

Distinguished members of this sub-committee, I want to thank you for the honor of appearing before you today. I would especially like to thank Congresswoman Sutton for her role in providing me this opportunity to tell my story.

Let me start by saying that our company has been in business for 105 years. We have a long and proud history with both Chrysler and GM. While we have a few import stores, such as Toyota and Acura, the majority of our stores are either Chrysler or GM. None of our Chrysler stores were dual-branded with other brands. We have a combined 374 years of business relations with Chrysler alone.

Our past is rooted in Chrysler and GM. We are passionate about both of them. We want both companies to succeed and we remain committed to helping them do so. That is why we are both disappointed and perplexed by their recent actions to terminate over 2000 dealers between them. We are losing seven dealerships, two of which are Project Genesis stores.

We are not perfect. During those 374 years of operations we have had made some mistakes. Like Chrysler's managers, our managers make mistakes. Nevertheless, we have stood shoulder to shoulder with Chrysler during the good times and the bad times. In fact, my uncle Del, as the president of the Dodge National Dealer Council, lobbied this very Congress for funds to bail out Chrysler the first time. We never quit on them and they should not now quit on us and the hundreds of other dealers who remain committed to Chrysler.

This issue is not about the Spitzer family or even our seven dealerships and our 350-plus employees. It is about destroying the entire net worth and life's work of hundreds of entrepreneurs and the thousands of people they employ. I fear that these actions by Chrysler and GM are sowing the seeds of their own demise. And all of it is unnecessary.

First, our dealerships do not cost auto manufacturers a penny. All products and services, which Chrysler and GM provide to a dealership, are charged back to the dealership at a profit. Whether it is special tools, training or even those colorful brochures, we pay for it all. We build our own facilities; provide our own operating capital; and hire our own personnel. If we lose money it comes out of our pocket, period.

Second, Chrysler has argued that the 789 dealerships terminated were for performance reasons or to put all brands under one roof.

I personally heard several dealers testify in the bankruptcy hearing that their dealerships did have all three brands and I can tell you that two of our family's seven stores were already Project Genesis stores. In addition, we were working with Chrysler to convert our remaining six stores to Project Genesis dealerships, so clearly that was not the reason. As far as performance is concerned, our stand-alone Dodge store in Cleveland was the number one volume Dodge store in the market seven out of the last nine years including last month and our Columbus store registered more new Dodges in the Columbus metro area than any other Dodge dealer in 2008. Many of the 789 rejected dealers were high performing dealers and Five Star Dealers- Chrysler's highest award.

Chrysler did not terminate dealers for the stated reasons, but rather to rid themselves of outspoken dealers and to redistribute these franchises to other dealers while skirting around the laws of all 50 states; laws which otherwise prohibit this type of arbitrary and sometimes vindictive action. Our profitable, high performing dealerships

will be given to our fellow remaining dealers with no due process and no compensation whatsoever.

It is unconscionable for a failed private business to bankrupt another private business which was succeeding, but when our government uses its' power, influence and our money to aid and abet such action it is downright un-American.

At a time when our government is spending billions of dollars to stimulate the economy and create new jobs, this action will destroy 37,000 jobs with Chrysler dealers and quite likely another 60,000 or more GM dealer jobs.

Millions of dollars in local tax revenue will be lost from decreased real estate values to lower sales and income taxes. All for no good reason.

In fact, this plan may ultimately destroy the new Chrysler and severely damage GM's hope of survival. Dealers are Chrysler and GM's only customers. We are the face of these once proud car companies in our communities. The fact that we have survived and prospered over the last 100 years even as they produced vehicles American consumers did not want, proves that independent entrepreneurs find ways to survive and create employment opportunities even in tough times.

If Congress does not step in, existing and prospective dealers will not be so willing to invest in new facilities, purchase millions of dollars in inventory and otherwise risk their capital knowing that state law protections are meaningless and that all can be taken away in the next downturn. Fewer dealers today mean fewer sales of Chrysler and GM products tomorrow leading to a further erosion of market share for both companies.

Allow the market place to select who lives and who dies, not some committee in Detroit. As of today, 350 of the 789 rejected dealers have accepted their fate by not objecting to their terminations. Thus, the accelerated reduction of dealerships has already occurred for those who believe such a reduction was necessary. There is no need to eliminate those of us who remain committed to Chrysler and GM's success.