long term growth of the market for Debtors' products, notwithstanding the current economic uncertainties that those dealers now face.

I declare under penalty of perjury that the foregoing statements are true and correct.

Dated: May 13, 2009



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Peter M. Grady

**EXHIBIT A**  
**TO SECOND DECLARATION OF PETER M. GRADY**



# Chrysler Corporation



## SALES AND SERVICE AGREEMENT

(DEALER Firm Name and D/B/A, if applicable)

located at \_\_\_\_\_  
(STREET) (CITY) (STATE)

a(n) \_\_\_\_\_ hereinafter called DEALER, and Chrysler Corporation, a  
(INDIVIDUAL, CORPORATION OR PARTNERSHIP)  
Delaware corporation, hereinafter sometimes referred to as "CC", have entered into this Chrysler Corporation Jeep Sales and Service Agreement, hereinafter referred to as "Agreement", the terms of which are as follows:

### INTRODUCTION

The purpose of the relationship established by this Agreement is to provide a means for the sale and service of specified Jeep vehicles and the sale of CC vehicle parts and accessories in a manner that will maximize customer satisfaction and be of benefit to DEALER and CC.

While the following provisions, each of which is material, set forth the undertakings of this relationship, the success of those undertakings rests on a recognition of the mutuality of interests of DEALER and CC, and a spirit of understanding and cooperation by both parties in the day to day performance of their respective functions. As a result of such considerations, CC has entered into this Agreement in reliance upon and has placed its trust in the personal abilities, expertise, knowledge and integrity of DEALER's principal owners and management personnel, which CC anticipates will enable DEALER to perform the personal services contemplated by this Agreement.

It is the mutual goal of this relationship to promote the sale and service of specified CC products by maintaining and advancing their excellence and reputation by earning, holding and furthering the public regard for CC and all CC dealers.

### 1 PRODUCTS COVERED

DEALER has the right to order and purchase from CC and to sell at retail only those specific models of CC vehicles, sometimes referred to as "specified CC vehicles," listed on the Motor Vehicle Addendum, attached hereto and incorporated herein by reference. CC may change the models of CC vehicles listed on the Motor Vehicle Addendum by furnishing DEALER a superseding Motor Vehicle Addendum. Such a superseding Motor Vehicle Addendum will not be deemed or construed to be an amendment to this Agreement.

### 2 DEALER'S MANAGEMENT

CC has entered into this Agreement relying on the active, substantial and continuing personal participation in the management of DEALER's organization by:

NAME

POSITION

DEALER represents and warrants that at least one of the above named individuals will be physically present at DEALER's facility (sometimes referred to as "Dealership Facilities") during most of its operating hours and will manage all of DEALER's business relating to the sale and service of CC products. DEALER shall not change the personnel holding the above described position(s) or the nature and extent of his/her/their management participation without the prior written approval of CC.

---

### 3 DEALER'S CAPITAL STOCK OR PARTNERSHIP INTEREST

If DEALER is a corporation or partnership, DEALER represents and agrees that the persons named below own beneficially the capital stock or partnership interest of DEALER in the percentages indicated below. DEALER warrants there will be no change affecting more than 50% of the ownership interest of DEALER, nor will there be any other change in the ownership interest of DEALER which may affect the managerial control of DEALER without CC's prior written approval.

Name	Voting Stock		Non-Voting Stock		Partnership Interest		Active Yes/No
		%		%		%	
		%		%		%	
		%		%		%	
		%		%		%	
		%		%		%	
Total		%		%		%	

---

### 4 SALES LOCALITY

DEALER shall have the non-exclusive right, subject to the provisions of this Agreement, to purchase from CC those new specified CC vehicles, vehicle parts, accessories and other CC products for resale at the DEALER's facilities and location described in the Dealership Facilities and Location Addendum, attached hereto and incorporated herein by reference. DEALER will actively and effectively sell and promote the retail sale of CC vehicles, vehicle parts and accessories in DEALER's Sales Locality. As used herein, "Sales Locality" shall mean the area designated in writing to DEALER by CC from time to time as the territory of DEALER's responsibility for the sale of CC vehicles, vehicle parts and accessories, although DEALER is free to sell said products to customers wherever they may be located. Said Sales Locality may be shared with other CC dealers of the same line-make as CC determines to be appropriate.

---

### 5 ADDITIONAL TERMS AND PROVISIONS

The additional terms and provisions set forth in the document entitled "Chrysler Corporation Sales and Service Agreement Additional Terms and Provisions" marked "Form 91 (J-E)," as may hereafter be amended from time

to time, constitute a part of this Agreement with the same force and effect as if set forth at length herein, and the term "this Agreement" includes said additional terms and provisions.

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### 6 FORMER AGREEMENTS, REPRESENTATIONS OR STATEMENTS

This Chrysler Corporation Jeep Sales and Service Agreement and other documents, (or their successors as specifically provided for herein) which are specifically incorporated herein by reference constitute the entire agreement between the parties relating to the purchase by DEALER of those new specified CC vehicles, parts and accessories from CC for resale; and it cancels and supersedes all earlier agreements, written or oral, between CC and DEALER relating to the purchase by DEALER of Jeep vehicles, parts and accessories, except for (a) amounts owing by CC to DEALER, such as payments for warranty service performed and incentive programs, or (b) amounts owing or which may be determined to be owed, as a result of an audit or investigation, by DEALER to CC due to DEALER's purchase from CC of vehicles, parts, accessories and other goods or services, or (c) amounts DEALER



owes to CC as a result of other extensions of credit by CC to DEALER. No representations or statements, other than those expressly set forth herein or those set forth in the applications for this Agreement submitted to CC by DEALER or DEALER's representatives, are made or relied upon by any party hereto in entering into this Agreement.

---

## 7 WAIVER AND MODIFICATION

No waiver, modification or change of any of the terms of this Agreement or change or erasure of any printed part of this Agreement or addition to it (except the filling in of blank spaces and lines) will be valid or binding on CC unless approved in writing by the President or a Vice President or the National Dealer Placement Manager of Chrysler Corporation.

---

## 8 AMENDMENT

DEALER and CC recognize that this Agreement does not have an expiration date and will continue in effect unless terminated under the limited circumstances set forth in Paragraph 28. DEALER and CC further recognize that the passage of time, changes in the industry, ways of doing business and other unforeseen circumstances may cause CC to determine that it should amend all Chrysler Corporation Jeep Sales and Service Agreements. Therefore, CC will have the right to amend this Agreement to the extent that CC deems advisable, provided that CC makes the same amendment in Chrysler Corporation Jeep Sales and Service Agreements generally. Each such amendment will be issued in a notice sent by certified mail or delivered in person to DEALER and signed by the President or a Vice President or the National Dealer Placement Manager of Chrysler Corporation. Thirty-five (35) days after mailing or delivery of such notice to DEALER, this Agreement will be deemed amended in the manner and to the extent set forth in the notice.

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## 9 ARBITRATION

Any and all disputes arising out of or in connection with the interpretation, performance or non-performance of this Agreement or any and all disputes arising out of or in connection with transactions in any way related to this Agreement (including, but not limited to, the validity, scope and enforceability of this arbitration provision, or

disputes under rights granted pursuant to the statutes of the state in which DEALER is licensed) shall be finally and completely resolved by arbitration pursuant to the arbitration laws of the United States of America as codified in Title 9 of the United States Code, §§ 1-14, under the Rules of Commercial Arbitration of the American Arbitration Association (hereinafter referred to as the "Rules") by a majority vote of a panel of three arbitrators. One arbitrator will be selected by DEALER (DEALER's arbitrator). One arbitrator will be selected by CC (CC's arbitrator). These arbitrators must be selected by the respective parties within ten (10) business days after receipt by either DEALER or CC of a written notification from the other party of a decision to arbitrate a dispute pursuant to this Agreement. Should either CC or DEALER fail to select an arbitrator within said ten-day period, the party who so fails to select an arbitrator will have its arbitrator selected by the American Arbitration Association upon the application of the other party. The third arbitrator must be an individual who is familiar with business transactions and be a licensed attorney admitted to the practice of law within the United States of America, or a judge. The third arbitrator will be selected by DEALER's and CC's arbitrators. If said arbitrators cannot agree on a third arbitrator within thirty (30) days from the date of the appointment of the last selected arbitrator, then either DEALER's or CC's arbitrator may apply to the American Arbitration Association to appoint said third arbitrator pursuant to the criteria set forth above. The arbitration panel shall conduct the proceedings pursuant to the then existing Rules.

Notwithstanding the foregoing, to the extent any provision of the Rules conflict with any provision of this Paragraph 9, the provisions of this Paragraph 9 will be controlling.

CC and DEALER agree to facilitate the arbitration by: (a) each party paying to the American Arbitration Association one-half (1/2) of the required deposit before the proceedings commence; (b) making available to one another and to the arbitration panel, for inspection and photocopying all documents, books and records, if determined by the arbitrator to be relevant to the dispute; (c) making available to one another and to the arbitration panel personnel directly or indirectly under their control, for testimony during hearings and prehearing proceedings if determined by the arbitration panel to be relevant to the dispute; (d) conducting arbitration hearings to the greatest extent possible on consecutive business days; and (e) strictly observing the time periods established by the Rules or by the arbitration panel for the submission of evidence and of briefs.



Unless otherwise agreed to by CC and DEALER, a stenographic record of the arbitration shall be made and a transcript thereof shall be ordered for each party, with each party paying one-half (1/2) of the total cost of such recording and transcription. The stenographer shall be state-certified, if certification is made by the state, and the party to whom it is most convenient shall be responsible for securing and notifying such stenographer of the time and place of the arbitration hearing(s).

If the arbitration provision is invoked when the dispute between the parties is either the legality of terminating this Agreement or of adding a new CC dealer of the same line-make or relocating an existing CC dealer of the same line-make, CC will stay the implementation of the decision to terminate this Agreement or add such new CC dealer or approve the relocation of an existing CC dealer of the same line-make until the decision of the arbitrator has been announced, providing DEALER does not in any way attempt to avoid the obligations of this Paragraph 9, in which case the decision at issue will be immediately implemented.

Except as limited hereby, the arbitration panel shall have all powers of law and equity, which it can lawfully assume, necessary to resolve the issues in dispute including, without limiting the generality of the foregoing, making awards of compensatory damages, issuing both prohibitory and mandatory orders in the nature of injunctions and compelling the production of documents and witnesses for pre-arbitration discovery and/or presentation at the arbitration hearing on the merits of the case. The arbitration panel shall not have legal or equitable authority to issue a mandatory or prohibitory order which: (a) extends or has effect beyond the subject matter of this Agreement, or (b) will govern the activities of either party for a period of more than two years; nor shall the arbitration panel have authority to award punitive, consequential or any damages whatsoever beyond or in addition to the compensatory damages allowed to be awarded under this Agreement.

The decision of the arbitration panel shall be in written form and shall include findings of fact and conclusions of law.

It is the intent and desire of DEALER and CC to hereby and forever renounce and reject any and all recourse to litigation before any judicial or administrative forum and to accept the award of the arbitration panel as final and binding, subject to no judicial or administrative review, except on those grounds set forth in 9 USC § 10 and § 11. Judgment on the award and/or orders may be entered in any court having jurisdiction over the parties or their assets. In the final award and/or order, the arbitration panel shall divide all costs (other than attorney fees, which shall be borne by the party incurring such fees and other costs specifically provided for herein) incurred in conducting the arbitration in accordance with what the arbitration panel deems just and equitable under the circumstances. The fees of DEALER's arbitrator shall be paid by DEALER. The fees of CC's arbitrator shall be paid by CC.

---

## 10 SIGNATURE

This Agreement becomes valid only when signed by the President or a Vice President or the National Dealer Placement Manager of Chrysler Corporation and by a duly authorized officer or executive of DEALER if a corporation; or by one of the general partners of DEALER if a partnership; or by DEALER if an individual.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement which is finally executed at

\_\_\_\_\_, Michigan, in  
triplicate, on \_\_\_\_\_

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(DEALER Firm Name and D/B/A, if applicable)

By \_\_\_\_\_  
(Individual Duly Authorized to Sign)

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(Title)

## CHRYSLER CORPORATION

By \_\_\_\_\_  
\_\_\_\_\_  
(Title)

**EXHIBIT B**  
**TO SECOND DECLARATION OF PETER M. GRADY**

# CHRYSLER

## DIRECT DEALER AGREEMENT

Agreement by and between \_\_\_\_\_

located at \_\_\_\_\_  
(Street) (City) (State)

a(n) \_\_\_\_\_, below called DIRECT  
(Individual, Corporation or Partnership)

DEALER, and Chrysler Motors Corporation, a Delaware corporation, below called CHRYSLER.

### INTRODUCTION

The purpose of the relationship established by this agreement is to provide a means for the sale and service of Chrysler passenger cars and Chrysler passenger car parts and accessories in a manner that will best serve the interests of the retail customer and be of benefit to DIRECT DEALER and CHRYSLER.

While the undertakings of this relationship are set forth in the provisions that follow, their success rests on a recognition of the mutuality of interests of DIRECT DEALER and CHRYSLER, and a spirit of

understanding and cooperation by both parties in the day to day performance of their respective functions.

It is the mutual goal of this relationship to promote the sale of Chrysler products by maintaining and advancing their excellence and reputation and by earning, holding, and furthering the public regard for CHRYSLER and all Chrysler Dealers.

To achieve these purposes DIRECT DEALER and CHRYSLER agree as follows:

1.

## SALES LOCALITY

DIRECT DEALER will have the non-exclusive right, subject to the provisions of this agreement, to purchase from CHRYSLER for resale at retail (or to other authorized Chrysler dealers) new Chrysler passenger cars and Chrysler passenger car parts and accessories in the following Sales Locality:

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★

2.

## DIRECT DEALER'S MANAGEMENT

CHRYSLER has entered into this agreement relying on the active, substantial and continuing personal participation in the management of DIRECT DEALER'S organization by

NAME

POSITION

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3.

## DIRECT DEALER'S CAPITAL STOCK OR PARTNERSHIP INTEREST

If DIRECT DEALER is a corporation or partnership, DIRECT DEALER represents and agrees that the persons named below own beneficially, and will continue to own beneficially (except for transfers not effecting a change in majority control or interest) unless CHRYSLER agrees otherwise in writing, the capital stock or partnership interest of DIRECT DEALER in the percentages indicated below:

NAME	VOTING STOCK	NON-VOTING STOCK	PARTNERSHIP INTEREST
_____	_____ %	_____ %	_____ %
_____	_____ %	_____ %	_____ %
_____	_____ %	_____ %	_____ %
_____	_____ %	_____ %	_____ %
Total (must amount to at least 90%)	_____ %	_____ %	_____ %
_____ ★ _____			

4.

## TERMS AND PROVISIONS

The Chrysler Direct Dealer Agreement Terms and Provisions marked "Form 57-C" constitutes a part of this agreement with the same force and effect as if set forth at length herein, and the term "this agreement" includes said Chrysler Direct Dealer Agreement Terms and Provisions.

5.

## FORMER AGREEMENTS AND WAIVER, MODIFICATION OR ASSIGNMENT OF THIS AGREEMENT

This Chrysler Direct Dealer Agreement, including the Chrysler Direct Dealer Agreement Terms and Provisions, Form 57-C, incorporated herein, is the entire agreement between the parties relating to the purchase by DIRECT DEALER of



new Chrysler passenger cars and Chrysler passenger car parts and accessories from CHRYSLER for resale, and it cancels and supersedes all earlier agreements, written or oral, between CHRYSLER or Chrysler Corporation and DIRECT DEALER relating to the purchase by DIRECT DEALER of Chrysler passenger cars and Chrysler passenger car parts and accessories.

No waiver, modification or change of any of the terms of this agreement or change or erasure of any printed part of this agreement or addition to it (except filling of blank spaces and lines) will be valid or binding on CHRYSLER unless approved in writing by the President or a Vice-President of Chrysler Motors Corporation.

DIRECT DEALER may not assign this agreement without the written consent of CHRYSLER, executed by the President or a Vice-President of Chrysler Motors Corporation.

CHRYSLER may assign this agreement only to Chrysler Corporation or any wholly owned subsidiary of Chrysler Corporation and will advise DIRECT DEALER of any such assignment by notice signed by the President or a Vice-President of Chrysler Motors Corporation and mailed to DIRECT DEALER.

Since this agreement does not have an expiration date and CHRYSLER may terminate it individually only as provided in Paragraph 21, and since circumstances may exist that CHRYSLER believes require amending all Chrysler Direct Dealer Agreements, CHRYSLER will have the right to amend this agreement to the extent that CHRYSLER deems advisable, provided that CHRYSLER makes the same amendment in Chrysler Direct Dealer Agreements gener-

ally. The amendment will be set out in a notice signed by the President or a Vice-President of Chrysler Motors Corporation. Thirty-five (35) days after delivery of the notice to DIRECT DEALER, this agreement will be deemed to be amended in the manner and to the extent set forth in the notice.

★  
6.

## SIGNATURE

This agreement becomes valid on being signed by the President or a Vice-President of Chrysler Motors Corporation and by a duly authorized officer or executive of DIRECT DEALER if a corporation; or by one of the general partners of DIRECT DEALER if a partnership; or by DIRECT DEALER if an individual.

IN WITNESS WHEREOF, the parties hereto have signed this agreement which is finally executed at \_\_\_\_\_,

in duplicate, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
(DIRECT DEALER - Firm Name)

By \_\_\_\_\_  
(Individual Duly Authorized to Sign)

\_\_\_\_\_  
(Title)

CHRYSLER MOTORS CORPORATION

By \_\_\_\_\_  
\_\_\_\_\_  
(Title)

# CHRYSLER

Direct  
Dealer Agreement

Terms and Provisions



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# CHRYSLER

## Direct Dealer Agreement

### Terms and Provisions

The following terms and provisions apply to and are part of the foregoing Chrysler Direct Dealer Agreement:

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#### 7

##### SELLING, SERVICE, FACILITIES AND CAPITAL

- (a) Selling – DIRECT DEALER agrees to sell energetically at retail in the Sales Locality described in Paragraph 1 of this agreement Chrysler passenger cars and Chrysler passenger car parts and accessories. DIRECT DEALER agrees to sell at retail in such Sales Locality the number of new Chrysler passenger cars necessary to fulfill DIRECT DEALER'S Minimum Sales Responsibility, as defined below.

DIRECT DEALER'S Minimum Sales Responsibility will be determined as follows:

From time to time, but at least once a year, CHRYSLER will compute the ratio of the number of new Chrysler passenger cars registered in the most recent 12-month period for which registration figures are available in the CHRYSLER Sales Region in which DIRECT DEALER is located to the number of all new passenger cars so registered in that Region. The ratio thus obtained will be applied to the number of all new passenger cars registered during the same 12-month period in DIRECT DEALER'S Sales Locality. The resulting number (and the percentage share of market that such number represents for the Sales Locality) will be DIRECT DEALER'S Minimum Sales Responsibility for this same twelve (12) month period, subject to such adjustment as is described below.

Where appropriate, CHRYSLER will adjust DIRECT DEALER'S Minimum Sales Responsibility to take into account the availability of passenger cars, local conditions, revisions in DIRECT DEALER'S Sales Locality description, the recent trend in DIRECT DEALER'S sales performance and the other factors, if any, directly affecting sales opportunity.

If DIRECT DEALER'S Sales Locality is in a metropolitan or other market area where one or more other Chrysler dealers are located, DIRECT DEALER'S Minimum Sales Responsibility will be the number of new passenger cars DIRECT DEALER must sell in order to contribute DIRECT DEALER'S fair share to the minimum sales responsibility for all Chrysler dealers in the market area as a whole. The minimum sales responsibility for all Chrysler dealers in such market area as a whole will be determined by using the same general method described above in this Paragraph 7 and DIRECT DEALER'S fair share will be determined on the basis of recent trends in sales performance, availability of passenger cars, local conditions, revisions in DIRECT DEALER'S Sales Locality description, location of facilities, and the other factors, if any, directly affecting sales opportunity.

Sales figures used in these computations will be new passenger car registrations as reported by any recognized reporting organization.

To the extent that CHRYSLER for any reason, other than DIRECT DEALER'S failure to submit orders or arrange payment, delivers to DIRECT DEALER less than the number of new Chrysler passenger cars that represents DIRECT DEALER'S Minimum Sales Responsibility defined above, DIRECT DEALER'S Minimum Sales Responsibility will be proportionately reduced.

- (b) Service – DIRECT DEALER agrees to provide and maintain, for servicing Chrysler passenger cars, adequate facilities equipped with the basic tools common to the trade and with special tools and equipment peculiar to Chrysler products and necessary for properly and efficiently servicing and repairing Chrysler passenger cars; and to render prompt, efficient and courteous service to all owners of Chrysler passenger cars. DIRECT DEALER will perform all pre-delivery and make-ready services recommended by CHRYSLER on new Chrysler passenger cars DIRECT DEALER sells.

DIRECT DEALER agrees to supply to all purchasers from DIRECT DEALER of new Chrysler passenger cars a copy of Chrysler Corporation's then current new Chrysler passenger car warranty; to make such certifications and verifications of Chrysler owners' odometer readings, maintenance service performance, and other matters as may be required under the terms of the Chrysler passenger car warranty and as CHRYSLER may from time to time otherwise prescribe; and to provide to owners of Chrysler passenger cars all warranty service to which they may be entitled under the terms of such warranty in accordance with the policies and procedures set forth in CHRYSLER'S Warranty and Policy Procedure Manual and in bulletins and documents relating to warranty service that CHRYSLER may, from time to time, supply to Direct Dealers.

CHRYSLER will reimburse DIRECT DEALER for warranty service DIRECT DEALER performs in accordance with CHRYSLER'S policies and procedures described above. DIRECT DEALER agrees to comply with all such policies and procedures including, but not limited to, policies and procedures relating to the keeping of books and records respecting claims DIRECT DEALER may make for reimbursement for warranty service DIRECT DEALER performs. DIRECT DEALER agrees that CHRYSLER may inspect DIRECT DEALER'S books and records respecting any warranty service or other claims DIRECT DEALER may submit to CHRYSLER.

DIRECT DEALER will perform all warranty and other services hereunder as an independent contractor and not as the agent of CHRYSLER or Chrysler Corporation and will assume responsibility for, and hold them harmless from all claims (including, but not limited to, claims resulting from the negligent or willful acts or omissions of DIRECT DEALER) against either of them arising out of or in connection with, DIRECT DEALER'S performance of such service.

- (c) Facilities and Capital – DIRECT DEALER agrees to maintain at DIRECT DEALER'S address as indicated in the opening paragraph of this agreement or at such other or additional locations as CHRYSLER approves in writing, a place or places of business including salesroom, service, and parts and accessories facilities relatively equivalent to those maintained by DIRECT DEALER'S principal competitors and to operate such place of business in the manner and during the hours usual in the trade in DIRECT DEALER'S Sales Locality.

CHRYSLER and DIRECT DEALER will determine from time to time, when appropriate, the amount of owned net working capital and net worth necessary for DIRECT DEALER successfully to carry out DIRECT DEALER'S undertakings in this agreement and DIRECT DEALER agrees to maintain such owned net working capital and net worth in the business.

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## 8

### ADVERTISING

CHRYSLER, in promoting sale of its products by DIRECT DEALER and other Chrysler dealers, will seek to advertise in the most effective manner to develop public interest and confidence in its dealers and products.

DIRECT DEALER, in advertising in support of DIRECT DEALER'S selling and servicing Chrysler products, agrees to advertise only in a manner that will develop customer confidence in DIRECT



DEALER and Chrysler products, and will not use any advertising tending to mislead or deceive the public. DIRECT DEALER agrees to discontinue any advertising that CHRYSLER may reasonably find to be injurious to CHRYSLER'S business or likely to deceive the public.

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## 9

### REPORTS AND RECORDS

DIRECT DEALER will submit to CHRYSLER for confidential use complete and accurate reports of sales and stocks of new and used passenger cars on hand and other reports, including monthly financial reports and operating statements, on such forms and at such times as CHRYSLER reasonably may request.

DIRECT DEALER will use and keep accurate and current at all times a uniform accounting system and will follow accounting practices, both satisfactory to CHRYSLER, that will enable CHRYSLER to develop comparative information, in order, among other things, to provide business management assistance to dealers for the mutual benefit of dealers and CHRYSLER. DIRECT DEALER agrees that CHRYSLER may for confidential use inspect DIRECT DEALER'S books and records for the purpose of determining whether they are kept in such manner that the data shown in them can be used in CHRYSLER'S business management assistance to dealers and for the purpose of verifying any invoices or other claims DIRECT DEALER may render to CHRYSLER.

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## 10

### ORDERS

CHRYSLER agrees to ship Chrysler passenger cars and Chrysler passenger car parts and accessories to DIRECT DEALER only on DIRECT DEALER'S order.

DIRECT DEALER agrees to submit to CHRYSLER current orders for Chrysler passenger cars and Chrysler passenger car parts and accessories, and estimates of DIRECT DEALER'S future passenger car requirements at such times and for such periods as CHRYSLER reasonably may request for the mutual benefit of dealers and CHRYSLER. DIRECT DEALER will submit such orders and estimates on forms CHRYSLER provides. All orders are subject to acceptance by CHRYSLER, which may be in whole or in part. CHRYSLER will use its best efforts to fill accepted orders for Chrysler passenger cars and Chrysler passenger car parts and accessories; however, CHRYSLER will not be liable for delay or non-delivery of products ordered nor will anything in this agreement obligate CHRYSLER to deliver to DIRECT DEALER any particular number of new Chrysler passenger cars.

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## 11

### DELIVERY

CHRYSLER may deliver passenger cars by rail, haulaway, boat, or any other means of transport, or deliver them for driveaway, endeavoring when exceptional circumstances arise and the cost is not increased to meet DIRECT DEALER'S preference as to mode of transportation. CHRYSLER may deliver passenger cars to a carrier that CHRYSLER selects, consigned to DIRECT DEALER at DIRECT DEALER'S place of business or consigned to the city or town where DIRECT DEALER'S place of business is located (or to the nearest practicable unloading point) "to CHRYSLER'S order, notify DIRECT DEALER", or may deliver them to DIRECT DEALER at the factory, or at any other point that CHRYSLER may establish.

CHRYSLER may deliver parts and accessories to DIRECT DEALER by delivering them to a carrier that CHRYSLER selects, consigned to the city or town where DIRECT DEALER'S place of business is located, or by delivering them to DIRECT DEALER at loading docks at Detroit, Michigan, or any other point that CHRYSLER may establish.

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## 12

### PRICES

CHRYSLER will notify DIRECT DEALER from time to time of the prices, charges and terms of purchase of products sold under this agreement and will charge DIRECT DEALER for such products according to the prices, charges and terms of purchase in effect at the date of shipment. CHRYSLER reserves the right, without prior notice, to change prices, charges and terms of purchase of all products sold under this agreement.

DIRECT DEALER will pay CHRYSLER for products sold under this agreement in lawful money of the United States in cash in advance, or on sight-draft against bill of lading or by such other method as CHRYSLER may approve in writing, with collection charges, if any, added.

If not included in the price, DIRECT DEALER also agrees to pay all excise or other taxes which may be levied on the products purchased hereunder or on the sale, shipment, ownership or use thereof. Further, DIRECT DEALER certifies as of the date of each purchase hereunder that all products purchased hereunder are purchased for resale.

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## 13

### CHANGE IN PRICE

CHRYSLER agrees that should it reduce the wholesale price at factory of any Chrysler passenger car (not including accessories and optional equipment) of a particular yearly model, line and body style then currently in production, CHRYSLER will refund to DIRECT DEALER in cash or by a credit against then current indebtedness for each new, unused and unsold Chrysler passenger car (not including demonstrators) of that particular model, line and body style that at the time of the reduction is in DIRECT DEALER'S stock or in transit to DIRECT DEALER, an amount equal to the difference between the reduced wholesale price and the wholesale price paid to CHRYSLER.

CHRYSLER agrees that if at the time a new yearly model is announced to the public, it announces a wholesale price of any Chrysler passenger car (not including accessories and optional equipment) of any particular body style and line of the new model below the wholesale price of a car of the same body style and line of the discontinued yearly model, CHRYSLER will refund to DIRECT DEALER in cash or by credit against then current indebtedness an amount equal to the difference between the reduced wholesale price and the wholesale price of the same body style and line of the discontinued yearly model for each new, unused and unsold Chrysler passenger car (not including demonstrators) of the particular body style and line of the discontinued yearly model that on the date the new yearly model is announced to the public is in DIRECT DEALER'S stock unless CHRYSLER determines that the line or particular body style of the new yearly model is so changed in size, design, equipment, specifications or price as, for all practical purposes, to make the line a new and different line or to make the particular body style a new and different body style of the same or a new and different line, provided, however, that in any case where items considered standard equipment on a car of the discontinued yearly model are not included as standard equipment on the corresponding car of the new model any wholesale price decrease resulting from the exclusion of such standard equipment will not be included in any refund under this Paragraph 13.

In order to qualify for a refund in either case set forth above, DIRECT DEALER must make a written claim, supported by adequate evidence, within thirty (30) days of the effective date of the reduction in price or announcement of new yearly model.

CHRYSLER, from time to time during each sales year, will review Chrysler dealers' passenger car stocks and rates of sales to determine the desirability of offering, in advance of the announcement to the public of new yearly models, incentive or other sales programs of direct payments, rebates or allowances paid to Direct Dealers designed to assist Chrysler Direct Dealers in maintaining orderly and



balanced rates of sale. If CHRYSLER determines, after such review, that conditions and passenger car stocks warrant such special assistance to DIRECT DEALER and other Chrysler dealers, CHRYSLER will institute such programs to assist DIRECT DEALER and other Chrysler dealers as CHRYSLER determines are proper and appropriate for the particular circumstances. CHRYSLER will inform DIRECT DEALER by written notice of the terms and conditions governing any such programs CHRYSLER may institute.

If CHRYSLER does not offer any such program in respect to a particular yearly model, and if fire, flood, strikes or other labor disputes, accident, war, riot, insurrection, acts of government, governmental regulation, or other circumstances have not substantially affected the availability of Chrysler passenger cars at the time of announcement to the public of new yearly models, CHRYSLER will pay to DIRECT DEALER an allowance, in an amount to be determined by CHRYSLER, for each new, unused, undamaged and unsold Chrysler passenger car (including dealer-owned demonstrators) of the discontinued yearly model in DIRECT DEALER'S stock on the day of the announcement to the public of the new yearly model. The amount of any such allowance will be no less than five per cent (5%) of the then current factory retail price on such discontinued passenger cars (including factory installed accessories and optional equipment listed on confidential price bulletins).

In order to qualify for the allowance provided above, DIRECT DEALER must furnish CHRYSLER within thirty (30) days after CHRYSLER'S new model announcement to the public, such evidence of DIRECT DEALER'S qualification for payment as CHRYSLER may reasonably require.

If CHRYSLER increases the wholesale price on any Chrysler passenger car, DIRECT DEALER, by notice delivered to CHRYSLER within ten (10) days of such price increase, may cancel any orders for passenger cars affected by the price increase that DIRECT DEALER placed before receiving notice of the price increase and that are unfilled

and unshipped at the time CHRYSLER receives notice of cancellation.

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## 14

### SALE AND SUPPLY OF PARTS

DIRECT DEALER agrees not to represent, sell, offer for sale or use in repairing Chrysler passenger cars, as new Chrysler, Chrysler Parts or MOPAR parts, any part or parts unless such parts are manufactured or designed for or by CHRYSLER, Chrysler Parts or MOPAR and are identified as Chrysler, Chrysler Parts or MOPAR parts with the consent of CHRYSLER.

DIRECT DEALER at all times will keep on hand in DIRECT DEALER'S place of business the number and assortment of Chrysler, Chrysler Parts or MOPAR parts that CHRYSLER'S experience with similar dealers shows to be necessary to meet the service requirements of DIRECT DEALER'S Chrysler customers.

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## 15

### COLLECTION OF INDEBTEDNESS

CHRYSLER may apply towards the payment of any amount due CHRYSLER from DIRECT DEALER any credit owing to DIRECT DEALER, and CHRYSLER at its option may collect any sums owing by DIRECT DEALER to CHRYSLER by making a separate draft or by including such sums in any draft covering the purchase of products sold under this agreement. DIRECT DEALER will pay with the amount of each draft all exchange and collection charges.

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## 16

### TITLE

Title to products CHRYSLER sells to DIRECT DEALER hereunder will pass on delivery of the products to DIRECT DEALER, DIRECT DEALER'S agent, or the carrier. However, CHRYSLER retains a lien for payment on the products so sold until paid for in full, in cash. CHRYSLER will receive negotiable instruments only as conditional payment.



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## 17

### ACCEPTANCE OF SHIPMENTS

If DIRECT DEALER requests diversion of passenger cars shipped to DIRECT DEALER or fails to pay on presentment any draft covering products that DIRECT DEALER has ordered, or fails to accept C.O.D. shipments of products DIRECT DEALER has ordered, CHRYSLER may divert the shipments, and charge DIRECT DEALER the demurrage, transport, storage and other expense arising by reason of any such diversion.

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## 18

### CLAIMS FOR SHORTAGE

DIRECT DEALER must make written claim for a shortage in any shipment within twenty (20) days after receiving the shipment or, in event of complete loss of shipment, within three (3) months after date of shipment.

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## 19

### WARRANTY

Chrysler Corporation's warranty on new Chrysler passenger cars, as in effect from time to time, will be as set forth in CHRYSLER'S Warranty and Policy Procedure Manual. CHRYSLER will supply sufficient copies of Chrysler Corporation's then current warranty to DIRECT DEALER to permit DIRECT DEALER, in accordance with DIRECT DEALER'S obligations under Paragraph 7 of this agreement, to provide a copy to each purchaser from DIRECT DEALER of a new Chrysler passenger car. Such warranty will be the only warranty made or deemed to have been made to any person by either CHRYSLER or Chrysler Corporation applicable to products sold under this agreement; it will be expressly in lieu of any other warranty, expressed or implied, including but not limited to, any implied warranty of merchantability or fitness for a particular purpose; and the remedies set forth in such warranty will be the only remedies avail-

able to any person with respect to products sold hereunder. Neither CHRYSLER nor Chrysler Corporation assumes or authorizes any other person to assume for either of them any other obligation or liability in regard to such products.

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## 20

### CHANGE OF MODELS, PARTS AND ACCESSORIES DECLARED OBSOLETE OR DISCONTINUED

CHRYSLER at any time may discontinue any models, lines or body styles and may revise, change or modify their construction or classification. All orders will refer to models, lines and body styles in production at the time CHRYSLER receives the orders unless DIRECT DEALER specifies otherwise. CHRYSLER at any time may declare obsolete or discontinue any or all parts, accessories and other merchandise. CHRYSLER may act under this Paragraph 20 without notice and, except as set forth in Paragraph 13 of this agreement, without any obligation to DIRECT DEALER by reason of DIRECT DEALER'S previous purchases.

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## 21

### TERMINATION

DIRECT DEALER may terminate this agreement on not less than thirty (30) days' written notice.

CHRYSLER may terminate this agreement on not less than ninety (90) days' written notice on (1) the failure of DIRECT DEALER to perform fully any of DIRECT DEALER'S undertakings and obligations in Paragraphs 7 through 10 and Paragraph 14 of this agreement, or (2) the death of any person listed in Paragraph 2 of this agreement, other than the death of DIRECT DEALER if he is an individual, or the failure of any such person so listed to continue his active and substantial participation in the management of DIRECT DEALER'S organization, or (3) a misrepresentation of or change in any of the ownership interests listed in Paragraph 3 of this agreement resulting in a trans-

fer of majority control or interest in the capital stock or partnership interest of DIRECT DEALER, unless CHRYSLER has given written approval to such change, or (4) a disagreement, dispute or controversy between or among principals, partners, managers, officers or stockholders of DIRECT DEALER that, in the opinion of CHRYSLER, may affect adversely the operation, management or business of DIRECT DEALER, or (5) the conviction of DIRECT DEALER, or a partner, principal stockholder, officer or manager of DIRECT DEALER of any crime that, in CHRYSLER'S opinion, may affect adversely the operation or business of DIRECT DEALER or the name, good will, or reputation of CHRYSLER, Chrysler products or DIRECT DEALER.

Termination by CHRYSLER will not be effective unless the President or a Vice-President of Chrysler Motors Corporation signs the notice.

Notwithstanding the provisions above, this agreement will terminate automatically without notice from either party on: (1) the death of DIRECT DEALER if he is an individual, or (2) an attempted assignment of this agreement by DIRECT DEALER without the written consent of CHRYSLER, or (3) an assignment by DIRECT DEALER for the benefit of creditors, or (4) the admitted insolvency of DIRECT DEALER or of any partner of DIRECT DEALER if it is a partnership, or (5) the institution of voluntary or involuntary proceedings by or against DIRECT DEALER in bankruptcy or under insolvency laws or for corporate reorganization, arrangement, receivership or dissolution.

Termination of this agreement will cancel all unfilled orders for passenger cars, parts and accessories.

CHRYSLER agrees to buy and DIRECT DEALER agrees to sell, free and clear of any liens and encumbrances, within ninety (90) days after the effective date of any termination under this Paragraph 21:

- (a) All new, unused and unsold Chrysler passenger cars (not including demonstrators), in good condition,

of the yearly model current at the effective date of termination that are then the property of and in the possession of DIRECT DEALER at the Direct Dealer net invoice prices current at the effective date of termination, except passenger cars built on DIRECT DEALER'S special order to other than Chrysler standard specifications, which special cars, together with all special equipment pertaining thereto that DIRECT DEALER previously specified, CHRYSLER may or may not purchase at CHRYSLER'S option.

- (b) All new, unused and undamaged Chrysler parts that are priced in CHRYSLER'S then current parts price lists and that were purchased by DIRECT DEALER from CHRYSLER or Chrysler Corporation and are then the property of and in the possession of DIRECT DEALER, at the applicable prices (less maximum allowable discounts) therefor to DIRECT DEALER current at the effective date of termination, exclusive of transportation charges, plus an allowance of five per cent (5%) of such applicable prices (less maximum allowable discounts) for packing and crating by DIRECT DEALER and a credit for transportation charges paid by DIRECT DEALER in shipping such parts to the destination CHRYSLER designates, and less the cost of necessary refinishing, reconditioning or repackaging to restore the parts to their original salable condition. Prior to purchase by CHRYSLER, DIRECT DEALER will deliver the parts (tagged and inventoried) for inspection F.O.B. Factory or any other point CHRYSLER may designate.

- (c) All new, unused and undamaged Chrysler accessories or accessories packages for the yearly model current at the effective date of termination, complete as supplied to and purchased by DIRECT DEALER from CHRYSLER or Chrysler Corporation during the twelve (12) months immediately preceding the effective date of termination and that are then the property of and in the possession of DIRECT DEALER at the applicable prices (less maximum allowable discounts) therefor to DIRECT DEALER current at the effective date of termination, exclusive of transportation charges, plus an allowance of five per cent (5%) of such



applicable prices (less maximum allowable discounts) for packing and crating by DIRECT DEALER and a credit for transportation charges paid by DIRECT DEALER in shipping such accessories to the destination CHRYSLER designates, and less the cost of necessary refinishing, reconditioning or repackaging such accessories or accessories packages to restore them to their original salable condition. Prior to purchase by CHRYSLER, DIRECT DEALER will deliver the accessories or accessories packages (tagged and inventoried) for inspection F.O.B. Factory or any other point CHRYSLER may designate.

- (d) All signs of a type recommended by CHRYSLER belonging to DIRECT DEALER, showing the name "Chrysler", at a price to be agreed on by CHRYSLER and DIRECT DEALER.
- (e) Special tools of a type recommended by CHRYSLER, adapted only to the servicing of Chrysler passenger cars and purchased by DIRECT DEALER during the thirty-six (36) months immediately preceding the effective date of termination at a price and under terms and conditions to be agreed on by CHRYSLER and DIRECT DEALER.

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## 22

### TRANSACTIONS AFTER TERMINATION

After effective date of termination, if CHRYSLER accepts orders to fill retail orders DIRECT DEALER may have on hand, or otherwise transacts business related to the sale of Chrysler products with DIRECT DEALER, all such transactions will be governed by the same terms that this agreement provides, so far as those terms are applicable. Nevertheless, such acceptance of orders or other acts by CHRYSLER will not waive the termination, or renew this agreement.

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## 23

### DISPOSITION OF DIRECT DEALER'S PREMISES

On termination of this agreement by CHRYSLER

on ninety (90) days' written notice except when termination results from a person named in Paragraph 2 of this agreement ceasing to participate in the management of DIRECT DEALER. CHRYSLER agrees to take the following action respecting DIRECT DEALER'S premises as defined below (herein called the Premises), if DIRECT DEALER so requests:

- (a) If, on DIRECT DEALER'S receipt of notice of termination, DIRECT DEALER owns the Premises:

CHRYSLER will assist DIRECT DEALER in effecting an orderly and equitable disposition of the Premises by a sale or lease. If necessary to effect such orderly and equitable disposition, CHRYSLER, at CHRYSLER'S option, within a reasonable time will lease the Premises from DIRECT DEALER for at least one (1) year or purchase the Premises, or cause them to be leased or purchased, on fair and equitable terms. In such event, DIRECT DEALER and CHRYSLER will agree on the value or rental value of the Premises for the purpose of either a sale or lease. If DIRECT DEALER and CHRYSLER are unable so to agree, each will appoint a disinterested qualified real estate appraiser and the two so appointed will agree on the value or rental value of the Premises, as the case may be. If the two appraisers are unable to agree they will select a third disinterested qualified real estate appraiser who will determine such value. The value or rental value so determined will be final and binding on both DIRECT DEALER and CHRYSLER. If an appraisal is necessary, DIRECT DEALER and CHRYSLER will share equally the cost of such appraisal.

- (b) If, on DIRECT DEALER'S receipt of notice of termination, DIRECT DEALER is leasing the Premises:

CHRYSLER will assist DIRECT DEALER in effecting an orderly and equitable disposition of DIRECT DEALER'S leasehold interest in the Premises. If necessary to effect such disposition, CHRYSLER within a reasonable time will, at its option, for the remainder of the lease or for twelve (12) months, whichever period is shorter, (1) sub-



let the Premises from DIRECT DEALER, or (2) take an assignment of the lease of the Premises from DIRECT DEALER, or (3) pay DIRECT DEALER monthly or otherwise as the parties may agree the lower of the rental specified in the lease or the fair rental value of the Premises determined in the manner provided in (a) above, provided, however, that DIRECT DEALER may receive such payments under only one dealer agreement with Chrysler Motors Corporation or Chrysler Corporation.

- (c) If DIRECT DEALER owns part of the Premises and leases part of them, section (a) above will apply to the part owned and section (b) above to the part leased.

CHRYSLER will have no obligation to DIRECT DEALER under this Paragraph 23, if, after receipt of notice of termination, (1) DIRECT DEALER in any way encumbers the Premises or DIRECT DEALER'S interest in them or takes any other action respecting the Premises that would adversely affect any of CHRYSLER'S obligations under this Paragraph 23, or performance thereof, or (2) DIRECT DEALER receives and refuses a bona fide offer to purchase, lease or sublet all or substantially all of the Premises at a price and on terms that CHRYSLER believes are fair, or (3) DIRECT DEALER'S lease of the Premises or part thereof is continued, renewed or extended by DIRECT DEALER'S act or failure to act, or (4) DIRECT DEALER fails or refuses to use DIRECT DEALER'S best efforts to sell, lease or sublease the Premises or to notify CHRYSLER of any offer to buy, lease or sublease the Premises; or if, after the effective date of termination of this agreement, (1) the Premises or part thereof are used or occupied by anyone for any purpose, or (2) DIRECT DEALER or any of the persons named in Paragraph 3 of this agreement is in the business of selling new or used motor vehicles in the Sales Locality referred to in this agreement or the general area surrounding it, or (3) DIRECT DEALER or any of the persons named in Paragraph 3 of this agreement occupies or could, in CHRYSLER'S opinion, occupy all or substantially all of the

Premises for any business in which one or more of them engages.

"Premises" as used herein means the place or places of business in the Sales Locality (1) that DIRECT DEALER uses exclusively to carry out DIRECT DEALER'S obligations in selling and servicing new products under this agreement or jointly under this and any other agreement or agreements with Chrysler Motors Corporation on the date of DIRECT DEALER'S receipt of notice of termination and (2) that CHRYSLER and DIRECT DEALER have agreed in writing are to be covered by this Paragraph 23.

To receive CHRYSLER'S assistance as set forth in this Paragraph 23, DIRECT DEALER must have operated continuously as a Chrysler Direct Dealer for the twelve (12) months immediately preceding the effective date of termination and must give CHRYSLER written notice, within thirty (30) days after DIRECT DEALER'S receipt of the notice of termination of this agreement, of DIRECT DEALER'S request for such assistance. On receipt of such notice from DIRECT DEALER, CHRYSLER will begin to carry out whatever obligations CHRYSLER may have under this Paragraph 23. If under section (b) above CHRYSLER elects to make monthly payments, then DIRECT DEALER will make written application for them on such forms and at such times as CHRYSLER reasonably may require. If DIRECT DEALER requests assistance under this Paragraph 23, then CHRYSLER will have full access to DIRECT DEALER'S Premises and books and records pertaining to same at all reasonable times.

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## 24

### SUCCESSORS TO DIRECT DEALER

On termination of this agreement by reason of the death of DIRECT DEALER if he is an individual, or on termination by CHRYSLER because of the death of any of the persons named in Paragraph 2 of this agreement if DIRECT DEALER is a partnership or corporation.

(a) CHRYSLER will, if DIRECT DEALER has so requested in writing delivered to CHRYSLER during the lifetime of such decedent, offer a Chrysler Direct Dealer Agreement, limited by appropriate amendment to a term of two (2) years, and subject to earlier termination as provided therein, to any person DIRECT DEALER has nominated in such written request to CHRYSLER as the person DIRECT DEALER desires to continue DIRECT DEALER'S business after such death, provided that such nominated person has demonstrated operating qualifications satisfactory to CHRYSLER in the course of active, substantial and continuing participation in the management of DIRECT DEALER'S organization, and possesses or is able to acquire within a reasonable time after such death, capital and facilities that are satisfactory to CHRYSLER, and will be able to exercise as much control over the operations and affairs of the dealership as the deceased exercised. At least ninety (90) days before the expiration of the two (2) year term referred to above CHRYSLER will determine whether or not the person granted the two (2) year Chrysler Direct Dealer Agreement possesses the qualifications, capital and facilities, based on performance during the period he had the Chrysler Direct Dealer Agreement, to qualify for the regular Chrysler Direct Dealer Agreement then in effect and if so, CHRYSLER will offer such Chrysler Direct Dealer Agreement to such person.

(b) CHRYSLER will, if DIRECT DEALER has not nominated a successor under this Paragraph 24 and has not named a person whose widow may hold a financial interest under Paragraph 25, review the qualifications of any remaining person named in Paragraph 2 of this agreement. If any such person possesses operating qualifications satisfactory to CHRYSLER and possesses or is able to acquire within a reasonable time facilities and capital necessary to qualify as a Chrysler Direct Dealer, CHRYSLER will offer such person a Chrysler Direct Dealer Agreement. If more than one such

person qualifies, CHRYSLER will select the person or persons to whom the agreement will be offered.

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## 25

### WIDOW'S FINANCIAL INTEREST

On termination of this agreement by reason of the death of DIRECT DEALER, if an individual, or on termination by CHRYSLER because of the death of any of the persons named in Paragraph 2 of this agreement if DIRECT DEALER is a partnership or corporation, the widow of the person who died may hold a financial interest in any successor dealership, provided that the following conditions are met:

- (a) Prior to the death referred to above, DIRECT DEALER has delivered to CHRYSLER a notice in writing signed by all the persons named in Paragraph 2 of this agreement naming the deceased person (who must also be named in Paragraph 2 of this agreement) as the person whose widow may hold the financial interest. DIRECT DEALER may name only one such person but may, on written notice to CHRYSLER, signed as above, change the person named.
- (b) Within sixty (60) days of the date of such death, the widow executes an agreement with the person or persons who will be named in paragraph 2 of the Chrysler Direct Dealer Agreement between CHRYSLER and the successor dealership and who must include the person, if any, CHRYSLER approved as a successor under Paragraph 24 of this agreement, in which the widow agrees not to participate in any way in the management or operation of the successor dealership.

Nothing contained herein will obligate CHRYSLER to enter into a sales agreement with the widow or any person not otherwise acceptable to CHRYSLER or require CHRYSLER to continue



this or any new sales agreement with the widow or any other person for any period of time beyond the time when CHRYSLER would have a right to terminate such an agreement in accordance with the terms thereof.

"Successor dealership" as used in this Paragraph 25 means a dealership (1) that qualifies for and enters into a Chrysler Direct Dealer Agreement with CHRYSLER, (2) that possesses and has the right to use the physical assets and organization that remain after the death first referred to in this Paragraph 25 and (3) in which the widow retains or acquires the financial interest as referred to above.

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## 26

### USE OF THE NAME "CHRYSLER"

DIRECT DEALER may use the name "Chrysler" in DIRECT DEALER'S corporate, firm or trade name in a manner CHRYSLER approves in writing. DIRECT DEALER agrees to discontinue immediately use of the name "Chrysler" in DIRECT DEALER'S corporate, firm or trade name when CHRYSLER so requests in writing and to take such steps as may be necessary or appropriate, in CHRYSLER'S opinion, to change such corporate, firm or trade name so as to eliminate the word "Chrysler" therefrom.

On termination of this agreement, DIRECT DEALER will discontinue immediately using the name "Chrysler" in DIRECT DEALER'S corporate, firm or trade name or using any names or trademarks adopted or used by CHRYSLER and/or Chrysler Corporation and will take such steps as may be necessary or appropriate, in CHRYSLER'S opinion, to change such corporate, firm or trade name so as to eliminate the word "Chrysler" therefrom, and will discontinue using

any signs, stationery or advertising containing any of CHRYSLER'S and/or Chrysler Corporation's names, trademarks or insignia or anything else that might make it appear that DIRECT DEALER is an authorized dealer for Chrysler passenger cars or other Chrysler products.

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## 27

### DIRECT DEALER IS NOT AGENT

This agreement does not create the relation of principal and agent between CHRYSLER and DIRECT DEALER, and under no circumstances is either party to be considered the agent of the other.

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## 28

### INABILITY TO PERFORM

In addition to any other exemption from liability specifically provided for in this agreement, neither DIRECT DEALER nor CHRYSLER will be liable for failure to perform its part of this agreement when the failure is due to fire, flood, strikes or other labor disputes, accident, war, riot, insurrection, acts of government, governmental regulation or other circumstances beyond the control of the parties.

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## 29

### NOTICES

Any notice required or permitted under this agreement must be in writing and will be sufficient if delivered personally, or deposited in a United States Post Office, postage prepaid, addressed, as appropriate, either to DIRECT DEALER at the place of business designated in this agreement, or at such other address as DIRECT DEALER may designate in writing to CHRYSLER, or to CHRYSLER, at P.O. Box 857, Detroit, Michigan - 48231, or such other address as CHRYSLER may designate in writing to DIRECT DEALER.

This agreement will be interpreted and construed according to the laws of the State of Michigan. If it is found that any part of this agreement conflicts in any particular with any law of the United States or of any state in the United States having jurisdiction, such part will be of no force and effect in that political unit, division or subdivision in which it is not lawful or is not enforceable, and the agreement as to that political unit, division or subdivision, will be treated as if such part had not been inserted.

## **EXHIBIT C**



**IN THE UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
	:	
In re	:	Chapter 11
	:	
Chrysler LLC, <i>et al.</i> , <sup>1</sup>	:	Case No. 09-50002 (AJG)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

**NOTICE OF UNAUTHORIZED CONDUCT**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On May 14, 2009, Chrysler LLC. ("Chrysler") and 24 of its domestic and indirect subsidiaries as debtors and debtors in possession (collectively with Chrysler, the "Debtors"), filed their First Omnibus Motion of Debtors and Debtors in Possession for an Order, Pursuant to Sections 105, 365 and 525 of the Bankruptcy Code and Bankruptcy Rule 6006, (A) Authorizing the Rejection of Executory Contracts and Unexpired Leases With Certain Domestic Dealers and (B) Granting Certain Related Relief (the "Motion"). On [\_\_\_\_], 2009, the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") entered an order granting the relief requested in the Motion (Docket No. [\_\_]) (the "Order").

2. Pursuant to paragraph 7 of the Order, the Debtors have identified \_\_\_\_\_ (the "Identified Party") as a **[dealer or government entity]** engaging in Unauthorized Conduct in connection with the **[name of agreement]**. The Unauthorized Conduct includes the following: **[insert]**.

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<sup>1</sup> A list of the Debtors, their addresses and tax identification numbers is located on the docket for Case No. 09-50002 (ALG) (Docket No. 97) and also can be found at <http://www.chryslerrestructuring.com>.

3. As authorized by paragraph 7 of the Order, the Debtors are filing a proposed Order to Show Cause, contemporaneously herewith, requesting that the Bankruptcy Court order the Identified Party to appear before the Bankruptcy Court at a hearing to be held at \_\_\_\_\_.m., Eastern Time, on \_\_\_\_\_, 2009, before the Honorable Arthur J. Gonzalez, United States Bankruptcy Judge, in the Bankruptcy Court, Courtroom 523, Alexander Custom House, One Bowling Green, New York, New York 10004-1408, and demonstrate why the Identified Party should not be held in violation of the Order and sections 105 and 365 of title 11 of the United States Code.

Dated: \_\_\_\_\_, 2009  
New York, New York

Respectfully submitted,

---

Corinne Ball  
Veerle Roovers  
JONES DAY  
222 East 41st Street  
New York, New York 10017  
Telephone: (212) 326-3939  
Facsimile: (212) 755-7306

David G. Heiman  
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Jeffrey B. Ellman  
JONES DAY  
1420 Peachtree Street, N.E.  
Suite 800  
Atlanta, Georgia 30309  
Telephone: (404) 521-3939  
Facsimile: (404) 581-8330

**PROPOSED ATTORNEYS FOR DEBTORS  
AND DEBTORS IN POSSESSION**

## **EXHIBIT D**

**IN THE UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
	:	
In re	:	Chapter 11
	:	
Chrysler LLC, <i>et al.</i> ,	:	Case No. 09-50002 (AJG)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

**ORDER TO SHOW CAUSE**

This matter coming before the Court on the Notice of Unauthorized Conduct dated \_\_\_\_\_, 2009 (Docket No. [\_\_\_]) (the "Notice") filed by the debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"); the Court having reviewed the Notice and the Order, Pursuant to Sections 105, 365 and 525 of the Bankruptcy Code and Bankruptcy Rule 6006, (A) Authorizing the Rejection of Executory Contracts and Unexpired Leases With Certain Domestic Dealers and (B) Granting Certain Related Relief (the "Order")<sup>1</sup> pursuant to which the Notice was filed; and the Court having found that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (c) the Notice provided for herein is sufficient under the circumstances and (d) the Debtors have complied with the terms and conditions set forth in the Order;

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Notice and Order.

IT IS HEREBY ORDERED THAT:

1. \_\_\_\_\_, who is identified by the Debtors as a [**dealer or government entity**] in the Notice (the "Identified Party"), is hereby ordered, at a hearing to be conducted before this Court at \_\_\_\_\_ a.m., Eastern Time on, \_\_\_\_\_, 2009, before the Honorable Alexander J. Gonzalez, United States Bankruptcy Judge, in the Bankruptcy Court, Courtroom 523, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004-1408 (the "Hearing"), to show cause why the Identified Party should not be held in violation of sections 105 and 365 of the Bankruptcy Code for engaging in Unauthorized Conduct, as identified in the Notice.

2. Service of this Order to Show Cause is to be made by the Debtors upon (a) the Identified Party, (b) the Office of the United States Trustee, and (c) counsel to the official committee of unsecured creditors appointed in these cases pursuant to section 1102 of the Bankruptcy Code.

3. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

Dated: New York, New York  
\_\_\_\_\_, 2009

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UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT E**

IN THE UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----	X	
	:	
In re	:	Chapter 11
	:	
Chrysler LLC, <i>et al.</i> ,	:	Case No. 09-50002 (AJG)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

**ORDER, PURSUANT TO SECTIONS 105,  
365 AND 525 OF THE BANKRUPTCY CODE AND  
BANKRUPTCY RULE 6006, (A) AUTHORIZING THE REJECTION  
OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES WITH  
CERTAIN DOMESTIC DEALERS AND (B) GRANTING CERTAIN RELATED RELIEF**

This matter coming before the Court on the Omnibus Motion of Debtors and Debtors in Possession for an Order, Pursuant to Sections 105, 365 and 525 of the Bankruptcy Code and Bankruptcy Rule 6006, (A) Authorizing the Rejection of Executory Contracts and Unexpired Leases With Certain Domestic Dealers and (B) Granting Certain Related Relief (the "Motion"),<sup>1</sup> filed by the debtors and debtors in possession in the above captioned cases (collectively, the "Debtors"); the Court having reviewed the Motion and the Second Declaration of Peter M. Grady filed in support of the Motion and attached thereto as Exhibit B (the "Grady Declaration") and having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court (the "Hearing");

THE COURT HEREBY FINDS AND DETERMINES THAT:

A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

<sup>1</sup> Capitalized terms not otherwise defined herein have the meanings given to them in the Motion.

B. This is a core proceeding pursuant to 28 U.S.C. §§ 157(b) and 1334.

C. Venue is proper in this district pursuant to 28 U.S.C. § 1409.

D. Adequate notice of the Motion and the Hearing and an opportunity to be heard with respect to the relief granted herein was afforded to all necessary and appropriate interested parties, including, without limitation, the Affected Dealers and the Governmental Entities.

E. A waiver of the limitations of Bankruptcy Rule 6006(f)(6) is appropriate and justified with respect to the Motion.

F. Each of the Rejected Dealer Agreements is an executory contract capable of being rejected under section 365 of the Bankruptcy Code.

G. The rejection of the Rejected Dealer Agreements, and the consequences and limitations on the Affected Dealers arising from such rejection, including as set forth herein, (1) constitute an exercise of sound business judgment by the Debtors, (2) are appropriate and necessary under the circumstances described in the Motion and the Grady Declaration, (3) comprise critical and necessary relief in support of the transactions contemplated in the Sale Motion and the Debtors' chapter 11 restructuring strategy and (4) are warranted and permissible under sections 105, 365 and 525 of the Bankruptcy Code and Bankruptcy Rule 6006.

H. All Dealer Laws that purport to interfere with or undermine the terms of this Order or the impact of a full and complete rejection of the Rejected Dealer Agreements as set forth herein or as otherwise embodied in the Bankruptcy Code and related case law are preempted by the Bankruptcy Code, pursuant to the Supremacy Clause of the United States Constitution, which protects and preserves the Debtors' federal bankruptcy rights. As such, the Dealer Laws may not be enforced by or on behalf of the Affected Dealers (including by



Government Entities) to limit or restrict the relief granted herein. For the avoidance of doubt and by way of examples only, Dealer Laws that are preempted include, without limitation, any laws that (a) provide Dealers' Blocking Rights; (b) govern or restrict the termination, cancellation or non-renewal of new motor vehicle dealer agreements and franchise rights by Original Equipment Manufacturers; and (c) Government Entities or Affected Dealers may purport to rely upon to restrict, terminate, cancel, not renew or refuse to issue necessary operating licenses or similar licenses to the Debtors, New Chrysler and any Remaining Dealers as a consequence of or otherwise motivated by the rejection herein of the Rejected Dealer Agreements.

I. Pursuant to section 365(g)(1) of the Bankruptcy Code, the rejection of the Rejected Dealer Agreements granted herein constitutes a prepetition breach by the applicable Debtors of each such Affected Dealership Agreement, which is authorized by the Bankruptcy Code and this Court, with such breach in each instance rendering each Affected Dealership Agreement abrogated, cancelled and unenforceable by or on behalf of the Affected Dealers, other than through the assertion of Rejection Damages Claims (as defined below) in this Court. Without limiting the foregoing, any alleged obligation of the Debtors to repurchase the inventory of the Affected Dealers at the dealership locations or pay rental assistance to the Affected Dealers subject to the Rejected Dealer Agreements may be asserted only as prepetition general unsecured claims as part of any Rejection Damages Claim.

J. As a result of the rejection of the Rejected Dealer Agreements granted herein, the rights of each Affected Dealer to act as an Authorized Dealer for the Debtors under these agreements or related Dealer Laws, and the Dealers' Blocking Rights of the Affected Dealers, are terminated and extinguished and of no further force or effect.

K. New Chrysler and all Remaining Dealers each constitute "another person with whom [the Debtors have] been associated" under section 525(a) of the Bankruptcy Code, and each such party therefore is entitled to the protections afforded by that provision.

L. The legal and factual bases set forth in the Motion and Grady Declaration and at the Hearing establish just cause for the relief granted, and the findings made, herein.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The limitations contained in Bankruptcy Rule 6006(f)(6) are waived with respect to the Motion.
3. The Debtors are authorized to reject the Rejected Dealer Agreements with respect to the dealership locations identified on Exhibit A attached hereto and incorporated herein by reference. Effective as of June 9, 2009, all such Rejected Dealer Agreements are:  
(a) rejected, pursuant to section 365 of the Bankruptcy Code; and (b) abrogated, cancelled and unenforceable by or on behalf of the Affected Dealers other than through the assertion of Rejection Damages Claims in this Court.
4. All Affected Dealers who wish to assert Rejection Damages Claims must file a proof of claim for such Rejection Damages Claims no later than the general bar date to be established by the Court in these cases under Bankruptcy Rule 3003(c)(3). If an Affected Dealer fails to file a timely and proper Rejection Damages Claim, such Affected Dealer shall be forever barred, estopped and enjoined from asserting such Rejection Damages Claim against the Debtors or voting or receiving distributions under any plan in these cases on account of such Rejection Damages Claim. The Debtors and other parties in interest reserve and retain the right to object to any Rejection Damages Claims filed by the Affected Dealers.

5. Pursuant to sections 105 and 365 of the Bankruptcy Code, as a result of the rejection of the Rejected Dealer Agreements, each Affected Dealer shall have no further rights (direct, indirect, contractual or otherwise) to act as an Authorized Dealer of the Debtors (or any purchaser of the Debtors' businesses) with respect to the dealership locations covered by the Rejected Dealer Agreements, and each Affected Dealer's status as an Authorized Dealer of the Debtors with respect to these locations is hereby deemed to be revoked, annulled and cancelled for all purposes. As such, immediately as of the entry of this Order, each such Affected Dealer is no longer authorized, appointed or permitted (contractually or otherwise) to, among other things:

- (a) undertake any advertising, sales, trades, repair or service of any of the Debtors' Products under the terms of the Rejected Dealer Agreements;
- (b) hold itself out to any third party as an Authorized Dealer of the Debtors (or any purchaser of the Debtors' businesses) for any purpose;
- (c) display, distribute or otherwise use any signage, promotional or other materials bearing or containing the Debtors' trademarks and servicemarks, including, without limitation, company and vehicle make and model names and logos; and
- (d) exercise or enforce any other rights, entitlements, privileges or status arising from or related to the Rejected Dealer Agreements or having been an Authorized Dealer of the Debtors, including any rights under Dealer Laws, other than through the assertion of Rejection Damages Claims in this Court.

6. Government Entities are prohibited under section 525(a) of the Bankruptcy Code from discriminating (including through the use of Dealer Laws) against the Debtors, New Chrysler and all Remaining Dealers as a result of the commencement of these cases, the rejection of the Rejected Dealer Agreements or the other relief granted herein.

7. Pursuant to sections 105 and 365 of the Bankruptcy Code, any conduct by any Affected Dealer or Government Entity that is inconsistent with paragraphs 3 through 6 above

may be deemed to be in violation of this Order, the automatic stay and/or the Debtors' other rights and protections under the Bankruptcy Code (any such conduct, "Unauthorized Conduct"). If any Affected Dealer or Government Entity undertakes alleged Unauthorized Conduct, the Debtors may, at any time after learning of the alleged Unauthorized Conduct, (a) file a Notice of Unauthorized Conduct, substantially in the form attached hereto as Exhibit B, identifying the Affected Dealer or Government Entity and relevant Rejected Dealer Agreement(s), setting forth the Debtors' belief that the Affected Dealer or Government Entity is in violation of this Order and the Bankruptcy Code, and describing the particular conduct of the Affected Dealer or Government Entity that the Debtors maintain constitutes Unauthorized Conduct; and (b) seek the entry of an Order to Show Cause, substantially in the form attached hereto as Exhibit C, which shall require the Affected Dealer or Government Entity to appear before the Court within five business days (a "Show Cause Hearing") to demonstrate why it should not be found to have willfully violated this Order and the Bankruptcy Code. Any Affected Dealer or Government Entity that properly is served with a Notice of Unauthorized Conduct and an Order to Show Cause but fails to appear for a Show Cause Hearing shall be deemed, without further notice or hearing, to be in contempt of this Order and the Order to Show Cause and may be held liable for all demonstrated damages, fees and costs of the Debtors, and may be subject to additional sanctions, to the extent permitted by law.

8. This Order shall be immediately effective and enforceable upon its entry.

9. This Court shall retain jurisdiction to resolve all matters relating to the implementation, enforcement and interpretation of this Order.

Dated: New York, New York  
\_\_\_\_\_, 2009

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UNITED STATES BANKRUPTCY JUDGE