

EXHIBIT C

forth below is the “written determination” (as provided for in 747(d) of the Act) of the issue to be decided under the Act, namely “whether or not the covered dealership should be added to the dealer network of the covered manufacturer.”

I. The Covered Dealership

This proceeding concerns the automobile dealership known as Leson Chevrolet Company, Inc. located in Harvey, Louisiana.

II. Determination

The covered dealership described above in Section I shall be renewed and therefore shall be assumed by the covered manufacturer, in the manner provided for by the Act and in accordance with the terms and conditions of the Act, and shall be added to the dealer network of General Motors, LLC.

III. Statutory Factors Relied Upon by the Arbitrator in Making the Determination

In accordance with Section 747, the following factors were carefully considered:

1. The covered dealership’s profitability in 2006, 2007, 2008 and 2009.

Leson Exhibit 45 established that Leson was one of the top 300 Chevy dealerships in the United States in January 2009, according to Leson’s District Sales manager. The testimony and exhibits presented by Leson established that the dealership was profitable in 2006 and 2008. Leson sold more retail and GM certified used vehicles than any other Chevrolet dealer in the greater New Orleans area in 2007 (2202 vehicles) and 2008 (1831 vehicles) by a significant margin. Leson maintains more than \$1 million in parts inventory and serviced more than 13,000 vehicles in 2008.

GM's profits generated by Leson from 2006-2008 were significant. In 2006, Leson was ranked No. 5 in Louisiana in new car sales (1958 vehicles) with a profit to GM from \$11.29-\$13.51 million dollars.

In 2007, Leson was ranked No. 11 in new car sales in Louisiana (1472 vehicles) with a profit to GM at \$8.88 - \$10.62 million dollars. In 2008, Leson was ranked No.16 in new car sales (810) with profits to GM at \$6.17 – \$7.35 million.

2. The covered manufacturer's overall business plan.

GM plans to focus on its four core North American brands: Chevrolet, Buick, GMC and Cadillac. GM had about 6000 dealership franchises when it filed for bankruptcy in June 2009. "Wind-down" agreements were sent to approximately 2,000 dealerships whose franchises were not being renewed, including Leson. GM contends that fewer dealerships will result in greater profitability for the manufacturer.

3. The covered dealership's current economic viability.

Expert testimony presented by Leson by Joe Roesner and Carl Woodward that the dealership is economically viable. Leson's net worth was almost \$5.6 million in 2008. Leson's net worth is 2.5 times the average net worth of dealers in the region.

Leson owns the 14 acre property located at the corner of Manhattan Boulevard and the Westbank Expressway where the dealership is located. Although mortgaged, Leson has more than \$5 million in equity in the property. Further, Leson recently invested approximately \$2.1 million of its money into the dealership in a renovation of its service and parts center following Hurricane Katrina. GM failed to consider this factor in their termination decision.

4. The covered dealership's satisfaction of the performance objectives established pursuant to the applicable franchise agreement.

GM was required by Section 747 to provide Leson with "the specific criteria pursuant to which such dealer was terminated." The "specific criteria" GM provided to Leson was that Leson's 2008 DPS score was under 70 and its RSI score was under 70. GM Exhibit 29.

Testimony at the hearing established that Leson made an accounting error that negatively affected its DPS score. Leson provided testimony from Lisa Rebowe, Leson's General Manager and a CPA, that insurance proceeds had mistakenly been booked in Leson's accounting ledger. Leson provided data to GM to recalculate the score on March 18, 2010. GM refused to recalculate the score and, more disturbing, refused to reconsider their termination decision of Leson in 2009. See Exhibit 31 (recalculating Leson's overall score at 76.5 – above the passing rate in 2008).

In this instance, the arbitrator recognizes the "good faith" explanation of the accounting error and finds that Leson exceeded the DART/DPS criteria in 2008.

Testimony also established that Leson's service facilities are in the top 10% of the Region's dealers. An impressive array of General Motors products were being serviced in every available service bay at Leson during the dealership inspection owned by several governmental entities, Fortune 500 companies and small businesses in New Orleans and Jefferson Parish. Failing to reinstate Leson would be severely detrimental to the entities that rely upon the region's only dealership who can service midsize and large GM vehicles.

Leson has also met GM's capital requirements as these standards have not changed since 2003.

After the termination letter, a new management team committed to the success of Leson was brought on board. Leson has secured one of the nation's best general service managers, Rick Harp, and finance manager, John Burrell, to provide effective leadership and fiscal responsibility for the requirements of the new General Motors. They have a business plan in place that will serve Leson and GM with increased sales volume in the future and a proven track record in management.

The arbitrator finds that Leson has met or exceeded the performance objectives established pursuant to the franchise agreement between the parties for the time period at issue.

5. The demographic and geographic characteristics of the covered dealership's market territory.

Jefferson Parish, Louisiana is the largest parish in Louisiana located adjacent to New Orleans, Louisiana, and has a population of approximately 450,000 residents. Leson Chevrolet L.L.C. is located at the intersection of the Westbank Expressway and Manhattan Boulevard adjacent to the Jefferson Parish Sheriff's Department Headquarters and near several industrial companies along the Harvey Canal. The geographic location of Leson is a prime location in one of the fastest growing areas in the New Orleans Metropolitan area and the State of Louisiana.

6. The covered dealership's performance in relation to the criteria used by the covered covered dealership's franchise agreement.

In responding to its RSI score, the dealership presented compelling and credible testimony that GM substantially deviated from its own standards when deciding to terminate similarly situated dealerships in the region. Leson Exhibits 40A and 40B. The testimony of GM's corporate representative, David Bott, established only two of ten "unsatisfactory" dealers were terminated. Bott testified that one dealership in the region which sold only 74 vehicles and

ranked with a lower “unsatisfactory” ranking than Leson was not terminated because it failed to provide GM complete financial records.

The arbitrator finds that GM failed to consider “...other relevant factors” in the franchise agreement deciding to proceed under the provisions of Article 13.2 [dealer termination provision] in addition to the Retail Sales Index when it made its decision to terminate Leson.

The other relevant factors GM failed to consider were:

- (1) Recovering from the devastating effects of Hurricanes Katrina, Rita, Gustav and Ike.
- (2) Displaced key employees and managers at Leson and customers due to mandatory hurricane evacuations.
- (3) Relying upon the good faith representations of GM management in 2008 not to “worry” about the DPI and RSI scores since Leson was one the top 300 Chevy dealerships in the nation.
- (4) Loyalty to GM management and the Chevrolet product line. This is a family owned Chevy dealer since 1931. Leson is the only Chevy dealership on the Westbank of Jefferson Parish. Lisa Rebowe, general manager, and successor in interest to her 78 year old father is poised to become one of the few female Chevrolet dealers in the nation.
- (5) Outstanding sales and service performance by Leson Chevrolet during a time when General Motors was rapidly toward bankruptcy in 2009, this factor cannot be understated because in 2006 – 2009. The American public had lost confidence in the GM and Chevrolet product lines during that time.

7. The length of experience of the covered dealership.

Leson Chevrolet is the oldest Chevy dealer in New Orleans. Leson is a family owned dealership since 1931, located in Harvey, Louisiana.

8. **How the economic interests of the dealership, the manufacturer and the public are supported by the above factors.**

On balance the Arbitrator finds that the economic interests weighs heavily in favor of reinstating Leson Chevrolet to the dealer network at its present location in Harvey, Louisiana.

In regard to the economic interest of the public at large outside of the immediate area, reinstatement will serve to increase GM profits as well as providing a viable economic anchor for Jefferson Parish in the future. In the first quarter 2010, GM earned \$865 million, its first profit since 2007, with revenue up 40 percent, to \$31.5 billion, and a positive cash flow of \$1 billion. The company's May 2010 financial results show that it is on track to become a public company again, allowing the federal government to recover more of the \$57.6 billion dollars loaned to GM under the Troubled Asset Relief Program (TARP).

9. **Any additional facts to be considered by the arbitrator in making the determination.**

The dealership has secured drawings for a new car showroom and a commitment letter from a local bank for prospective financing once it is reinstated by General Motors.

Leson Chevrolet has secured letters from key elected public officials including U.S. Representative, Steve Scalia, Jefferson Parish President Steve Theriot and State Senator J.P. Morrell in support of the dealership and its reinstatement.

10. Specifically whether the covered dealership is to be renewed, continued, assigned or assumed by the covered manufacturer.

The arbitrator finds that Leson Chevrolet has met its burden of proof by establishing by a preponderance of the evidence that it should be reinstated to the dealer network of General Motors, L.L.C. in accordance to the provisions of the Act.

V. Costs

In accordance with the statute, the administrative fees and expenses, the arbitrator's fees and expenses shall be borne equally between GM and Leson Chevrolet.

This Award is in full settlement of all claims submitted to this arbitration.

Dated:

6/18/2010

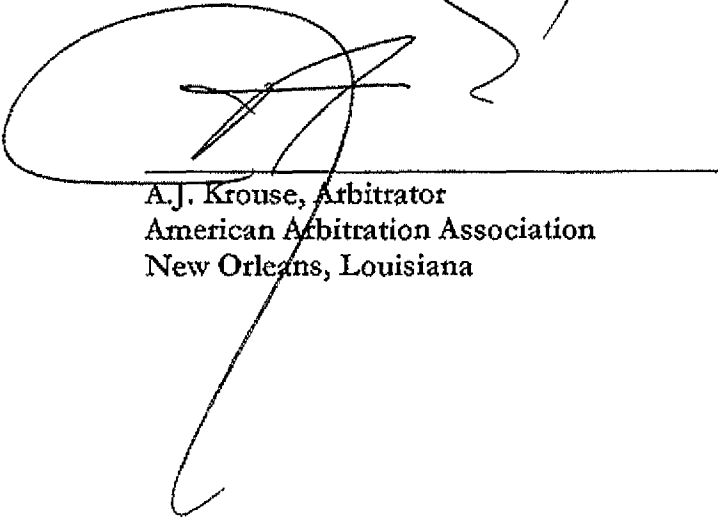

A.J. Krouse, Arbitrator
American Arbitration Association
New Orleans, Louisiana

EXHIBIT D

Automotive News

U.S. opens investigation of possible illegal activity in dealer cuts

Neil Roland

Automotive News | October 14, 2010 - 4:03 pm EST

WASHINGTON – The federal inspectors that criticized the Obama administration, General Motors and Chrysler for their handling of about 2,300 U.S. dealership terminations have opened a follow-up investigation of possibly illegal activity in the effort.

The Office of the Special Inspector General for the Troubled Asset Relief Program, whose \$700 billion bailout included GM and Chrysler, won't disclose the targets of the investigation or the actions being probed, said Kris Belisle, the office's spokeswoman.

But auditor files used in preparing a July report on dealer terminations during the automakers' bankruptcies have been turned over to the office's investigators, she said in an e-mail.

"There is an investigation," Belisle told *Automotive News* today. "Generically, we can investigate any offense."

The July audit more generally examined the role of the administration's auto task force in the dealer cuts and the processes used by GM and Chrysler to decide which dealers to terminate.

Cost savings?

It also looked at the extent to which dealer cuts would save money for the automakers.

An investigation bores in on possibly illegal activity, and it can lead ultimately to prosecutions and even penalties such as fines or imprisonment.

The inspector's office, headed by former federal prosecutor Neil Barofsky, had 104 ongoing criminal and civil investigations as of June 30, according to its most recent quarterly report to Congress.

The focus of those investigations has included false statements, obstruction of justice, public corruption and various kinds of fraud, the report said.

Office investigators can issue subpoenas, make arrests and refer cases to the U.S. Justice Department for prosecution, according to the report.

U.S. Treasury Department spokesman Mark Paustenbach declined today to say whether the agency had been contacted by investigators. GM spokesman Greg Martin also declined to comment.

Chrysler has not been contacted by investigators, said company spokesman Michael Palese.

"Chrysler Group's optimized dealer network is already contributing to improved vehicle sales and will be a vital part of the company's success as we continue to deliver outstanding products to our customers," he said.

The 41-page July audit did not suggest that any illegal activity had been committed.

Questions and criticism

However, auditors criticized the administration for accelerating dealership closings last year during a severe

economic downturn and for failing to consider the impact of the cuts on automakers' viability and costs.

Chrysler, in the end, terminated about 760 dealerships after a series of federally-mandated arbitration cases took place this summer. GM cut another 1,550 dealerships.

The auditors also expressed doubt about the credibility of GM's and Chrysler's estimates of savings from the dealer cuts, and they faulted GM for keeping inadequate records of its decision-making on terminations.

Dealer advocates have questioned whether evasive responses to auditors' questions delayed release of the critical report until July 18 — four days after dealer arbitration hearings were completed.



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EXHIBIT E

LESON CHEVROLET

June 28, 2010

VIA FACSIMILE AND FEDERAL EXPRESS

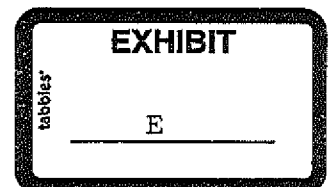
Johnny Collins
General Motors, LLC
MC: 482-A06-C66
100 Renaissance Center
Detroit, Michigan 48265

Dear Mr. Collins:

We are in receipt of the "Letter of Intent" provided by General Motors, LLC ("GM") as a result of the arbitrator's decision in Leson Chevrolet's ("Leson") arbitration. The letter claims it is being offered "as provided for in the Arbitration Statute." However, we believe what the Arbitration Statute provides and the letter mandates are actually quite different. Specifically, the Arbitration Statute states that if the arbitrator finds in favor of a covered dealership, the manufacturer shall... provide the dealer a customary letter of intent to enter into a sales and service agreement. However, Leson instead received an Amended Wind-Down Agreement from GM. The Amended Wind Down Agreement GM offered Leson is not in compliance with the Arbitration Statute.

The Letter of Intent GM has requested that Leson sign requires, among other things, that Leson waive certain rights under Louisiana's motor vehicle franchise laws. The provisions contained in the letter of intent are neither "usual" nor "customary" as these terms are commonly understood. Congress intended those dealers who prevailed in their arbitrations to be restored to GM's dealer network by entering into another Sales and Service Agreement. By conditioning Leson's acceptance into GM's network on Leson's execution of this Amended Wind Down Agreement, GM is failing to comply with the Arbitration Statute.

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1501 Westbank Expressway • Harvey, Louisiana 70058
(504) 366-4381 www.lesonchevy.com



In addition to GM's failure to enter into a Dealer Sales and Service Agreement with Leson, GM's effort to have Leson sign an Amended Wind-Down Agreement is problematic in various respects, including the following:

1. Recitals D and E of the original Wind Down Agreement as well as Section 5 regarding *Release: Covenants Not to Sue; Indemnity* are no longer applicable but are not deleted by the Amended Wind Down Agreement.
2. Section 13 of the Wind Down Agreement, which provides continuing jurisdiction with the bankruptcy court is no longer applicable but not deleted by the Amended Wind Down Agreement. Because Leson has been ordered to be reinstated by the arbitrator, its relationship is no longer governed by the bankruptcy court.
3. Section 14 of the Wind-Down Agreement, entitled *Other Agreements*, is inapplicable as the relationship between Leson and GM should now be governed by the Dealer Sales and Service Agreement. Yet Section 14 is not deleted by the Amended Wind Down Agreement.
4. Section 18 of the Wind-Down Agreement stating that the Wind-Down Agreement is the complete agreement between the parties is inapplicable and erroneous as GM is now seeking to be governed by a Dealer Sales and Service Agreement and an Amended Wind-Down Agreement.

Leson's remaining concerns regarding GM's violation of the arbitration statute are as follows:

1. GM requires that the Letter of Intent be returned in 10 days. Both GM and Leson desire to move this matter forward quickly; however, Leson needs an opportunity to review this correspondence with its attorneys and financial advisors prior to signing it. The Arbitration Statute does not require the reinstated dealer sign this letter of intent in ten days. Leson will execute an agreement immediately that is in compliance with the law and fair to both sides.
2. Finally, GM's requirement that Leson obtain credit to finance a sufficient number of vehicles and establish and maintain working capital in the amount of \$2,850,000 within sixty (60) days is simply not feasible. First, the arbitrator's order recognized that GM's capital requirements for Leson have not changed since 2003 and were thus inappropriate even though he found that Leson has met GM's capital requirements. Consequently, it is imperative that GM recalculate Leson's capital requirements based on its current profits and losses. Moreover, while Leson intends to establish and maintain the appropriate capital and floor plan financing, GM must recognize that Leson has not been able to order inventory or participate in GM programs since it was put on wind-down status thereby impairing its ability to be profitable. Thus, Leson must be given an appropriate amount of time to establish suitable credit facilities after it is able to order and obtain inventory again.

Thank you for your attention to this matter. We look forward to your prompt response. If you have any questions or wish to discuss this further, please do not hesitate to contact me or my General Manager and Successor in Interest, Lisa Rebowe, at (504) 382-1924 or lrebowe@lesonchevy.com.

Sincerely,


Donald R. Trapp

cc: Lisa Rebowe (General Manager- Leson Chevrolet)
Johnny L. Domiano, Jr. (Adams and Reese)(Via Fax)

EXHIBIT F

LESON CHEVROLET

July 1, 2010

VIA FEDERAL EXPRESS

Johnny Collins
General Motors, LLC
MC: 482-A06-C66
100 Renaissance Center
Detroit, Michigan 48265

Dear Mr. Collins:

This correspondence is in follow up to our letter to you dated June 28, 2010 and our email of yesterday, both of which are attached for your ease of reference. We have not yet received a response to either. Additionally, we attempted to contact you by phone yesterday to discuss this matter but to no avail.

Because GM has not responded to us, Leson is enclosing GM's signed Letter of Intent per GM's request but Leson maintains that GM's letter of intent is adhesiory. Further, it fails to comply with the arbitration statute and is in violation of Louisiana law, which now governs the relationship between GM and Leson.

With respect to the "Net Working Capital Standard" referenced in GM's Letter of Intent, the arbitrator's order recognized that GM's capital requirements for Leson have not changed since 2003 and are thus inappropriate. Further, the arbitrator concluded that Leson has met GM's capital requirements. In order to agree on some "other" working capital obligation, GM must recalculate Leson's net working capital requirement based on current profits and losses. Moreover, the arbitrator's ruling concluded that GM wrongfully terminated Leson and as a consequence Leson has been unable to order inventory or participate in GM programs for the last 14 months. Thus, Leson must be given an appropriate amount of time of at least 18 months from the time it is able to order and receive inventory to meet an appropriate working capital requirement

Leson looks forward to its reinstatement and its continued partnership with GM. Thus, we hope we can resolve these and any other outstanding issues quickly so that

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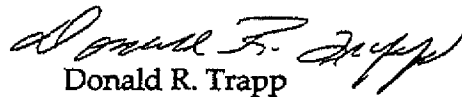
EXHIBIT

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we can get back to selling vehicles and avoid further delay and unnecessary expense. Thank you for your attention to this matter and we look forward to your response.

If you have any questions or wish to discuss this further, please do not hesitate to contact me or my General Manager and Successor in Interest, Lisa Rebowe, at (504) 382-1924 or lrebowe@lesonchevy.com.

Sincerely,



Donald R. Trapp

Enclosures

cc: Lisa Rebowe (General Manager- Leson Chevrolet)
Johnny L. Domiano, Jr. (Adams and Reese)(Via Fax)

EXHIBIT G



General Motors LLC

VIA OVERNIGHT MAIL

PERSONAL & CONFIDENTIAL

June 21, 2010

Mr Donald R Trapp
LESON CHEVROLET COMPANY, INC.
1501 WESTBANK EXPY
HARVEY, LA 70058

Dear Mr Donald R Trapp:

Your dealership filed for arbitration (the "Arbitration") under Section 747 of the Consolidated Appropriations Act, 2010 (H.R. 3288, as signed by President Obama on December 16, 2009) (the "Arbitration Statute"). As a result of the arbitrator's decision in the Arbitration, General Motors LLC ("GM") is offering your dealer company this letter of intent, as provided for in the Arbitration Statute (this "Letter of Intent") concerning the Chevrolet brand(s) (the "Reinstated Brand(s)"). Upon compliance with the terms and conditions of this Letter of Intent, LESON CHEVROLET COMPANY, INC. ("Dealer Company" or "Applicant")'s Reinstated Brands, will be reinstated into GM's dealer network with Mr Donald R Trapp, as the Dealer Operator.

This will be accomplished by amending the existing Wind-Down Agreement in place between Dealer Company and GM for the Reinstated Brand(s) vehicles. Within 15 days of Dealer Company's completion of the conditions and requirements of this Letter of Intent, GM will execute and deliver to Dealer Company an amendment to the Wind-Down Agreement in substantially the form attached as Exhibit A (the "Wind-Down Amendment"), which will allow Dealer Company to resume normal dealership operations for the Reinstated Brand(s).

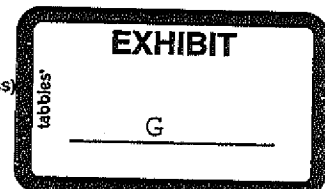
Please note that the term of this Letter of Intent is sixty (60) days. If Dealer Company does not provide GM with satisfactory evidence of compliance with all of the terms and conditions of this Letter of Intent within 60 days from your execution of this letter, then this Letter of Intent will expire and GM shall have no obligation to execute the Wind-Down Amendment.

The following are the terms, conditions, and requirements for reinstatement:

1. **Facility (Space/Premises) Requirements:** Dealer Company must establish and maintain facilities in accordance with GM's facilities requirements as set forth in GM Dealer Bulletin GM 01-18 (copy attached as **Exhibit B**). To comply with this facility requirement and space guideline for the purposes of this Letter of Intent, Dealer Company must provide dealership facilities which meet the space and facility requirements outlined in the Dealer Company's Location and Premises Addendum ("GMMS 1016") executed with the Dealer Company's most recent GM Dealer Sales and Service Agreement ("Dealer Agreement(s)").
2. **Approved Location:** The Dealer Company must confirm that the location specified in Dealer Company's most recent Dealer Agreement(s) will be the same location for the resumed Dealer Company operations for the Reinstated Brand(s). If that location is no longer available or Dealer Company wishes to propose another location, Dealer Company must provide a location acceptable to GM within the 60-day timeframe specified in this Letter of Intent. The Dealer Company must submit documentation to GM within the 60 day timeframe confirming dealership location.

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3. **Non-GM Dual Policy:** Dealer Company will be allowed to use the same facility arrangement previously identified in the Dealer Company's most recent GMMS 1016; however, the GM policy prohibiting non-GM products from being sold and serviced from approved GM dealer premises remains in place. If Dealer Company wishes to participate in the voluntary Essential Brand Elements (EBE) program, then Dealer Company must separate all non-GM dealership operations from the approved GM showroom facilities by October 31, 2010 to be eligible for the EBE facility element. In addition, to continue to be compliant with the EBE program, Dealer Company must separate all non-GM dealership operations from the service write-up and waiting areas located at the approved GM facilities by September 30, 2011. If Dealer Company subsequently complies with the EBE program guidelines, then Dealer Company will be eligible for EBE payouts in accord with the EBE program. For complete details for your Dealer Company go to the EBE website at www.gmexcellence.com.
4. **Facility Image:** Dealer Company will be allowed to use the same facility arrangement previously identified in the Dealer Company's most recent GMMS 1016; however, GM expects Dealer Company to comply with applicable facility image requirements. Please refer to gmfacilityimage.com for image requirements. Dealer Company agrees that to be eligible for the EBE program, with respect to facility image, it must comply with the applicable EBE Program requirements.
5. **Technology Infrastructure Standards:** The Dealer Company must comply with GM's information technology infrastructure standards for dealerships as described on the following GM website at www.gmdit.com.
6. **Line of Credit:** The Dealer Company must obtain a separate line of credit from a creditworthy financial institution approved by GM, to enable the Dealer Company to finance the purchase of a sufficient number of new GM motor vehicles, for all GM vehicle lines, including the Reinstated Brand(s) which GM is offering to reinstate pursuant to this Letter of Intent, to meet its obligations under the Dealer Agreement(s). The Dealer Company must submit documentation to GM within the 60-day time frame to demonstrate that it has obtained a sufficient line of credit (see Exhibit C).
7. **Net Working Capital:** The Dealer Company shall establish and maintain for use in its GM sales and service business unencumbered net working capital in the amount of \$2,850,000. Dealer Company must provide GM with documentation that Dealer Company has satisfied this Net Working Capital Standard by October 31, 2010 when the current Dealer Agreement(s) expires. If Dealer Company fails to meet this requirement, dealer agrees GM shall have no obligation to offer a replacement dealer agreement to dealer upon the expiration of the current Dealer Agreement(s).
8. **Licenses:** Dealer Company must obtain all necessary licenses under applicable statutes and regulations to conduct the Reinstated Brand(s) dealership operations at the approved location. GM shall not be responsible for any costs, expenses, damages or delays incurred as a result of Dealer Company's efforts to obtain such licenses. The Dealer Company must submit documentation to GM within the 60-day timeframe that it has obtained all necessary licenses.
9. **Return of Wind-Down Payments:** Upon Dealer Company's compliance with all of the terms and conditions of this Letter of Intent and GM's execution of the Wind-Down Amendment, Dealer Company hereby expressly authorizes GM to debit Dealer Company's open account maintained on the General Motors Dealer Payment System for all amounts previously paid by GM to Dealer Company under the Wind-Down Agreement for Reinstated Brand(s). This amount is \$263,716.50. The Dealer Company shall not be able to order new vehicles from GM until all wind down amounts received by Dealer Company related to the Reinstated Brands have been repaid.
10. **Completeness and Accuracy:** Dealer Company and Dealer Operator represent that all documents submitted to GM under this Letter of Intent, are complete, true and accurate.
11. **Term:** This Letter of Intent shall expire sixty (60) days after execution by Dealer Company unless an extension is agreed to in writing by the Parties.
12. **No Assignment or Transfer:** This Letter of Intent may not be transferred or assigned, in whole or in part, without the express written consent of GM.

BAC# 114302

Dealer Company acknowledges and represents that (i) the decision to enter into this Letter of Intent is based upon an independent analysis of the business opportunity, costs, and risks associated with re-instatement, (ii) they are not relying on any representations, promises, guaranties, or information provided by GM or any employee, agent or representative of GM, except as expressly set forth in this Letter of Intent, and (iii) there are no other agreements or understandings written or verbal between the parties concerning the matters covered by this Letter of Intent, its references, and its Attachments.

Please indicate your agreement to terms and conditions of this Letter of Intent by signing the two attached originals. Retain one signed original for your records and return the other signed original to Johnny Collins, whose telephone number is (313) 665-1798, at General Motors LLC, 100 Renaissance Center, MC: 482-A06-C66, Detroit, Michigan 48265, within ten days (10) days of receipt by Dealer Company of this Letter of Intent. Once executed, this Letter of Intent cannot be modified except in writing by the parties. If Dealer Company does not execute and return an unaltered counterpart of this Letter of Intent to the undersigned within the ten (10) day period, then this Letter of Intent shall be deemed rescinded and this Letter of Intent shall be null and void and GM shall have no further obligations.

We look forward to your completion of the requirements and to the subsequent reinstatement of your dealership in the GM dealer network.

Very truly yours,

GENERAL MOTORS LLC

Attachments: Sample Wind-Down Amendment Agreement – Exhibit A
GM Bulletin 01-18 – Exhibit B
Wholesale Floorplan Package – Exhibit C

Acknowledged and agreed this 1st day of July, 2010.

LESON CHEVROLET COMPANY, INC.

Mr Donald R Trapp

By: Donald R. Trapp

Donald R. Trapp
Individually

Title: Dealer

EXHIBIT H

seem to think that three convictions by military tribunals in the entire period of their existence is an impressive record. One of those was by a guilty plea. This isn't an impressive record; it's a dismal record. By contrast, recent analysis of the 119 terrorism cases involving 289 defendants tried over the last 20 years in U.S. courts shows a 91 percent conviction rate for the cases that had been resolved as of June 2.

I can't tell you whether one option or the other is better for any given case, but that's not the call we have to make in an appropriations bill. With current law, we can leave that decision to the experts in the administration who can best decide on a case-by-case basis who should be prosecuted in the U.S. and what mitigation plans are necessary to address any risks that may result from these trials.

The purpose of the Republican amendment, which was rightly rejected in the conference committee, was to shut off access to U.S. courts for terrorism prosecution. That is a proposition that is patently absurd and that, I dare say, our Republican colleagues would not be putting forward if there were a Republican President.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. OLVER. I yield the gentleman 1 additional minute.

Mr. PRICE of North Carolina. Is criminal prosecution an option we simply summarily want to close off? Of course, the answer is "no."

□ 1315

We should be using these carefully selected prosecutions to send a message to the world that we will not be intimidated by the prospect of bringing terrorists to justice or allow terrorism to undermine the rule of law in our country.

Mr. LATHAM. At this time, it is my privilege to yield 3 minutes to the gentleman from Texas (Ms. GRANGER).

Ms. GRANGER. Mr. Speaker, I rise to speak briefly about the State/Foreign Operations division of this omnibus package.

As the ranking member of the subcommittee, I am pleased that I have been able to work closely with Chairwoman LOWEY this year. She and her staff have worked to address concerns by committee Republicans and by me, and I thank her for her commitment to bipartisanship.

I also thank our Senate colleagues and our staff for working together to achieve common ground in the conference agreement. In the end, many priorities were preserved: funding a new compact for the Millennium Challenge Corporation; fighting drug trafficking in Mexico, Central America, and Colombia; and continuing security assistance to key allies like Israel, Egypt, and Jordan.

Funds provided in this bill will allow State and USAID to hire more than 1,000 new staff, which will help balance the three D's of smart power, the ap-

proach to national security. The increase for development and diplomacy will, in turn, support our Nation's defense and allow our military men and women to refocus on their core mission.

As the Congress provides additional staff and increases foreign assistance funding, the level of commitment to reform must be equal to funding commitment made. Oversight must be a priority. For that reason, the bill provides \$149 million for inspectors general, and many oversight provisions and reporting requirements are also included.

The conference agreement retains language that prevents U.S. tax dollars from going to organizations that support or participate in involuntary or coercive methods of family planning. There are legitimate plans about family planning funding that goes abroad, and legislative safeguards will remain in place the next fiscal year.

I regret that this package lumps six bills together in a package of close to half a trillion dollars and does not allow this body to address appropriations bills individually and fully vet them so that I could support them. I support the many programs in this bill. However, we must be aware of the tremendous debt held by this country and work competently, being aware of this issue.

Again, I thank Chairman LOWEY, our excellent committee staff, and our Senate colleagues for working together to address shared priorities.

Mr. OLVER. I yield 3 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I would like to comment very briefly on the comments of the gentleman from Tennessee, who a few moments ago criticized us because we were some 70 days late in passing the Military Construction-VA appropriation bill.

Let me simply point out that we may be 70 days late, but we are getting the job done. In addition to passing the basic bill, we are, for the first time in history, providing advance funding for VA activities. That is something that the veterans community has wanted for years and years, and it has been this Congress that delivered.

That stands in contrast to the performance of the minority party when they chaired this institution with respect to what they produced on the Military Construction-VA bill. They complain about the fact that we were 70 days late. They never passed that bill at all. They didn't pass it in October. They didn't pass it in November, which would have been 30 days late. They didn't pass it in December, which would have been 60 days late. They never passed it. When a new Congress took over, we had to pass all of those domestic appropriation bills and the Military Construction bill. I think it is quaint, indeed, when they attack us on the question of performance on, of all bills, the Military Construction bill. I think they need to go back and take a

look at the record when they chaired this place.

With respect to the funding overall levels in this overall bill, let me simply repeat what I said earlier. When you take into account the necessary increases for veterans disability, for the census, for the war costs which are not being hidden in a supplemental as they were under the stewardship of our friends on the other side of the aisle, when you take into account the infrastructure change in funding and the \$6 billion that we needed to prepare the health care system for the legislation which is about to pass, the rest of the increases in the bill before us amount to 1 percent. I hardly think that that's excessive, given the economic crisis that we face.

Mr. LATHAM. Mr. Speaker, just one comment. I think it's interesting to note the gentleman talked about that we are finally getting the Military Construction bill done, VA funding. The last two bills that we are funding are Defense, which will be 80 days out from the start of the new fiscal year, the Military Construction-VA bill.

But if you remember back with the schedule, the very first bill that was passed and signed into law was to fund Congress itself. We took care of ourselves here first and the military was the very, very last. I think that is very unfortunate.

I am now pleased to yield 2 minutes to the gentleman from Ohio (Mr. LATOURETTE).

Mr. LATOURETTE. I thank the gentleman for yielding. I am going to break the mold here and say something nice about five pages of the bill, this bill in front of me—I think those pages are right here—and say something nice about Mr. OBEY as well, and Mr. SERRANO is waving in the back.

By way of history, people know that the auto industry in this country got into trouble, and this administration made a decision to use leftover TARP funds to bail out Chrysler and General Motors. Both car companies submitted reorganization plans in February of this year and both were rejected by the auto task force.

The auto task force was kind of a strange collection of people that didn't have any experience in the auto industry at all. Most of them didn't own cars. Those that did own cars owned foreign cars, but they determined that the car companies had to be more aggressive when it came to dealerships. As a result, about 800 Chrysler dealers were closed and about 2,000 GM dealers. The problem with that is, with rampant unemployment, about 60 people work at each car dealership across this country. Car dealerships don't cost the car companies any money, and it was a strange way to do business and potentially take 200,000 people and put them on the street.

A couple of young, fresh-faced Democrats, Mr. MAFFEI of New York and Mr. KRATOVIL of Maryland, launched a legislative effort. But as a grizzled veteran, having been here for the last 15

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years, I know that the one piece of legislation or pieces of legislation that have to leave town are the appropriations bills. We drafted some language and put it in Mr. SERRANO's bill, and Mr. OBEY took it. They didn't have to—they probably got in trouble for taking it—but that became the 800-pound gorilla that had to be dealt with as General Motors and Chrysler have moved forward on how to deal with this dealer situation.

I also want to say something nice about the majority leader, Mr. HOYER. He took up the mantle and said we are going to solve this problem. As a result, the five pages that are here in the bill indicate that those aggrieved dealers now have the opportunity for binding arbitration, and the facts need to be brought forward, and hopefully fairness will prevail. But that wouldn't happen without something good and bipartisan happening in the United States Congress.

Mr. LATHAM. Mr. Speaker, it is my honor to yield 1 minute to the minority leader of the House, the gentleman from Ohio (Mr. BOEHNER).

Mr. BOEHNER. We're broke. We're broke. America is broke. All year long our friends across the aisle have been on this massive spending spree that our Nation can't afford.

We had a trillion dollar stimulus bill that was supposed to create jobs immediately, and yet unemployment is now 10 percent in America. Three million people have lost their jobs since the bill was signed into law.

We passed a budget that's going to double the national debt in 5 years, triple it in 10 years. We have got a \$12 trillion national debt.

We brought a national energy tax bill to the floor that's going to cost a trillion dollars, passed it. We had a health care bill here several weeks ago, another trillion dollars, passed it.

When are we going to say enough is enough? Here we are today. We are wrapping six appropriation bills together. We are going to spend a half a trillion dollars, and it has got over 5,000 earmarks in the bill, you know, things like \$292,000 for the elimination of slum and blight in Scranton, Pennsylvania; \$300,000 for music and education programs at New York City's Carnegie Hall, where they pay the employee who runs this program \$530,000 a year in salary and benefits. There is plenty in here for Washington as well: \$150,000 for the National Building Museum; \$250,000 for the Wolf Trap Foundation for the Performing Arts, a concert venue.

Listen, I don't know how worthy any of these projects are, but I do have to ask the question, are they more important than our kids and our grandkids who have to pay the debt, because we don't have the money to spend on this. It's our kids and grandkids who are going to pay for it. Yet we can't find ways to cut spending.

Before the President took office, he said that he must go through the bud-

et and these bills line by line and page by page. Well, after Congress passed the \$410 billion omnibus spending bill earlier this year, with 9,000 earmarks, the President signed it and he said, well, that was last year's business. Now the President says reducing the deficit is next year's business and that we need to spend our way out of this economic recession that we are in.

Well, I think the President ought to go through this bill line by line and page by page, all 2,500 pages of it, then maybe he will figure out that we don't need to be spending this money that we don't have and piling more and more debt on the backs of our kids and grandkids. Instead, our bond rating, our AAA bond rating is in jeopardy and our Democrat friends want to raise the debt limit next week by \$1.8 trillion.

Let's stop the madness and vote "no."

□ 1330

Mr. OLVER. Mr. Speaker, how much time does each side now have?

The SPEAKER pro tempore. The gentleman from Massachusetts has 7 minutes remaining, and the gentleman from Iowa has 3 minutes remaining.

Mr. OLVER. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I regret that this has become another typical "Who Shot John" debate, but since it has, let me respond to the distinguished minority leader. Let's compare what President Obama inherited with what President Bush inherited. When President Bush walked into the White House, he inherited \$6 trillion in projected surpluses. He inherited 3 years in a row of budget surpluses under President Clinton. And he inherited an economy in which all income groups saw their income rise by roughly the same percentage.

In contrast, when Mr. Obama walked into the White House, he inherited a \$1 trillion deficit, he inherited two wars that were paid for on the cuff, with borrowed money. He inherited \$6 trillion in projected deficits. And he inherited an economy in which, for six straight years, 94 percent of the income growth went to the wealthiest 10 percent of people, and everybody else got table scraps. In addition, he inherited an economy that was projected to have a \$2.5 trillion hole because of the biggest collapse of the economy in 75 years.

And so, indeed, Mr. Obama and the majority party in this Congress spent money to try to prime the pump, to keep the economy going, because we were losing 700,000 jobs a month the last 3 months of the Bush administration. We have now got that down to an 11,000 job loss last month. That's not good enough, but it's certainly a lot better than the situation was when we inherited it.

The gentleman squawks about the debt ceiling. The debt has already been rung up, and now the question is, when

the bill comes in the mail, is it going to be paid or not. The fact is, out of that \$1.8 trillion debt increase, \$1.4 trillion of that is directly traceable to policy actions that were taken by the previous administration and the previous Republican Congress. And \$400 billion of it are directly traceable to the actions we've had to take to try to bail the economy out of the mess that you folks got us into.

So if you want to start comparing records, I'd be happy to. I'd much prefer to talk about the contents of this bill and the individual programs of this bill. But since some the gentlemen on that side of the aisle prefer to politicize everything, I guess we're going to have to have the debate at that level. That's too bad, but I've come to expect very little but that from the other side, I regret to say.

I do want to thank the gentleman from Ohio for trying insert a bit of bipartisanship into the debate.

Mr. LATHAM. Mr. Speaker, I yield myself as much times as I may consume.

I don't know if the gentleman has more speakers, but I'm planning on closing. I just want to thank the staff, on both sides. Our subcommittee does an outstanding job working together, and I'm just very, very proud of the work that they've done and the kind of commitment they've shown, and just want to say thank you for the professionalism that they have exhibited throughout this whole process.

Mr. Speaker, I'm going to oppose this for various reasons. Number one, the fact that this \$450 billion bill is a 14 percent increase in spending over last year. At a time when people are hurting, we cannot afford this kind of additional debt that's being put on the taxpayers, on the families at home. Realizing that in the last 2 years, discretionary spending in this House of Representatives has increased now, 85 percent; 85 percent more money, discretionary money, being spent today than just 2 years ago. Does anybody at home have 85 percent more money today than what they had 2 years ago? Is it responsible in any way, shape or form to have that kind of an increase?

The gentleman from Massachusetts—and I appreciate his professionalism—made the case, basically, for me before. We held down spending previously. And this explosion that we've seen just throughout the budget is simply wrong. We cannot sustain it, and it is about the next generations. I've got four grandchildren. They're going to pay this bill, and their children are going to pay this bill, and it simply is not fair. It's generational theft, and we've got to finally hold the line as far as spending in this Congress and find some kind of sanity around here.

With that, again, I would hope that everyone would vote "no." We could get some reality. We could separate these bills, have them done correctly and in a responsible way. And just one other thing in closing. I want to, again,

thank Chairman OLVER for being a very good friend, his professionalism, and someone that I really admire.

Mr. Speaker, I yield back the balance of my time.

Mr. OLVER. I yield myself the remainder of the time.

The SPEAKER pro tempore. The gentleman from Massachusetts is recognized for 4 minutes.

Mr. OLVER. Mr. Speaker, my counterpart, the ranking member from Iowa, has graciously thanked the people on both sides who have done all of the work that our subcommittee dealt with. Actually, since there's six different bills here, I would like to extend that thanks to the people on the staffs of each of the six subcommittees on each side of the aisle who put countless hours into the work that has brought this bill to the floor at this time.

But particularly, let me just personalize it one more step. On our side, my clerk, Kate Hallahan, and on the Republican side, their clerk, Dena Baron, and the people who work under them, for them and with them, and for us and for the people of the country. They have done an exemplary job in the THUD committee, as I think each of the other groups have done for their own particular subcommittee. We should all be very grateful for that.

With the passage of this bill—and I'm going to urge passage as I close—we will on our side have completed the work on 11 of the 12 bills, and thereby we will be a very large step closer to the finish of the budgetary process necessary to provide for the year 2010. And so I am very optimistic today, in fact, a great load rises from the shoulders of all the chairs and ranking members of the subcommittees.

With that, let me just urge a "yes" vote on this budget bill in order to be able to reach that point very close to the completion of our work.

Mr. VAN HOLLEN. Mr. Speaker, I rise in support of the Consolidated Appropriations Act of 2010 and urge its swift consideration by our colleagues in the Senate.

This legislation includes final conference reports for the FY 2010 Transportation-HUD, Commerce-Justice-Science, Financial Services, Labor-HHS-Education, Military Construction-VA and State-Foreign Operations bills. Its total funding of \$446.8 billion makes priority investments in infrastructure, health care, and education, while supporting our veterans, funding the upcoming census and honestly accounting for war costs previously left to supplementals. Remaining items in the bill are limited to a 1% funding increase.

The \$50 billion in infrastructure spending in this bill—including \$150 million for the Washington Metropolitan Area Transit Authority—will enable us to modernize our aging infrastructure, ease congestion, facilitate commerce and create good-paying, homegrown American jobs. To further bolster our economic recovery, HR 3288 provides \$824 million to the Small Business Administration for its work helping our job-generating small businesses succeed. This investment will help facilitate an additional \$28 billion in new lending to small businesses. I am delighted that the

National Institutes of Health is funded at \$31 billion so that it can continue driving scientific innovation and health system reform. Finally, I am especially pleased that the Financial Services division of this consolidated legislation sets up a fair and reasonable process by which profitable auto dealers can have an opportunity to get back into business so that they and their employees can play their part in supporting our ongoing economic recovery. In that regard, I ask that the full text of the attached statement be entered into the legislative RECORD.

Mr. Speaker, I rise today to express my appreciation that language has been included in the Financial Services Appropriations Conference Report that will give automobile dealers around the nation a fair and reasonable shot at getting back into business. For the past several months, I have been pleased to join with Majority Leader HOYER, Congressmen KRATOVIL and MAFFEI, and others to ensure that profitable car dealers have every opportunity to contribute to our economic recovery and put their employees back to work.

Profitable and viable dealers should have never been terminated in the first place, and I was proud to join the fight to have these short-sighted decisions reversed. Automobile manufacturers won't be able to get back on their feet without a strong dealer network, and Congress is committed to ensuring that such a network exists. I salute the tenacity and determination of these small business owners, many of whom have been selling cars and supporting the American auto industry for decades. Under the provision we are approving today, these terminated dealers will have an opportunity, once again, to do what they do best—sell and service cars. And that is good for our economy, for job creation and for the American car industry.

It would have been my preference that we would not need to legislate on this matter. We convened talks with the auto dealer groups and the manufacturers and while both sides offered significant concessions, efforts to achieve a non-legislative solution failed when auto manufacturers offered plans that fell short of what was needed to add dealers to their dealer networks and put their employees back to work.

As 2009 comes to a close, the federal government still maintains a substantial financial stake in Chrysler and General Motors and therefore in the United States automobile industry. Clearly, it is in the national interest to have the domestic automobile industry regain profitability and maintain sufficient dealerships to meet consumer demand.

Section 747 of the Financial Services Appropriations division of this bill recognizes the valuable role that dealers play in the auto industry and our local economies. Automobile dealers are essential to the success of automobile manufacturers because at no material cost to the manufacturers, they facilitate distribution, sales, and servicing of hundreds of millions of vehicles annually. This legislation is premised on the notion that it is in the best interest of automobile manufacturers, the automotive industry, dealers and the public to have an extensive and competitive automobile distribution network throughout the country, including in urban, suburban and rural areas.

Section 747 mandates that manufacturers promptly provide covered auto dealers in writing the specific criteria and supporting data re-

lied upon by a manufacturer in its decision to end or wind down the dealership relationship. In the spirit of cooperation and to ensure an efficient process as this legislation is implemented, we expect that the manufacturers will provide the information in a format that is user friendly, clearly identifies facts, readily accessible, and understandable by the dealer and that the data may be transmitted either by mail or electronically. We intend that this process provide transparency and avoid the excessive costs and delays of litigation and discovery disputes. The manufacturers should provide their respective covered dealers with each and every detail and criterion related to the evaluations of the dealership and the decisions to terminate, not assign, not renew or discontinue. It is anticipated that the manufacturers will be cooperative and forthcoming and that all relevant information will be provided promptly.

It further provides such dealers with the opportunity to participate in a neutral arbitration process designed for the dealer to make the case for being added to the manufacturer's dealer network. Congress has included specific timeliness for this process and we expect both parties to the arbitration to act in good faith and expeditiously so that added dealers can return to full-fledged operations quickly.

Section 747 expressly permits the manufacturer and dealer to present any kind of relevant information during the arbitration and provides that the arbitrator shall decide whether the dealer should be added to the manufacturer's dealer network based on a balancing of the interests of the dealer, the manufacturer, and the general public. The public interest includes reasonably convenient access for consumers to a dealer who can service their vehicles, which is of particular concern in rural areas where many dealers were terminated in 2009. It has been well-reported that more and more individuals have to drive substantial distances to obtain service from an authorized dealer of a specific brand because of a dealer termination.

Congress has provided seven enumerated factors for the arbitrator to consider, but this list is not exhaustive because the legislation provides that the parties can introduce "any relevant information." For example, we expect that arbitrators should consider relevant State laws, which provide a context for analyzing franchise agreements and the obligations of dealers and manufacturers.

A couple of these enumerated criteria merit additional explanation. For example, Congress has directed that the demographic and geographic characteristics of the market are taken into account. This reflects our intention that the arbitrator should pay special attention to the concerns expressed by some terminated dealers that there are factors in their market areas or States that affect their performance and render some measurements, such as State averages, less than accurate in portraying the true picture of a dealer's operations.

Another one of the factors involves the dealer's performance under the franchise agreement terminated in 2009. In considering this factor and related factors, it is important for arbitrators to recognize that state law is part and parcel of and modifies auto dealer franchise agreements. To look only at a franchise agreement, in other words, misses an important contextual element. Accordingly, it is anticipated that the arbitrators will consider State

law elements of good faith and fair dealing in this process and that, for example, the franchise agreement's performance standards and a dealer's performance under the original agreement will be evaluated in accordance with State law.

Another factor is the historic profitability of the dealership. During the legislative process, Congress learned that some dealers, for tax planning reasons or other reasons use a variety of legitimate, widely recognized accounting conventions, such as LIFO, that could, depending on the date a snapshot is taken, affect materially whether the dealership appears profitable. It is important that arbitrators recognize such accounting conventions when considering the profitability of a dealership so a fair and accurate picture is obtained.

With respect to being added back to a dealer network, it is the intent of Congress that notwithstanding the preference of a manufacturer to have several brands in the same dealership, in the case of a dealer seeking to be added to a dealer network but with fewer than all of the preferred brands, the dealer nonetheless will be eligible to be added.

It is worth noting that pursuant to subsection (f), manufacturers and dealers may, of their own volition, decide to enter into legally binding agreements with one another instead of going through the arbitration process. It is the intent of Congress that for this subsection to apply, the legally binding agreements shall be consensual, non-coercive resolutions of the issue between the dealer and the manufacturer entered into or ratified after the date of enactment. Coercive agreements should not be upheld.

In conclusion, I want to recognize the tireless efforts of dealers from around the Nation who worked to develop and implement a truly historic grassroots effort over the past seven months. Groups such as the Committee to Restore Dealer Rights, the Automobile Trade Association Executives, National Automobile Dealers Association and the National Association of Minority Auto Dealers, were instrumental in bringing about the legislation we are approving today.

Mrs. BACHMANN. Mr. Speaker, today, the House of Representatives once again sidestepped its constitutional obligation to fund our Nation's Federal priorities in a responsible manner and railroaded a massive spending bill through the House without allowing an open and honest debate that American taxpayers deserve. While I believe this legislation contains important funding for many programs administered by Federal agencies, spending bills and the projects they fund must be considered individually on their merits, and not obscured by being tucked into a giant "omnibus" spending package.

Right now, the national debt has already ballooned to a whopping \$12.1 trillion and Democrats are ready to increase the debt limit by another \$1.8 billion to accommodate their rabid spending habits. But at a time when American families are struggling to make ends meet and Federal deficits are skyrocketing at a record pace, it is absolutely necessary for Congress to fully commit to fiscal responsibility and scrutinize how every tax dollar is spent. While I understand the difficulty associated with such a large task, I, like so many of my colleagues, believed the Democrat majority when they pledged to "create the most honest, most open, and most ethical Congress in

history." I was hopeful that their stated commitment to open government would entail the individual consideration of each of the 12 annual appropriations bills, setting a path towards restoring the confidence and trust of the American people.

Unfortunately, the actions taken today indicate that our leadership is content with the status quo, and will avoid difficult decisions that should be made in order to prevent saddling future generations with debilitating debt. By combining half of the total appropriations bills into one measure, this majority has shown that it has no interest in real transparency and is more focused on growing government to accommodate their tax-and-spend agenda than being good stewards of the taxpayers' money.

Congress should show the American people that it is serious about making the same tough choices American families make every month. But this bill's 24 percent increase in government spending ignores the realities of our limited budget and assumes the taxpayers will just pick up the tab in future years. While the bill includes some of Minnesota's local priorities, it strays far from representing anything but a big government spending bill that lacks any consideration of our massive budget deficit.

Indeed, in the same manner as households across America set a budget, Washington needs to set a budget, and stick to it. However, the tax and spend approach to government being exhibited this year serves as a haunting indication that no amount of spending or government control is too much for the Democrats. That said, it is my sincere hope that as Congress moves forward with next year's budget and spending priorities, strict attention will be paid to protecting the American taxpayer and fostering an atmosphere of bipartisan cooperation and fiscal responsibility.

Mr. CONYERS. Mr. Speaker, I would like to thank the Conferees for including section 747, which regulates the relationship between automobile manufacturers and automobile dealerships. I, along with Majority Leader STENY HOYER, and Representatives CHRIS VAN HOLLEN, DANIEL MAFFEI, FRANK KRATOVIL, STEVEN LATOURETTE, JACKIE SPEIER, ROBERT BRADY, BETTY SUTTON, and BOB ETHERIDGE have worked together to create legislation that will best serve the interests of the automobile industry, including manufacturers and dealerships, and the citizens who have a significant portion of their tax dollars invested in the success of this critical industry. The following is a description of the legislation.

Section 747 of the Conference Agreement includes language establishing an arbitration process to determine whether previously terminated, non-assigned, non-renewed, or non-continued auto dealerships should be added to dealership networks of automobile manufacturers that received federal assistance under the TARP program, or that are partially owned by the Federal Government. This provision replaces Section 745 of the House bill, which also addressed concerns regarding terminated auto dealerships.

It is in the national interest to protect the substantial federal investment in automobile manufacturers by assuring the viability of such companies through the maintenance of sufficiently sized dealership networks to meet consumer demand for sales and servicing nationally. In addition to facilitating the maintenance

and growth of industry market share among manufacturers that benefitted from TARP funds, and in which the taxpayers have a significant financial investment, it is in the national interest to ensure that dealerships and manufacturers are each treated fairly in their business relationships based on their respective economic interests.

Evidence obtained over the course of numerous Congressional hearings in 2009 demonstrates that the automobile industry is integral to the health of the United States economy as a whole. Automobile manufacturers have been among the largest and most successful corporations in the United States, providing significant numbers of jobs and producing valuable goods for consumers. Automobile dealerships are also essential businesses in most communities nationally, providing many jobs to local residents and facilitating the distribution, sales, and servicing of millions of vehicles annually. Our investigations have made clear that it is in the best interest of the automobile industry, automobile manufacturers, dealerships and the public to have a competitive and economically viable domestic automobile distribution network throughout the country, including urban, suburban, and rural areas.

This provision was included because we also believe that by providing a process for working out the relationship between automobile manufacturers and dealerships that ensures transparency and review by a neutral arbitrator according to an equitable and balanced standard, taking into account the interests of all affected parties, the property and due process rights of manufacturers and dealerships will be safeguarded.

Section 747 establishes a procedure by which an automobile dealership that had a franchise agreement for a vehicle brand that was not assigned to a covered manufacturer, or that was terminated in a manner not consistent with applicable state law, on or before April 29, 2009, may seek continuation or reinstatement of the franchise agreement, or seek to be added as a franchisee to a dealership network of the covered manufacturer who manufactures the vehicle brand of the covered dealership, with such franchisee being located in the geographic area where the covered dealership was located when its franchise agreement was terminated, not assigned, not renewed, or not continued. Absent such election by the covered dealership, no such binding arbitration would occur.

In order to provide a covered automobile dealership with the information useful to determine whether to elect to enter into binding arbitration, the dealership will receive in writing notice from the covered manufacturer detailing the specific criteria pursuant to which such dealership's franchise agreement was terminated, was not renewed, or was not assumed and assigned to a covered manufacturer. This notice must be provided within the 30-day period beginning on the date of the enactment of this Section. This transparency is a vital step in giving dealerships the opportunity to understand why their franchise agreements were terminated, not renewed, or were not assumed and assigned to a covered manufacturer. It is our expectation that this transparency will obviate the need for unnecessary arbitration. It is also our expectation that this transparency will encourage informal agreements between covered dealerships and manufacturers without

EXHIBIT I

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September 13, 2010

Louisiana Motor Vehicle Commission
3519 12th Street
Metairie, Louisiana 70002-3427
ATTN: Lessie House, Executive Director

LMVC

SEP 14 2010

Re: Leson Chevrolet Company, Inc. v. General Motors, LLC

Dear Ms. House:

Leson Chevrolet Company, Inc. ("Leson") submits this Complaint against General Motors, LLC ("GM") and seeks to have the Louisiana Motor Vehicle Commission issue a cease and desist order prohibiting GM from terminating Leson's Sales and Service Agreement pursuant to La. R.S. 32:1259. Leson further seeks all other appropriate and equitable relief to which it may be entitled. GM has caused and continues to cause substantial and irreparable harm to Leson by violating multiple legislative provisions enacted to protect automobile dealers, including but not limited to the requirements of Section 747 of the Consolidated Appropriations Act of 2010, H.R. 3288 (the "Act"), La. R.S. 32:1261(1)(d) & (v), La. Civ. Code art. 1959 *et seq.*, and its obligations of good faith and fair dealing.

I. Factual Background

For nearly eighty (80) years, Leson has been engaged in the business of operating an automobile dealership selling and servicing GM-manufactured automobiles on the West Bank of Jefferson Parish, Louisiana. On or about May 14, 2009, Leson received a letter from GM's predecessor, General Motors Corporation ("Old GM"), advising that Leson's existing Dealer Agreement would not be continued beyond October of 2010, as a result of Old GM's pending bankruptcy. On June 1, 2009, Old GM filed for bankruptcy in the U.S. Bankruptcy Court for the Southern District of New York under 11 U.S.C. § 363 of the Bankruptcy Code. As a result of the bankruptcy proceeding, GM terminated many dealer franchise agreements of Old GM, including that of Leson. Since receiving its "Wind Down" notice, Leson has been precluded from buying new GM motor vehicles from GM or participating in GM programs. But for GM's bankruptcy, GM's termination of Leson's Dealership Agreement would be unlawful under applicable state law, including but not limited to the various provisions of La. R.S. 32:1261(1)(d).

In response to concerns from the public and the automobile industry that many dealer terminations were arbitrary or unjust, Congress passed Section 747 of the Consolidated

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Appropriations Act of 2010, H.R. 3238 (the "Act"). A copy of the applicable provisions is attached for your reference as Exhibit "A." The Act gave "covered dealerships," such as Leson, the right to challenge GM's termination decision through binding arbitration.

II. Leson's Arbitration with GM

Firmly believing that its dealership was wrongfully terminated, Leson filed a demand for arbitration against GM with the American Arbitration Association ("AAA"). Pursuant to the Act, an arbitration hearing between Leson and GM was held in New Orleans, Louisiana, on June 3 and 4, 2010. After having heard the allegations and evidence of both Leson and GM, the arbitrator ruled in Leson's favor and ordered that Leson "shall be added to the dealer network of General Motors, LLC." This determination and order for reinstatement was made without conditions. See Arbitration Award, attached as Exhibit "B," at p. 2.

Pursuant to the clear and unambiguous express provisions of the Act:

If the arbitrator finds in favor of a covered dealership, the covered manufacturer (GM) shall as soon as practicable, but not later than 7 business days after receipt of the arbitrator's determination, provide the dealer a customary and usual letter of intent to enter into a sales and service agreement.

The clear intent of the Act was to restore improperly rejected dealers to the same position as they were prior to Old GM's bankruptcy filing and not to provide GM with the opportunity to impose new, restrictive and burdensome terms and conditions upon reinstated dealers such as Leson.

III. GM Refuses to Issue Leson a Customary and Usual Letter of Intent

To date, GM has refused to issue to Leson a "customary and usual letter of intent," although more than seven (7) days have passed since GM's receipt of the arbitrator's determination in favor of Leson. Instead, GM demanded that Leson execute a "Letter of Intent" that was neither reasonable nor customary. Leson attempted to negotiate with GM concerning the terms and conditions of the Letter of Intent. GM has refused to meaningfully change the terms set forth in its Letter of Intent and imposed its own unreasonable and arbitrary deadlines to comply despite that no such deadline is required by the Act. Leson signed and returned GM's adhesionary Letter of Intent under duress. See La. Civ. Code art. 1959.

GM's letter of intent requires, *inter alia*, Leson to provide working capital in the amount of \$2,850,000 within sixty (60) days. Leson maintains that its compliance with GM's working capital standard and other requirements has already been adjudicated and no further action is required on Leson's part for its reinstatement. The arbitrator's order recognizes that, "Leson has also met GM's capital requirements as these standards have not changed since 2003." See Exhibit "B" at p. 4.

If additional requirements for working capital were imposed upon Leson, GM's method of calculating the working capital standard is inappropriate, unfair and inequitable. Leson has

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been unable to order inventory or participate in GM programs since it was wrongfully terminated in June of 2009. GM, however, refuses to take into account Leson's profits and losses during the GM imposed wind-down period for purposes of calculating Leson's working capital requirements. Significantly, Leson's inability to be as profitable as in years past or generate substantial "cash flow" in 2009 and 2010 was the direct result of GM's wrongful termination. Although Leson and other dealers can borrow their working capital needs if it is secured by real property pursuant to GM's accounting guidelines, no bank or other lender can ignore Leson's financial performance during the wind-down, when it was unable to be as profitable because of the inability to order any inventory or participate in GM's incentive programs.

Under the Act and Louisiana law, GM has an implied duty of good faith and fair dealing toward Leson in reinstating its GM franchise. GM's refusal to consider the last 18 months in which Leson was in wind down status in determining Leson's working capital requirement is a breach of good faith and fair dealing, ignores the commercial realities facing Leson which were directly created by GM and its wrongful termination, and does not comport with the required standards of commercial reasonableness. Wrongfully, GM seeks to ignore completely the financial hardship it imposed upon Leson in 2009 and 2010 through its unlawful termination and instead requires Leson to capitalize the dealership based on its 2008 performance. The unreasonable and inequitable position taken by GM is a de facto and wrongful termination of Leson in violation of the Act and La. R.S. 32:1261(1)(d). The Act envisioned the "reinstatement" of a dealership (i.e.: the restoration of a dealer to its previous position in GM's dealer network), not an opportunity for GM to impose upon the prevailing dealers onerous requirements that never applied to the parties' previous relationship. Thus, Leson must be allowed to order inventory and sell cars again before GM's working capital standards can be applied or considered.

Congress intended that those dealers who prevailed in their arbitrations under the Act would be reinstated as dealers within GM's dealer network. By conditioning Leson's reinstatement on its execution of GM's unconscionable Letter of Intent, GM is intentionally, knowingly, and willfully violating the Act and thwarting the law. As a direct and proximate result of GM's misconduct, as aforesaid, Leson has sustained, and is continuing to sustain, substantial losses, the amount of which is not presently known, due to its inability to sell new GM vehicles.

V. Prayer

Based upon the above facts, Leson is entitled to an order of this Commission:

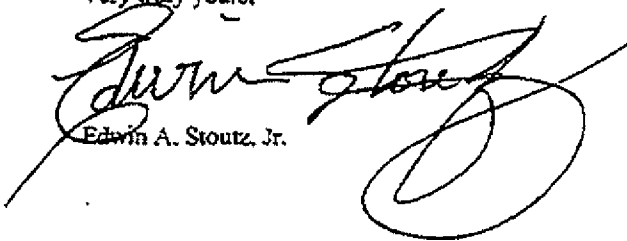
- a. Issuing a cease and desist order prohibiting La. R.S. 32:1259 GM from terminating Leson's Dealer Sales and Service Agreement;
- b. Confirming that Leson has satisfied the criteria for reinstatement and will be immediately reinstated with the ability to order inventory and participate in all GM programs in the same manner as any dealer who was not under a wind down agreement;

LMVC

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- c. Declaring the actions of GM tantamount to a termination in violation of La. R.S. 32:1261(1)(d);
- d. Declaring the actions of GM to be unfair and in violation of LA R.S. 32:1261 (1) (v);
- e. Declaring GM's refusal to reinstate Leson until it posts working capital in the amount of \$2.85 million as inconsistent with the intent of the Act, the ruling of the Arbitrator and Louisiana law, which now governs the relationship between the parties; and
- f. After due proceedings had an Order be issued mandating General Motors, LLC to reinstate Leson to its status quo immediately prior to its wind down letter.
- g. That the commission set a prehearing conference be set at your earliest convenience;
- h. That the commission assign this for hearing before the 3 member panel as provided for by L.R.S. 32:1233 A (3) (a) & (b);
- i. Providing any other relief as this Commission deems just and proper.

Very truly yours,



Edwin A. Stoutz, Jr.

Enclosures

cc: Leson Chevrolet Company, Inc.
Mark Beebe, Esq.
Johnny L. Domiano, Jr., Esq.

LMVC
SEP 14 2010

EXHIBIT J



State of Louisiana
LOUISIANA MOTOR VEHICLE COMMISSION

Bobby Jindal
Governor

Lessie A. House
Executive Director

LOUISIANA MOTOR VEHICLE COMMISSION

LESON CHEVROLET COMPANY, INC.
VERSUS
GENERAL MOTORS, LLC

LMVC DOCKET NO. Hearing #2010-040

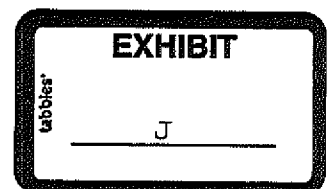
INTERLOCUTORY CEASE AND DESIST ORDER

Whereas Leson Chevrolet Company, Inc. filed on September 14, 2010 a complaint dated September 13, 2010 against General Motors, LLC, and

Whereas in that complaint, Leson Chevrolet Company, Inc. seeks, among other things, to have the Louisiana Motor Vehicle Commission issue a cease and desist order prohibiting General Motors, LLC from terminating Leson Chevrolet Company, Inc.'s sales and service agreement with General Motors, LLC, and

Whereas it appears from the complaint of Leson Chevrolet Company, Inc. that General Motors, LLC is violating the laws, rules and regulations of the state of Louisiana and the Louisiana Motor Vehicle Commission, and

Whereas it appears from the complaint of Leson Chevrolet Company, Inc. that it is necessary to the performance of the duties delegated to the Louisiana Motor Vehicle Commission that an interlocutory cease and desist order issue in this case; that the issuance of an interlocutory cease and desist order is necessary or convenient to maintaining the status quo between Leson Chevrolet Company, Inc. and General Motors, LLC; that General Motors, LLC is performing or is about to perform or is procuring or allowing the performance of an act relating to this case, in violation of the rights of Leson Chevrolet Company, Inc. which would tend to render an order of the Louisiana Motor Vehicle Commission's ineffectual; or that substantial injury to the rights of Leson Chevrolet Company, Inc. is threatened irrespective of any remedy at law;



INTERLOCUTORY CEASE AND DESIST ORDER

LMVC DOCKET NO. Hearing #2010-040

LESON CHEVROLET COMPANY, INC.

VERSUS

GENERAL MOTORS, LLC

Page 2

IT IS ORDERED that an interlocutory cease and desist order issue prohibiting General Motors, LLC from terminating Leson Chevrolet Company, Inc.'s sales and service agreement with General Motors, LLC, and

IT IS FURTHER ORDERED that this interlocutory cease and desist order shall remain in effect until vacated or until incorporated into a final order of the Louisiana Motor Vehicle Commission.

METAIRIE, LOUISIANA this 15th day of September, 2010.

Lessie House, Executive Director

LOUISIANA MOTOR VEHICLE COMMISSION

Service of this Interlocutory Cease and Desist Order is made upon GENERAL MOTORS, LLC, c/o its Registered Agent for Service of Process, C T Corporation System, 5615 Corporate Boulevard, Suite 400B, Baton Rouge, Louisiana 70808, by means of U.S. Mail, Certified and Return Receipt Requested No. 7008 1140 0003 8430 7196.

EXHIBIT K

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

LESON CHEVROLET COMPANY, INC.

CIVIL ACTION NO.

VERSUS

GENERAL MOTORS LLC

**SECTION “ “
JUDGE**

**MAG. DIV. “ “
MAGISTRATE**

NOTICE OF REMOVAL

The Notice of Removal of Defendant, General Motors LLC (“GM”), removing this civil action from the Louisiana Motor Vehicle Commission, and to the extent required, reserving any and all rights, objections, and defenses, respectfully represents as follows:

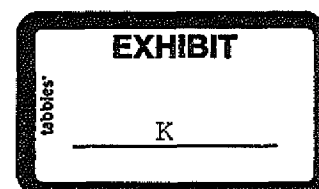
BACKGROUND

1.

Plaintiff, Leson Chevrolet Company, Inc. (“Leson”), at all pertinent times herein was and is a Chevrolet motor vehicle dealer, and which since June of 2009 has been operating under a “Wind-down Agreement” specifically approved and authorized by the United States Bankruptcy Court for the Southern District of New York.

2.

In 2008 and 2009, General Motors Corporation (“Old GM”), which was the manufacturer and distributor of Chevrolet products, experienced severe financial distress. One of the causes of Old GM’s financial situation was its legacy dealer network. *See In re General Motors Corp.*,



407 B.R. 463, 513-14 (Bankr. S.D.N.Y. 2009) (“All concerned with GM’s future knew that GM had to slim down and improve its dealer network.”).

3.

After extensive discussions with the United States Government, Old GM commenced a Chapter 11 bankruptcy proceeding to implement a sale of substantially all of its assets under §363 of the Bankruptcy Code. *See* 11 U.S.C. §363. The bankruptcy case was filed on June 1, 2009 in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”).

4.

As part of the bankruptcy process, a new company (now known as GM), was formed. GM purchased some of Old GM’s assets. GM agreed to assume the dealer agreements of some, but not all, of Old GM’s dealers. As the Bankruptcy Court stated, the sale from Old GM to GM “contemplated the assumption by GM and the assignment to . . . GM of dealer franchise agreements relating to 4,100 of its 6,000 dealerships, modified in ways to make GM more competitive . . . But GM cannot take all of the dealers on the same basis.” *In re General Motors Corp.*, 407 B.R. at 476.

5.

In preparation for the bankruptcy proceedings, Old GM used objective criteria to identify the poorly performing dealers who would not become part of GM’s dealer network on a continuing basis.

6.

Old GM identified Leson as one of the poorly performing dealers who would not become part of GM’s dealer network.

7.

Although Old GM, during the bankruptcy, could have simply terminated its agreements with the non-retained dealers, such as Leson, Old GM instead offered these non-retained dealers a “Wind-down Agreement.” The purpose of the “Wind-down Agreement” was to provide the non-retained dealers with an opportunity to avoid an abrupt termination of their operations and also to provide them with financial assistance.

8.

When it filed for bankruptcy on June 1, 2009, Old GM sent Leson a letter notifying Leson of the decision that it would not be retained as part of GM’s dealer network. Ex. 1. Old GM also provided Leson with a “Wind-down Agreement,” which Leson signed. Ex. 2. In the agreement:

- Leson was given until October 31, 2010 within which to wind down its operations.
- Old GM agreed that Leson would be paid a very substantial sum as financial assistance.¹
- The parties agreed that the Bankruptcy Court would have “exclusive jurisdiction” concerning the “Wind-down Agreement” and “any other matter relating thereto.”
- Leson agreed not to institute “any proceeding in any court or administrative proceeding” against Old GM or its assignee.
- The parties agreed that Old GM or its assignee would have the right to “an immediate and permanent injunction to be issued by any court of competent jurisdiction” to prevent a breach of the agreement by Leson.
- Leson agreed that it would be obligated to pay attorney’s fees to Old GM or its assignee in any action relating to Leson’s breach of the agreement.

¹ The amount of the wind-down payment has been redacted in Exs. 2, 4 and 5.

9.

As a part of the bankruptcy sale of certain assets from Old GM to GM, the Bankruptcy Court approved Old GM's assignment of its rights and obligations under the Leson "Wind-down Agreement" to GM.

10.

After the bankruptcy proceedings, certain GM dealers who had executed "Wind-down Agreements" sought relief from Congress and various bills were introduced that would have provided expansive rights to dealers who were part of the pre-bankruptcy networks. Congress chose not to proceed with any of those, however. Instead, Congress enacted a narrowly tailored right of review under Section 747 of the Consolidated Appropriations Act, 2010 (Pub. L. No. 111-117, 123 Stat. 3034 (2009)) (the "Arbitration Act" or "§ 747"). Ex. 3. That statute allowed these dealers to file arbitration claims applying to be reinstated or added to GM's dealer network.

11.

Under §747, an arbitrator was required to consider seven statutory factors and three balancing interests for determining whether a dealer "should be added to the [GM] dealer network." §747(d). If a dealer prevailed at the arbitration, the statute then required that GM issue "a customary and usual letter of intent to enter into a sales and service agreement" to the dealer. §747(e).

12.

Leson chose to arbitrate under §747. On June 18, 2010, the arbitrator determined that Leson had satisfied the factors and balancing interests under §747.

13.

As a result, in compliance with §747, GM sent its form "customary and usual letter of intent" to Leson (hereinafter "the LOI"). Ex. 4. The LOI outlines GM's standard business

requirements to be a dealer. These requirements include, by way of example: a requirement that the dealer maintain a certain level of net working capital and a requirement that the dealer obtain a sufficient line of credit (normally referred to as “floor plan” financing) to finance the purchase of new vehicles from GM.

14.

The LOI provided that its terms would be implemented by means of an amendment to the “Wind-down Agreement.”

15.

Leson signed the LOI on July 1, 2010. Ex. 5.

16.

Despite having signed the LOI, Leson later complained that certain terms of the LOI were “unfair.” For example, Leson complained that the provision in the LOI that Leson maintain net working capital in the amount of \$2.85 million was unfair. Additionally, Leson has apparently been unable to obtain a commitment for floor plan financing as is required by the LOI.

17.

The LOI required Leson to satisfy the terms of the LOI within sixty (60) days of the date of signature (meaning that the requirements under Leson’s LOI would need to be satisfied by September 1, 2010).² However, at Leson’s request, GM agreed to grant several extensions, with the most recent extension allowing Leson until the end of September, 2010, within which to satisfy the requirements in the LOI.

² The deadline for satisfying the net working capital requirement is October 31, 2010.

18.

Without prior notice to GM, Leson filed a complaint with the Louisiana Motor Vehicle Commission (“Commission”) on September 14, 2010 (hereinafter “Commission Complaint”). Ex. 6. The Commission Complaint repeatedly avers that the LOI violates §747. The Commission Complaint expressly asks the Commission to interpret and apply federal law, *i.e.*, what Congress intended in §747.

19.

Also without prior notice to GM, Leson sought and obtained an *ex parte* order from the Commission. Ex. 7. The *ex parte* order prohibits GM from terminating its relationship with Leson until further proceedings are held before the Commission. The order was signed by the Executive Director of the Commission apparently without a meeting or vote of the Commission. This order is in direct conflict with the “Wind-down Agreement” which remains in full force and effect.

JURISDICTION

20.

This matter, including all claims and causes of action herein, are removable to this Court pursuant to the following provisions, by way of example only: 28 U.S.C. §§157, 1331, 1332, 1334, 1441 and 1452.

21.

This Court has federal question jurisdiction under 28 U.S.C. §1331 in that this civil action arises under the laws of the United States. For example, on the face of the Commission Complaint, Leson seeks an interpretation of §747, which is a federal statute. Interpretation of that provision is the threshold and controlling issue in this matter.

22.

Furthermore, a federal question is not merely raised on the face of the Commission Complaint, state law is completely preempted under any scenario. As noted above, during its bankruptcy, Old GM executed and assigned “Wind-down Agreements” to GM under the Bankruptcy Court’s orders covering non-retained dealers such as Leson. The Bankruptcy Court approved these “Wind-down Agreements.” *See In re Gen. Motors Corp.*, 407 B.R. at 513-14. In that decision, the Bankruptcy Court found that to the extent that “dealer protection laws” (either state or federal) “impair the ability to reject, or to assume and assign, they must be trumped by federal bankruptcy law. And to the extent that non-bankruptcy law prohibits debtors and their contract counterparties from finding mutually satisfactory less draconian alternatives to rejection, it likewise must be trumped.” *Id.* at 515; *see also id.* at 516. Thus, Leson’s ultimate wind-down of operations was determined as a matter of federal bankruptcy law, and no state law claim could disrupt that order.

23.

Rather than undo the effect of these orders, §747 created a *limited* right for certain dealers to apply to be reinstated or added back to GM’s network if they prevailed in the arbitration proceedings. It established a very narrow, specific form of relief for prevailing dealers: GM was to provide them with GM’s “customary and usual letter of intent to enter into a sales and service agreement.” *See* § 747(e). Section 747 does not mention any additional state law remedies. Section 747 occupies the entire field of whether and how a prevailing arbitrating dealer must be treated by GM, leaving no room for state laws. Thus, Leson’s challenge to the LOI and the “Wind-down Agreement” is a matter of federal law.

24.

This Court also has bankruptcy jurisdiction under 28 U.S.C. §1334 because this action arises in, arises under, and/or is related to Old GM's bankruptcy proceeding, pending in Case No. 09-50026 on the docket of the United States Bankruptcy Court for the Southern District of New York. This matter is also a "core proceeding."

25.

By way of example, in the "Wind-Down Agreement" executed by Leson and Old GM, which was subsequently assigned to and assumed by GM and approved by the Bankruptcy Court, the Bankruptcy Court retained "exclusive jurisdiction" over any disputes concerning the issues in that agreement "and any other matter relating thereto." Ex. 2, ¶13.

26.

The current business relationship between Leson and GM continues to be governed by the "Wind-down Agreement" and, thus, this matter relates to that agreement. Indeed, until Leson timely fulfills the requirements of the LOI, Leson's relationship with GM is solely governed by the "Wind-down Agreement." Yet the Commission Complaint and the ex parte order entered by the Commission seek relief which is in direct conflict with the terms of that agreement.

27.

Moreover, the LOI itself provides that Leson's reinstatement will be controlled by an amendment to the "Wind-down Agreement." Exs. 4 and 5. That amendment retains the provision of the "Wind-down Agreement" pertaining to *exclusive* bankruptcy court jurisdiction. *Id.*

28.

This Court also has diversity jurisdiction pursuant to 28 U.S.C. §1332. The parties are diverse and the amount in controversy exceeds \$75,000.00.

29.

Leson is a corporation organized and existing under the laws of the State of Louisiana with its principal place of business in Harvey, Louisiana.

30.

GM is and was a limited liability company organized and existing under the laws of the State of Delaware with its principal place of business in Michigan.

31.

The amount in controversy exceeds \$75,000.00 because the subject of the Commission Complaint (that is, Leson's dealership interest) is significantly greater than \$75,000.00.

REMOVAL IS PROPER

32.

GM was served with the Commission Complaint on September 17, 2010. Thus, this Notice of Removal is timely.

33.

The United States District Court for the Eastern District of Louisiana is the federal judicial district embracing the Louisiana Motor Vehicle Commission, where this matter was originally filed (the Commission is based in Metairie, Louisiana). Venue, therefore, is proper in this district.

34.

GM attaches a copy of any and all process, pleadings, and orders served upon it. Exs. 6 – 8.

35.

GM certifies, through undersigned counsel, that the Notice of Removal will be served promptly on Leson and will be filed with the Commission.

WHEREFORE, Defendant, General Motors LLC, prays that its Notice of Removal be deemed good and sufficient.

Respectfully submitted,

/s/ Thomas A. Casey, Jr.

DAVID G. RADLAUER (LA 11058)
THOMAS A. CASEY, JR. (LA 01291)
Jones, Walker, Waechter, Poitevent
Carrere & Denegre, LLP
201 St. Charles Avenue, Suite 5100
New Orleans, Louisiana 70170-5100
Telephone: (504) 582-8518
Facsimile: (504) 589-8518
E-mail: dradlauer@joneswalker.com
E-mail: tcaseyjr@joneswalker.com

Counsel for Defendant, General Motors LLC

CERTIFICATE OF SERVICE

I hereby certify that, on this 27th day of September, 2010, I caused a copy of the foregoing Notice of Removal to be sent by telecopy and via first class mail, postage pre-paid to the following:

Leson Chevrolet Company, Inc.
through its counsel of record:

EDWIN A. STOUTZ, JR.
Stoutz & Stoutz
3606 Canal Street
New Orleans, Louisiana 70119

/s/ Thomas A. Casey, Jr.

THOMAS A. CASEY, JR. (#1291)

EXHIBIT L

WIND-DOWN AGREEMENT

THIS WIND-DOWN AGREEMENT (this "Agreement") is made and entered into as of the 1st day of June, 2009, by and between Leson Chevrolet Company, Inc. ("Dealer"), and GENERAL MOTORS CORPORATION ("GM").

RECITALS

A. Dealer and GM are the parties to Dealer Sales and Service Agreement (the "Dealer Agreement") for Chevrolet motor vehicles (the "Existing Model Line"). Capitalized terms not otherwise defined in this Agreement shall have the definitions set forth for such terms in the Dealer Agreement.

B. GM is the debtor and debtor-in-possession in a bankruptcy case (the "Bankruptcy Case") pending in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), having filed a voluntary petition under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"). No trustee has been appointed and GM is operating its business as debtor-in-possession.

C. GM intends to sell, convey, assign and otherwise transfer certain of its assets (the "363 Assets") to a purchaser (the "363 Acquirer") pursuant to Section 363 of the Bankruptcy Code (the "363 Sale"), subject to approval by and order of the Bankruptcy Court.

D. GM has considered moving and may, at its option, move to reject the Dealer Agreement in the Bankruptcy Case, as permitted under the Bankruptcy Code, unless Dealer executes and delivers this Agreement to GM on or before June 12, 2009.

E. In return for the payments set forth herein and GM's willingness not to pursue the immediate rejection of the Dealer Agreement in the Bankruptcy Case, Dealer desires to enter into this Agreement, (i) to allow Dealer, among other things, to wind down its Dealership Operations in an orderly fashion (specifically including the sale of all Dealer's new Motor Vehicles), (ii) to provide for Dealer's voluntary termination of the Dealer Agreement, GM's payment of certain monetary consideration to Dealer, and Dealer's covenants regarding its continuing Dealership Operations under the Dealer Agreement, as supplemented by the terms of this Agreement (the "Subject Dealership Operations"), and (iii) to provide for Dealer's release of GM, the 363 Acquirer and their related parties from any and all liability arising out of or connected with the Dealer Agreement, any predecessor agreement(s) thereto, and the relationship between GM and Dealer relating to the Dealer Agreement, and any predecessor agreement(s) thereto, all on the terms and conditions set forth herein.

COVENANTS

NOW, THEREFORE, in consideration of the foregoing recitals and the premises and covenants contained herein, Dealer and GM hereby agree (subject to any required Bankruptcy Court approvals) as follows:

1. Assignment-363 Sale. Dealer acknowledges and agrees that GM has the right, but not the obligation, to seek to assign the Dealer Agreement and this Agreement in the Bankruptcy Case to the 363 Acquirer. As part of the 363 Sale, provided such sale closes, GM may, in its sole discretion, assign the Dealer Agreement and this Agreement to the 363 Acquirer. If GM elects to exercise its option to assign the Dealer Agreement and this Agreement, Dealer specifically agrees to such assignment and agrees not to object to or protest any such assignment.

12 THIS DOCUMENT SHALL BE NULL AND VOID IF NOT EXECUTED BY DEALER AND RECEIVED BY GM ON OR BEFORE JUNE 12, 2009 OR IF DEALER CHANGES ANY TERM OR PROVISION HEREIN

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EXHIBIT

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L

2. Termination of Dealer Agreement. Subject to the terms of Section 1 above:

(a) Dealer hereby covenants and agrees to conduct the Subject Dealership Operations until the effective date of termination of the Dealer Agreement, which shall not occur earlier than January 1, 2010 or later than October 31, 2010, under and in accordance with the terms of the Dealer Agreement, as supplemented by the terms of this Agreement. Accordingly, Dealer hereby terminates the Dealer Agreement by written agreement in accordance with Section 14.2 thereof, such termination to be effective on October 31, 2010. Notwithstanding the foregoing, either party may, at its option, elect to cause the effective date of termination of the Dealer Agreement to occur (if not terminated earlier as provided herein) on any date after December 31, 2009, and prior to October 31, 2010, upon thirty (30) days written notice to the other party. In addition, and notwithstanding the foregoing, if Dealer has sold all of its new Motor Vehicle inventory on or before December 31, 2009 and wishes to terminate the Dealer Agreement prior to January 1, 2010, Dealer may request that GM or the 363 Acquirer, as applicable, approve such termination and, absent other limiting circumstances, GM or the 363 Acquirer, as applicable, shall not unreasonably withhold its consent to such termination request, subject to the terms of this Agreement.

(b) Concurrently with its termination of the Dealer Agreement, Dealer hereby conveys to GM or the 363 Acquirer, as applicable, a non-exclusive right to use Dealer's customer lists and service records for the Subject Dealership Operations, and within ten (10) days following GM's or the 363 Acquirer's, as applicable, written request, Dealer shall deliver to GM or the 363 Acquirer, as applicable, digital computer files containing copies of such lists and records. Such right of use shall include without limitation the right to communicate with and solicit business and information from customers identified in such lists and records and to assign such non-exclusive right to third parties without thereby relinquishing its own right of use.

3. Payment to Dealer.

(a) Subject to Sections 1 and 2 above, in consideration of (i) Dealer's execution and delivery to GM of this Agreement, (ii) Dealer's agreement to sell its new Motor Vehicle inventory as set forth below, and (iii) the termination of the Dealer Agreement by written agreement in accordance with Section 14.2 thereof (as set forth in Section 2 of this Agreement), GM or the 363 Acquirer, as applicable, shall pay, or cause to be paid, to Dealer the sum of \$1,043,261 (the "Wind-Down Payment Amount"), subject to the terms herein. This payment is consideration solely for Dealer's covenants, releases and waivers set forth herein, and Dealer's transfer to GM or the 363 Acquirer, as applicable, of a non-exclusive right to use the customer lists and service records.

(b) GM shall pay twenty-five percent (25%) of the Wind-Down Payment Amount (the "Initial Payment Amount") to Dealer by crediting Dealer's open account maintained by GM on the GM Dealer Payment System (the "Open Account"), in accordance with GM's standard practices, within ten (10) business days following the later of (i) GM's receipt of any required Bankruptcy Court approvals, or (ii) full execution and delivery of this Agreement. GM or the 363 Acquirer, as applicable, shall pay the balance of the Wind-Down Payment Amount (the "Final Payment Amount") to Dealer, subject to the terms of this Agreement, by crediting Dealer's Open Account in accordance with its standard practices, within ten (10) business days after all of the following have occurred: (i) Dealer has sold all of its new Motor Vehicle inventory for the Existing Model Line prior to the termination of the Dealer Agreement, (ii) Dealer's compliance with all applicable bulk transfer, sales tax transfer or similar laws and the expiration of all time periods provided therein, (iii) Dealer's delivery to GM or the 363 Acquirer, as applicable, of



certificates of applicable taxing authorities that Dealer has paid all sales, use, and other taxes or evidence reasonably satisfactory to GM or the 363 Acquirer, as applicable, that GM or the 363 Acquirer, as applicable, will have no liability or obligation to pay any such taxes that may remain unpaid, (iv) the effective date of termination of the Dealer Agreement in accordance with Section 2(a) above, (v) Dealer's compliance with the terms of Section 4(c) below, (vi) GM's or the 363 Acquirer's receipt of the fully executed Supplemental Wind-Down Agreement in substantially the form attached hereto as Exhibit A (subject to inclusion of information specific to Dealer's Dealership Operations), and (vii) GM's or the 363 Acquirer's, as applicable, receipt of any required Bankruptcy Court approvals. GM or the 363 Acquirer, as applicable, may, in its sole discretion, waive in writing any of the conditions for payment set forth in the preceding sentence.

(c) In addition to any other setoff rights under the Dealer Agreement, payment of all or any part of the Wind-Down Payment Amount may, in GM's or the 363 Acquirer's reasonable discretion, be (i) reduced by any amount owed by Dealer to GM or the 363 Acquirer, as applicable, or their Affiliates (as defined below), and/or (ii) delayed in the event GM or the 363 Acquirer, as applicable, has a reasonable basis to believe that any party has or claims any interest in the assets or properties of Dealer relating to the Subject Dealership Operations including, but not limited to, all or any part of the Wind-Down Payment Amount (each, a "Competing Claim"), in which event GM or the 363 Acquirer, as applicable, may delay payment of all or any part of the Wind-Down Payment Amount until GM or the 363 Acquirer, as applicable, has received evidence in form and substance reasonably acceptable to it that all Competing Claims have been fully and finally resolved.

4. Complete Waiver of All Termination Assistance Rights. In consideration of the agreements by GM hereunder, upon the termination of the Dealer Agreement, as provided in this Agreement, and cessation of the Subject Dealership Operations, the following terms shall apply in lieu of Dealer's rights to receive termination assistance, whether under the Dealer Agreement or applicable laws, all of which rights Dealer hereby waives:

(a) Neither GM nor the 363 Acquirer, as applicable, shall have any obligation to repurchase from Dealer any Motor Vehicles whatsoever.

(b) Neither GM nor the 363 Acquirer, as applicable, shall have any obligation to repurchase from Dealer any Parts or Accessories or Special Tools whatsoever.

(c) Dealer shall eliminate or remove from the Dealership Premises all Dealer-owned signs (freestanding or not) for the Subject Dealership Operations within thirty (30) days following the effective date of termination at no cost to either GM or the 363 Acquirer, as applicable. Dealer understands and agrees that neither GM nor the 363 Acquirer, as applicable, will purchase any Dealer-owned signs used in connection with the Subject Dealership Operations. Dealer hereby waives any rights it may have to require either GM or the 363 Acquirer, as applicable, to purchase any signs used or useful in connection with the Subject Dealership Operations. Dealer shall provide, or shall cause the owner of the Dealership Premises to provide, GMDI access to the Dealership Premises in order for GMDI to remove all GM signs leased to Dealer by GMDI. Dealer understands and agrees that the Wind-Down Payment Amount was determined by GM in part based on Dealer's agreement that it will timely remove all signs for the Subject Dealership Operations and will not require or attempt to require GM or the 363 Acquirer, as applicable, to purchase any or all of such signs pursuant to the provisions of the Dealer Agreement or any applicable statutes, regulations, or other laws.



(d) Dealer expressly agrees that the provisions of Article 15 of the Dealer Agreement do not, by their terms, apply to this termination.

(e) Dealer expressly agrees that all termination rights of Dealer are set forth herein and expressly agrees that any termination assistance otherwise available to Dealer as set forth in the Dealer Agreement or any state statute or regulation shall not apply to Dealer's termination of the Dealer Agreement.

(f) The terms of this Section 4 shall survive the termination of this Agreement.

5. Release; Covenant Not to Sue; Indemnity.

(a) Dealer, for itself, its Affiliates and any of their respective members, partners, venturers, stockholders, officers, directors, employees, agents, spouses, legal representatives, successors, and assigns (collectively, the "Dealer Parties"), hereby releases, settles, cancels, discharges, and acknowledges to be fully satisfied any and all claims, demands, damages, debts, liabilities, obligations, costs, expenses, liens, actions, and causes of action of every kind and nature whatsoever (specifically including any claims which are pending in any court, administrative agency or board or under the mediation process of the Dealer Agreement), whether known or unknown, foreseen or unforeseen, suspected or unsuspected ("Claims"), which Dealer or anyone claiming through or under Dealer may have as of the date of the execution of this Agreement against GM, the 363 Acquirer, their Affiliates or any of their respective members, partners, venturers, stockholders, officers, directors, employees, agents, spouses, legal representatives, successors or assigns (collectively, the "GM Parties"), arising out of or relating to (i) the Dealer Agreement or this Agreement, (ii) any predecessor agreement(s), (iii) the operation of the dealership for the Existing Model Line, (iv) any facilities agreements, including without limitation, any claims related to or arising out of dealership facilities, locations or requirements, Standards for Excellence ("SFE") related payments or bonuses (except that GM shall pay any SFE payments due Dealer for the second (2nd) quarter of 2009 and neither GM nor the 363 Acquirer, as applicable, shall collect any further SFE related payments from Dealer for the third (3rd) quarter of 2009 or thereafter), and any representations regarding motor vehicle sales or profits associated with Dealership Operations under the Dealer Agreement, or (v) any other events, transactions, claims, discussions or circumstances of any kind arising in whole or in part prior to the effective date of this Agreement, provided, however, that the foregoing release shall not extend to (x) reimbursement to Dealer of unpaid warranty claims if the transactions giving rise to such claims occurred within ninety (90) days prior the date of this Agreement, (y) the payment to Dealer of any incentives currently owing to Dealer or any amounts currently owing to Dealer in its Open Account, or (z) any claims of Dealer pursuant to Section 17.4 of the Dealer Agreement, all of which amounts described in (x) - (z) above of this sentence shall be subject to setoff by GM or the 363 Acquirer, as applicable, of any amounts due or to become due to either or any of its Affiliates. GM or the 363 Acquirer, as applicable, shall not charge back to Dealer any warranty claims approved and paid by GM or the 363 Acquirer, as applicable, prior to the effective date of termination, as described in Section 2 above, after the later to occur of (A) the date six (6) months following payment, or (B) the effective date of termination, except that GM or the 363 Acquirer, as applicable, may make charge-backs for false, fraudulent or unsubstantiated claims within two (2) years of payment.

(b) As set forth above, GM reaffirms the indemnification provisions of Section 17.4 of the Dealer Agreement and specifically agrees that such provisions apply to all new Motor Vehicles sold by Dealer.



(c) Dealer, for itself, and the other Dealer Parties, hereby agrees not to, at any time, sue, protest, institute or assist in instituting any proceeding in any court or administrative proceeding, or otherwise assert (i) any Claim that is covered by the release provision in subparagraph (a) above or (ii) any claim that is based upon, related to, arising from, or otherwise connected with the assignment of the Dealer Agreement or this Agreement by GM to the 363 Acquirer in the 363 Sale, if any, or an allegation that such assignment is void, voidable, otherwise unenforceable, violates any applicable law or contravenes any agreement. As a result of the foregoing, any such breach shall absolutely entitle GM or the 363 Acquirer, as applicable, to an immediate and permanent injunction to be issued by any court of competent jurisdiction, precluding Dealer from contesting GM's or the 363 Acquirer's, as applicable, application for injunctive relief and prohibiting any further act by Dealer in violation of this Section 7. In addition, GM or the 363 Acquirer, as applicable, shall have all other equitable rights in connection with a breach of this Section 7 by Dealer, including, without limitation, the right to specific performance.

(d) Dealer shall indemnify, defend and hold the GM Parties harmless, from and against any and all claims, demands, fines, penalties, suits, causes of action, liabilities, losses, damages, costs, and expenses (including, without limitation, reasonable attorneys' fees and costs) which may be imposed upon or incurred by the GM Parties, or any of them, arising from, relating to, or caused by Dealer's (or any other Dealer Party's) breach of this Agreement or Dealer's execution or delivery of or performance under this Agreement. "Affiliate" means, with respect to any Person (as defined below), any Person that controls, is controlled by or is under common control with such Person, together with its and their respective partners, venturers, directors, officers, stockholders, agents, employees and spouses. "Person" means an individual, partnership, limited liability company, association, corporation or other entity. A Person shall be presumed to have control when it possesses the power, directly or indirectly, to direct, or cause the direction of, the management or policies of another Person, whether through ownership of voting securities, by contract, or otherwise.

(e) The terms of this Section 5 shall survive the termination of this Agreement.

6. Subject Dealership Operations. From the effective date of this Agreement until the effective date of termination of the Dealer Agreement (which shall not occur prior to January 1, 2010, subject to Section 2(a) above):

(a) Dealer shall not, and shall have no right to, purchase Motor Vehicles from GM or the 363 Acquirer, as applicable, which rights Dealer hereby waives.

(b) Dealer shall have the right to purchase service parts from GM or the 363 Acquirer, as applicable, to perform warranty service and other normal service operations at the Dealership Premises during the term of this Agreement. Dealer shall have no obligation, however, to follow the recommendations of GM's service parts operations' retail inventory management ("RIM") process, which recommendations are provided for guidance purposes only. Dealer's future orders of service parts of any kind (as well as service parts currently on hand and those acquired in the future from a source other than GM or the 363 Acquirer, as applicable), including but not limited to RIM-recommended orders, shall not be eligible for return.

(c) Dealer shall not, and shall have no right to, propose to GM or the 363 Acquirer, as applicable, (under Section 12.2 of the Dealer Agreement or otherwise) or consummate a change in Dealer Operator, a change in ownership, or, subject to GM's or the 363 Acquirer's, as applicable, option, a transfer of the dealership business or its principal assets to any Person; provided, however, that GM or the 363 Acquirer, as applicable, shall honor the terms of Section



12.1 of the Dealer Agreement upon the death or incapacity of the Dealer Operator, except that the term of any new dealer agreement under Subsection 12.1.5 shall expire on October 31, 2010; subject to the terms of this Agreement. Accordingly, neither GM nor the 363 Acquirer, as applicable, shall have any obligation (under Section 12.2 of the Dealer Agreement or otherwise) to review, process, respond to, or approve any application or proposal to accomplish any such change, except as expressly otherwise provided in the preceding sentence.

(d) In addition to all other matters set forth herein, the following portions of the Dealer Agreement shall not apply; Sections 6.1 and 6.3.1 (concerning ordering of new Motor Vehicles), Article 8 (Training), Article 9 (Review of Dealer's Performance), Sections 12.2 and 12.3 (Changes in Management and Ownership), Article 15 (Termination Assistance), and Article 16 (Dispute Resolution).

(e) Except as expressly otherwise set forth herein, the terms of the Dealer Agreement, shall remain unmodified and in full force and effect.

7. No Protest

(a) GM or the 363 Acquirer, as applicable, may desire to relocate or establish representation for the sale and service of the Existing Model Line in the vicinity of Dealer's Dealership Premises identified in the Dealer Agreement. In consideration of GM's and the 363 Acquirer's, as applicable, covenants and obligations herein, Dealer covenants and agrees that it will not commence, maintain, or prosecute, or cause, encourage, or advise to be commenced, maintained, or prosecuted, or assist in the prosecution of any action, arbitration, mediation, suit, proceeding, or claim of any kind, before any court, administrative agency, or other tribunal or dispute resolution process, whether federal, state, or otherwise, to challenge, protest, prevent, impede, or delay, directly or indirectly, any establishment or relocation whatsoever of a motor vehicle dealership for the Existing Model Line.

(b) Dealer, for itself and for each and all of the other Dealer Parties, hereby releases and forever discharges the GM Parties, from any and all past, present, and future claims, demands, rights, causes of action, judgments, executions, damages, liabilities, costs, or expenses (including, without limitation, attorneys' fees) which they or any of them have or might have or acquire, whether known or unknown, actual or contingent, which arise from, are related to, or are associated in any way with, directly or indirectly, the establishment or relocation of such Existing Model Line.

(c) Dealer recognizes that it may have some claim, demand, or cause of action of which it is unaware and unsuspecting which it is giving up pursuant to this Section 7. Dealer further recognizes that it may have some loss or damage now known that could have consequences or results not now known or suspected, which it is giving up pursuant to this Section 7. Dealer expressly intends that it shall be forever deprived of any such claim, demand, cause of action, loss, or damage and understands that it shall be prevented and precluded from asserting any such claim, demand, cause of action, loss, or damage.

(d) Dealer acknowledges that, upon a breach of this Section 7 by Dealer, the determination of the exact amount of damages would be difficult or impossible and would not restore GM or the 363 Acquirer, as applicable, to the same position it would occupy in the absence of breach. As a result of the foregoing, any such breach shall absolutely entitle GM or the 363 Acquirer, as applicable, to an immediate and permanent injunction to be issued by any court of competent jurisdiction, precluding Dealer from contesting GM's or the 363 Acquirer's, as applicable, application for injunctive relief and prohibiting any further act by Dealer in



violation of this Section 7. In addition, GM or the 363 Acquirer, as applicable, shall have all other equitable rights in connection with a breach of this Section 7 by Dealer, including, without limitation, the right to specific performance.

8. Due Authority. Dealer and the individual(s) executing this Agreement on behalf of Dealer hereby jointly and severally represent and warrant to GM that this Agreement has been duly authorized by Dealer and that all necessary corporate action has been taken and all necessary corporate approvals have been obtained in connection with the execution and delivery of and performance under this Agreement.

9. Confidentiality. Dealer hereby agrees that, without the prior written consent of GM or the 363 Acquirer, as applicable, it shall not, except as required by law, disclose to any person (other than its agents or employees having a need to know such information in the conduct of their duties for Dealer, which agents or employees shall be bound by a similar undertaking of confidentiality) the terms or conditions of this Agreement or any facts relating hereto or to the underlying transactions.

10. Informed and Voluntary Acts. Dealer has reviewed this Agreement with its legal, tax, or other advisors, and is fully aware of all of its rights and alternatives. In executing this Agreement, Dealer acknowledges that its decisions and actions are entirely voluntary and free from any duress.

11. Binding Effect. This Agreement shall benefit and be binding upon the parties hereto and their respective successors or assigns. Without limiting the generality of the foregoing, after the 363 Sale occurs and provided that GM assigns the Dealer Agreement and this Agreement to the 363 Acquirer, this Agreement shall benefit and bind the 363 Acquirer.

12. Effectiveness. This Agreement shall be deemed withdrawn and shall be null and void and of no further force or effect unless this Agreement is executed fully and properly by Dealer and is received by GM on or before June 12, 2009.

13. Continuing Jurisdiction. By executing this Agreement, Dealer hereby consents and agrees that the Bankruptcy Court shall retain full, complete and exclusive jurisdiction to interpret, enforce, and adjudicate disputes concerning the terms of this Agreement and any other matter related thereto. The terms of this Section 13 shall survive the termination of this Agreement.

14. Other Agreements.

(a) Dealer shall continue to comply with all of its obligations under Channel Agreements (as defined below) between GM and Dealer, provided that GM or the 363 Acquirer, as applicable, and Dealer shall enter into any amendment or modification to the Channel Agreements required as a result of GM's restructuring plan, in a form reasonably satisfactory to GM or the 363 Acquirer, as applicable. In the event of any conflict between the terms of the Channel Agreements and this Agreement, the terms and conditions of this Agreement shall control.

(b) The term "Channel Agreements" shall mean any agreement (other than the Dealer Agreement) between GM and Dealer imposing on Dealer obligations with respect to its Dealership Operations under the Dealer Agreement, including, without limitation, obligations to relocate Dealership Operations, to construct or renovate facilities, not to protest establishment or relocation of other dealerships, to conduct exclusive Dealership Operations under the Dealer Agreement, or to meet certain sales performance standards (as a condition of receiving or retaining payments from GM or the 363 Acquirer, as applicable, or otherwise). Channel Agreements may be entitled, without limitation, "Summary Agreement," "Agreement and Business Plan," "Exclusive Use Agreement," "Performance Agreement," "No-Protest Agreement," or "Declaration of Use Restriction, Right of First Refusal, and Option to Purchase."



Notwithstanding the foregoing, the term "Channel Agreement" shall not mean or refer to (i) any termination agreement of any kind with respect to the Dealer Agreement between Dealer and GM (each a "Termination Agreement"), (ii) any performance agreement of any kind between Dealer and GM (each a "Performance Agreement"), or (iii) any agreement between Dealer (or any Affiliate of Dealer) and Argonaut Holdings, Inc., a Delaware corporation and wholly-owned subsidiary of GM ("AHI"), including, without limitation, any agreement entitled "Master Lease Agreement," "Prime Lease," or "Dealership Sublease" (and Dealer shall comply with all of the terms of such agreements with AHI). Dealer acknowledges that GM shall be entitled, at its option, to move to reject any currently outstanding Termination Agreements or Performance Agreements in the Bankruptcy Case. By executing this letter agreement, Dealer agrees not to, at any time, sue, protest, institute or assist in instituting any proceeding in any court or administrative proceeding, or otherwise assert any objection or protest of any kind with respect to GM's rejection of such Termination Agreements or Performance Agreements.

(c) All of the Channel Agreements shall automatically terminate and be of no further force or effect on the effective date of termination of the Dealer Agreement, except that those provisions that, by their terms, expressly survive termination of the Channel Agreements shall survive the termination contemplated under this Agreement. Following the effective date of termination of the Dealer Agreement, Dealer and GM shall execute and deliver documents in recordable form reasonably satisfactory to GM or the 363 Acquirer, as applicable, confirming the termination of any Channel Agreements affecting title to real property owned or leased by Dealer or Dealer's Affiliates.

15. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the state of Michigan.

16. Counterparts. This Agreement may be executed in counterparts, each of which when signed by all of the parties hereto shall be deemed an original, but all of which when taken together shall constitute one agreement.

17. Breach. In the event of a breach of this Agreement by Dealer, GM and the 363 Acquirer shall each have all of its remedies at law and in equity, including, without limitation, the right to specific performance.

18. Complete Agreement of the Parties. This Agreement, the Dealer Agreement, and the schedules, exhibits, and attachments to such agreements (i) contain the entire understanding of the parties relating to the subject matter of this Agreement, and (ii) supersede all prior statements, representations and agreements relating to the subject matter of this Agreement. The parties represent and agree that, in entering into this Agreement, they have not relied upon any oral or written agreements, representations, statements, or promises, express or implied, not specifically set forth in this Agreement. No waiver, modification, amendment or addition to this Agreement is effective unless evidenced by a written instrument signed by an authorized representative of the parties, and each party acknowledges that no individual will be authorized to orally waive, modify, amend or expand this Agreement. The parties expressly waive application of any law, statute, or judicial decision allowing oral modifications, amendments, or additions to this Agreement notwithstanding this express provision requiring a writing signed by the parties.

[Signature Page Follows]



IN WITNESS WHEREOF, Dealer and GM have executed this Agreement as of the day and year first above written.

Leson Chevrolet Company, Inc.

By: Donald R. Trapp

Name: Donald R. Trapp

Title: Dealer Operator

GENERAL MOTORS CORPORATION

By: Joy One

Authorized Representative

THIS DOCUMENT SHALL BE NULL AND VOID IF NOT EXECUTED BY DEALER AND RECEIVED BY GM ON OR BEFORE JUNE 12, 2009, OR IF DEALER CHANGES ANY TERM OR PROVISION HEREIN.



EXHIBIT M



General Motors LLC

FEDERAL EXPRESS: 798817596451

July 2, 2010

Mr. Donald R Trapp
Leson Chevrolet Company, Inc
1501 Westbank Expy
Harvey, LA 70058

Dear Mr. Donald R. Trapp:

General Motors LLC (GM) has reviewed your June 28, 2010 letter concerning the "Letter of Intent" (LOI) provided as a result of the June 18, 2010 arbitrator's decision in favor of Leson Chevrolet.

GM believes that its Letter of Intent fully complies with the Arbitration Statute. Its purpose is to effectively and efficiently reinstate dealers so long as they meet the normal business requirements set forth therein.

Your letter references the Wind-Down Agreement and asserts that somehow the arbitration result makes the Wind-Down Agreement void. GM believes your position to be without merit. All the arbitration decision does is allow the Leson dealership to be reinstated to the dealer network pursuant to the LOI.

In response to your specific business concerns, GM is prepared to extend the time for Leson Chevrolet to execute the LOI until July 16, 2010, which would thereby mean the LOI's term would expire September 14, 2010. On or before that date, Leson must comply with the terms of Paragraph 6—Line of Credit. It is obviously a normal business requirement for a dealership to have floor plan financing. In fact it is a breach of the Dealer Agreement if a dealer does not. Similarly, Leson must also comply with the terms of Paragraph 7—Net Working Capital, by October 31, 2010, when the current Dealer Agreement expires. Again, meeting the Net Working Capital Standard is a normal business requirement. In that regard, the \$2,850,000 figure contained in the LOI accurately reflects that requirement.

Please advise if you have any questions.

Regards,


Steven Murdock
Dealer Organizational Manager

CC: Lisa Rebowe (General Manager -Leson Chevrolet)
Johnny Collins (General Motors LLC Dealer Contractual Manager)

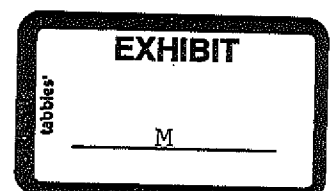


EXHIBIT N

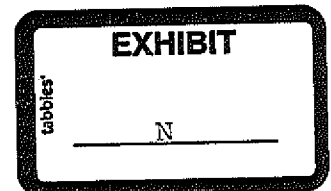
UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

LESON CHEVROLET CO., INC.	*	CIVIL ACTION
	*	
VERSUS	*	NO. 10-3290
	*	
GENERAL MOTORS, LLC	*	SECTION "L"(4)

ORDER & REASONS

On September 27, 2010, Defendant General Motors, LLC filed a Notice of Removal, removing the present matter from the Louisiana Motor Vehicle Commission, Case no. 2010-040. (R. 1). Given that “[i]f at any time before final judgment it appears the district court lacks subject matter jurisdiction, the case shall be remanded,” 28 U.S.C. § 1447(c), the Court exercises its authority to make a *sua sponte* determination of subject matter jurisdiction. *See Broussard v. United States*, 989 F.2d 171, 176 (5th Cir. 1993); *Burks v. Texas Co.*, 211 F.2d 443, 445 (5th Cir. 1954).

Whether a case may be removed to a federal district court from a state agency, such as the Louisiana Motor Vehicle Commission, has not yet been considered by the Fifth Circuit. However, a number of other circuits have ruled on the issue and are divided into two camps. *See Sun Buick, Inc. v. Saab Cars USA, Inc.*, 26 F.3d 1259, 1261-64 (3rd Cir. 1994); Emily M. Rector, *Removing From State Administrative Agencies*, 84 Notre Dame L. Rev. 269 (2009). The first of these camps adhere to a bright-line rule against removal from state agencies or commissions. *See id.* The second follows the “functional test,” which requires a district court to determine whether the state agency from which the case was removed sufficiently functions as a court so as to render removal therefrom appropriate. *See id.* The functional test contains a



number of factors to consider, including, but not limited to, the functions, powers and procedures of the agency and whether these mimic those of a court. *See id.*

In applying either of these tests to the present matter, the Court finds it lacks subject matter jurisdiction. First, because the removal is from the Louisiana Motor Vehicle Commission, a Louisiana state agency, *see generally Benson & Gold Chevrolet, Inc. v. Louisiana Motor Vehicle Comm'n*, 403 So. 2d 13, 15 (La. 1981), under the bright-line test, the action is not removable. *See Sun Buick, Inc. v. Saab Cars USA, Inc.*, 26 F.3d 1259, 1261-64 (3rd Cir. 1994); Rector, *Removing From State Administrative Agencies*, 84 Notre Dame L. Rev. 269.

Second, since the Louisiana Motor Vehicle Commission does not sufficiently function as a court, the action is not removable. *See id.* Another section of this Court has characterized the Louisiana Motor Vehicle Commission as follows,

In 1985, the Louisiana Legislature enacted the [Louisiana Motor Vehicle Act ("LMVA")] in order to provide automobile dealers with certain safeguards in their transactions with automobile manufacturers. The Act prohibits a manufacturer of motor vehicles from coercing dealers to any agreement, engaging in unfair practices with respect to dealers, and terminating dealerships 'unfairly and without just cause.'... The LMVA empowers only the [Louisiana Motor Vehicle Commission] to enforce the provisions of the Act. The Commission has the power to grant, deny, and revoke licenses for motor vehicle dealerships, to hold hearings, subpoena witnesses, impose civil penalties for violations of the Act, and order renewal or reinstatement of a dealer's franchise that a manufacturer has canceled without just cause. The Act also empowers the Commission to institute an injunctive action to enforce its provisions, and to enter cease and desist orders prohibiting conduct in violation of the Act. *Crescent City M Dealership, LLC v. Mazda Motor of America, Inc.*, 2000 WL 1372965, at *2 (E.D. La. Sept. 22, 2000)(internal citations omitted).

Considering this characterization, as well as the authority granted the Commission in Louisiana Revised Statutes 32:1251, *et seq.*, the Court finds that while the Commission functions in certain respects like a court, it is by no means the functional equivalent of a court. For example, the Louisiana Motor Vehicle Commission is only empowered to carry out the provisions of the

LMVA, and cannot adjudicate private actions. *See Crescent City*, 2000 WL 1372965.

Additionally, other federal courts have held that state motor vehicle commissions with rights and obligations similar to the Louisiana Motor Vehicle Commission do not constitute "functional" courts from which removal to a federal district court is appropriate. *See Sun Buick*, 26 F.3d 1259; *Rockville Harley-Davidson v. Harley-Davidson Motor Co.*, 217 F.Supp.2d 673, (D. Md. 2002); *Southaven Kawasaki-Yamaha v. Yamaha Motor Corp.*, 128 F.Supp.2d 975 (S.D. Miss. 2000).

Accordingly, for the foregoing reasons, the Court holds that it lacks subject matter jurisdiction over the present matter and orders that the matter be remanded to the Louisiana Motor Vehicle Commission.

New Orleans, Louisiana this 18th day of October 2010.


UNITED STATES DISTRICT JUDGE

cc: Louisiana Motor Vehicle Commission

EXHIBIT O

GMMS 1015
USA 09 2004

CAPITAL STANDARD ADDENDUM TO GENERAL MOTORS CORPORATION Dealer Sales and Service Agreement(s)

This Capital Standard Addendum, effective November 1, 2005, is pursuant to the Dealer Sales and Service Agreement(s) in effect between General Motors and Dealer.

General Motors has determined that the minimum net working capital (standard) necessary for the Dealer to adequately conduct Dealership Operations consistent with the Dealer's responsibilities is \$2,850,000.

Dealer has established, or will, within a reasonable time, establish and maintain actual dealer net working capital in an amount not less than the minimum amount specified above.

GENERAL MOTORS DEALER CAPITAL STANDARD PROGRAM

General Motors Corporation has endeavored, through the General Motors Capital Standard Program, to help dealers develop sound financial positions. Over the years, this Program has contributed substantially to the effectiveness and relative permanency of General Motors dealers as a whole.

The purpose of the General Motors Capital Standard Program is to establish the minimum amount of regularly needed net working capital that should be provided by the owners through capital stock, other investment and earnings.

A minimum net working capital standard is established for each dealer based on the dealership operations it is expected to conduct under its Dealer Sales and Service Agreement(s). Dealer having actual net working capital equal to the standard established for the dealership operations contemplated at its dealership location should have net working capital to be compared to the standard which shall be determined by arriving at the sum of Total Current Assets plus Driver Training Vehicles, Lease and Rental Units and Total Accumulated LIFO Writedown minus the sum of Total Liabilities excluding those listed below.

Those liabilities that are not subtracted are:

1. Long term notes payable which are qualified long term debt. Qualified long term debt is defined by the following criteria:
 - a. The note must be payable to an owner of Dealer;
 - b. Principle payments must be restricted to be paid only from profits; and
 - c. The amount of qualified long-term debt to be excluded is limited to 50% of the Net Working Capital standard.
 This exception is made because an owner would be less inclined to collect on a note payable at maturity than an outside creditor when payment of such a note would place the dealership in financial jeopardy.
2. Long term notes payable secured by real property.
This exception is made because dealers are not required to own land and buildings that are used for dealership operations. Many dealers, however, elect to acquire and hold title to all or a portion of such real property, thereby investing a portion of the total equity capital in land and buildings that would otherwise be available for working capital purposes.
3. Deferred Taxes.
This exception is made because deferred taxes are typically long term reserves for a liability and not due and payable unless the bulk of the business assets are sold. As a result, there is not a working capital requirement under normal ongoing operating conditions.

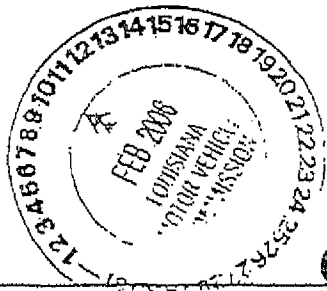
LESON CHEVROLET COMPANY, INC.
Dealer Firm Name

HARVEY, LOUISIANA
City, State

GENERAL MOTORS CORPORATION

By Ron Moore
Authorized Representative

9-20-05
Date



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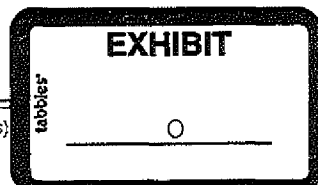


EXHIBIT P

Net Working Capital Standard

Computations Balance Sheet

The net working capital standard on page 1 of the Operating Report represents the minimum amount of net working capital needed to sustain satisfactory operation of the business. This net working capital standard is part of the contractual agreement between the dealership and the manufacturer and is established annually based on the dealer's method of operation and data shown on the operating reports for a 12-month period. The determinants are:

An average month's expenses excluding depreciation and amortization

An average month's parts and service customer receivables

An average month's cost of used vehicles sold retail. (Note: If any used vehicles are on floorplan, the amount of the note payable (Account 311, Notes Payable – Used Vehicles) will be subtracted from the used vehicle component, but only up to a maximum of 30% of the average's monthly cost.)

An average 2.4 months' cost of sales for parts and accessories sold

An average month's balance for factory receivables

An average month's cost of warranty claim sales

Net Working Capital – Dealer

Computations Balance Sheet

This calculates the dealer's surplus of current assets over current liabilities.

Example:

Total Current and Working Assets	\$5,000,000
Minus: Total Liabilities	- 4,500,000
Plus: Qualified Long Term Debt	+ 30,000
Plus: Deferred Taxes (<u>Account 333, Deferred Taxes</u>)	+ 20,000
Plus: Total LIFO Reserve (O.R. Page 7)	\$ 500,000
Plus: Mortgages Payable – Real Estate	+ 550,000
= Dealer Net Working Capital	\$ 1,600,000

Note: All dollar amounts are found on the Balance Sheet (O.R. Page 1) except for the Total LIFO Reserve. However, the dollar amount shown in LIFO RESERVE (O.R. Page 1) in the Asset Column as a NEGATIVE (which is the same amount as the TOTAL LIFO RESERVE on the O.R. Page 7) can be used in the computation by ignoring the negative sign in the calculation.

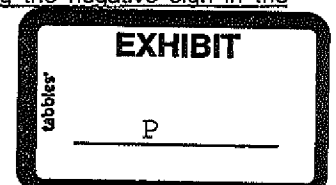


EXHIBIT Q

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New Orleans, Louisiana 70139
(504) 581-3234

Attorneys to Leson Chevrolet Company, Inc.

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

In re:

Chapter 11

MOTORS LIQUIDATION COMPANY, *et al.*
f/k/a General Motors Corp., *et al.*

Case No.: 09-50026 (REG)

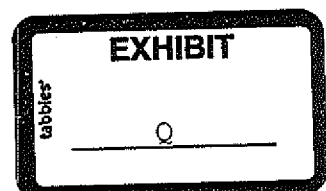
Debtors.

**UNSWORN DECLARATION UNDER PENALTY OF PERJURY
MADE PURSUANT TO 28 U.S.C. §1746**

STATE OF LOUISIANA
PARISH OF JEFFERSON

I, LISA REBOWE, declare and say:

1. That I am the General Manager of LESON CHEVROLET COMPANY, INC., ("Leson Chevrolet") in Harvey, Louisiana. I have served in this position for approximately the last fifteen (15) years.
2. I have also been approved by General Motors ("GM") as the Successor in Interest to my father, Donald Trapp.



3. I am a Certified Public Accountant and I obtained my degree in accounting from Loyola University in 1982.
4. I am over the age of majority and have never been convicted of a felony or crime involving moral turpitude, and am competent to make and execute this Declaration.
5. I have personal knowledge of the facts recited herein, and if called as a witness in this regard my testimony would be the same as that set forth herein.
6. At the time LESON CHEVROLET received its Wind-Down Notice on or about May 15, 2009, it had 326 new vehicles in inventory and \$1.2 million in parts and accessories in inventory.
7. Despite being reinstated on June 18, 2010, by Order of the Arbitrator assigned this case pursuant to the Dealer Arbitration Act, LESON CHEVROLET currently has only 33 new vehicles in inventory and approximately \$999,000 in parts and accessories in inventory.
8. In the 12-month period prior to receiving its Wind-Down Notice, LESON CHEVROLET sold 735 new vehicles.
9. In the last 12 months prior to the date of executing this Declaration, LESON CHEVROLET sold only 337 new vehicles.
10. LESON CHEVROLET has been unable to purchase new vehicles from GM since May 15, 2009.
11. LESON CHEVROLET has been unable to earn a profit since it received a Wind-Down letter and was terminated by GM on or about May 15, 2009. GM, however, seeks to impose a net working capital requirement upon LESON CHEVROLET of \$2,850,000, which is the same amount of net working capital it required LESON CHEVROLET to have in place between the years 2003 and 2008, prior to GM's issuance of a Wind-Down Notice and/or termination of LESON CHEVROLET's Dealership Sales and Service Agreement.
12. GM seeks to impose a net working capital requirement on LESON CHEVROLET, which is the equivalent of the net working capital GM required of LESON CHEVROLET between 2003 and 2008. However, the numerous credit institutions and banks which LESON CHEVROLET has sought to establish credit facilities with want to evaluate LESON CHEVROLET'S profitability, cash flow and performance over the last 12 months to date in order to assess LESON CHEVROLET'S credit standing.

13. Additionally, I have calculated Leson's Net Working Capital Standard utilizing the formula set forth by GM to be less than \$1.8 million utilizing the 12 month period from June 2009-May 2010 (as opposed to the \$2.85 million figure GM requires in its letter of intent)..
14. ALLY, formerly known as GMAC, has to date refused to authorize LESON CHEVROLET's floor plan line of credit for new vehicles until GM and LESON CHEVROLET have agreed upon a net working capital requirement. GM's use of the incorrect capital standard has impeded Leson's ability to obtain floor plan financing and order inventory. LESON CHEVROLET has had its floor plan financing with GMAC for the majority of the last seventy-five (75) years.

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES OF AMERICA THAT THE FOREGOING IS TRUE AND CORRECT.

EXECUTED ON THIS 18TH DAY OF OCTOBER, 2010.



LISA REBOWE
GENERAL MANAGER
LESON CHEVROLET COMPANY, INC.

EXHIBIT R



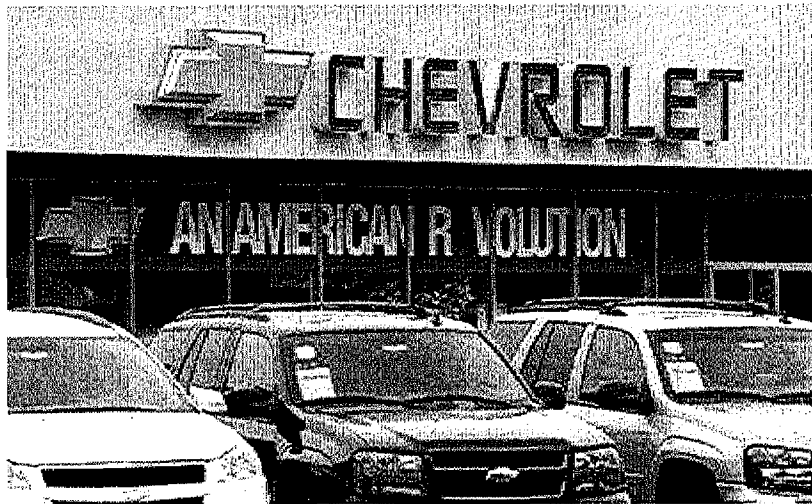
Everything Cleveland

GM sues Halleen Chevrolet and Sims Chevrolet as they fight to keep their franchises

Published: Monday, October 11, 2010, 5:26 PM Updated: Tuesday, October 12, 2010, 6:50 AM



Robert Schoenberger, The Plain Dealer



Marvin Fong, The Plain Dealer

Halleen Chevrolet, located along Lorain Road in North Olmsted, OH, is one of two local Chevrolet dealerships that GM wants to shutdown.

CLEVELAND, Ohio -- General Motors is trying to stop two Cleveland-area car dealers from fighting their impending closures.

Sims Chevrolet in Lyndhurst and Halleen Chevrolet in North Olmsted are among 1,500 nationwide that GM wants to shut down by the end of the month.

Nearly 1,200 dealerships filed for arbitration with GM this year in hopes of saving their stores, but most settled out of court. Thirty-nine dealerships went to arbitration and won, but Sims and Halleen were among 23 who lost. They responded by suing to have the arbitration rulings thrown out.

A win for either of the local stores could encourage other dealers to challenge their rejections, upsetting the automaker's plans to raise its profits by cutting dealerships.

In a court brief filed late Friday, GM argued that the dealerships' lawsuits violate clear orders from the bankruptcy judge overseeing the company's case. The company has asked the Bankruptcy Court in New York to order the stores to drop their suits and to pay legal fees for keeping the cases alive as long as they

have.

"We don't believe the dealerships have the right to appeal the arbitrator's decision," General Motors spokeswoman Ryndee Carney said Monday.

Attorneys representing the dealers did not return calls on Monday.

The cases go back to last year's bankruptcy filing by GM.

Weeks before the company filed, **it told dealers that it would cut the franchises of about 1,400 stores.** Instead of canceling the agreements, as **Chrysler did with about 900 stores a month earlier**, GM agreed to pay dealers an undisclosed sum of money and allow them to sell new cars and perform service work until Oct. 31, 2010.

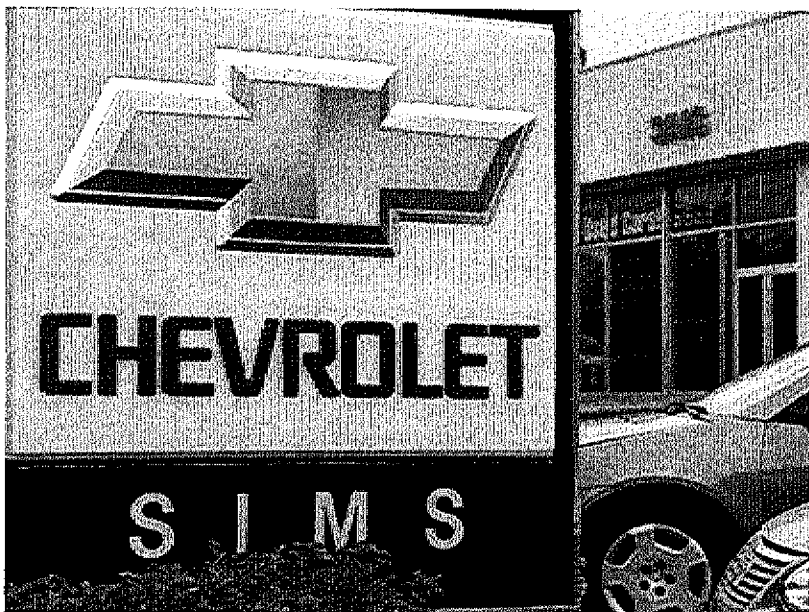
GM and Chrysler both argued that having fewer dealers would mean more sales and more profits for the remaining stores. Ideally, the dealers that remained with the companies would be better able to invest in new showrooms and in local advertising, helping the automakers sell more vehicles.

Dealers, **led by Avon Lake multi-brand dealer Alan Spitzer**, lobbied Congress, saying the closures would lead to job losses across the country and wouldn't make GM and Chrysler more successful.

Profile of Mark Sims from 1999

Rep. Steve LaTourette, Republican of Bainbridge Township, introduced legislation that Congress passed late last year forcing the automakers to go into arbitration with the 2,000 canceled dealerships.

In June, former Franklin County Common Pleas Judge Dale Crawford ruled in arbitration that Sims and Halleen franchises should not be reinstated. He was highly critical of both stores.



Sims Chevrolet in Lyndhurst on Monday. General Motors is suing to shut down the local auto dealership.

GM included the arbitration reports, which had been private, in its filings Friday. In his ruling, Crawford said Halleen's sales numbers were low, despite the dealer being on the popular North Olmsted Automile strip of dealerships.

"There are three other Chevrolet dealers within six miles of [Halleen]," and all had better sales numbers, Crawford said in his ruling. "[Halleen] has the working capital, location and overall profitability to make it economically viable. However, for some reason, it cannot compete in new car sales with Ganley [Chevrolet in Cleveland], Jack Matia [Chevrolet in Elyria] and Pat O'Brien [Chevrolet in Westlake]."

Crawford upheld GM's decision to cut Sims' franchise, saying it was the worst-performing Chevrolet dealership in the region.

"[Sims] has had many excuses over the year for his poor performance, but at not time has he come to the realization that he has underperformed and some of that may have been his own fault," Crawford said in his ruling.

The dealers said Crawford did not question GM's reasons for cutting stores and simply accepted the company's judgement that it could be more profitable with fewer locations.

The dealers quoted heavily from **a federal report released in July** that questioned whether or not the GM and Chrysler cuts had been necessary. The special investigator monitoring the spending of the federal bailouts of banks and automakers said the **dealership closures may have hurt the economy and did little to help the companies in the short term.**

But last week, the Bankruptcy Court judge overseeing the GM case ruled that dealers had no right to appeal the arbitration rulings, especially if their arguments were that the arbitrator came to the wrong conclusion.

"I have no allegations of bribes, conspiracy, fraud or even manifest disregard of existing law" in the case of California's Rally Auto Group vs. GM, Judge Robert Gerber said Monday in a hearing in New York, according to court transcripts.

GM, in its filings Friday, argued that the Halleen's and Sims' arguments were nearly identical to Rally's. And while the dealerships accused Crawford of bias, they did not accuse him of taking bribes or engaging in a conspiracy with GM.

After the Rally ruling on Oct. 4, GM attorneys wrote letters to Cleveland attorney Christopher DeVito, lawyer for Sims and Halleen and one of the attorneys representing Rally in California. The letter warned that if the stores didn't drop their challenges in the U.S. District Court in Cleveland, GM would sue in Bankruptcy Court to block the local suits.

10/19/2010

GM sues Halleen Chevrolet and Sims C...

DeVito responded on Friday by asking the District Court judge in Cleveland to issue a restraining order against GM so the Halleen and Sims cases could continue here.

Neither the judge in the District Court case nor the Bankruptcy Court judge have yet ruled on the requests.

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EXHIBIT S

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**

B.G.R., LLC d/b/a DeLand Dodge,

Plaintiff,

-vs-

Case No. 6:10-cv-1083-Orl-22KRS

CHRYSLER GROUP LLC,

Defendant.

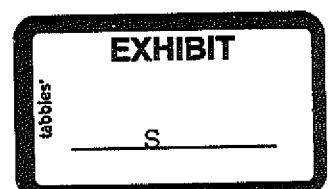
ORDER

This cause comes before the Court for consideration of Plaintiff B.G.R., LLC d/b/a DeLand Dodge's ("DeLand Dodge") Motion to Remand (Doc. No. 5), filed on August 5, 2010. Defendant Chrysler Group LLC ("Chrysler") filed a response in opposition (Doc. No. 11) on August 19, 2010. Because Chrysler has not established federal jurisdiction, the motion will be granted.

I. BACKGROUND

After being unlawfully terminated by Chrysler in its bankruptcy case in June 2009, DeLand Dodge filed a demand for arbitration to be added to Chrysler's dealer network. (Doc. No. 2 ¶ 1.) The mechanism for doing so is provided by Section 747 of H.R. 3288, the Consolidated Appropriations Act of 2010, Pub. L. No. 111-117, 123 Stat. 3034 (2009) ("Section 747"):

A covered dealership that was not lawfully terminated under applicable State law on or before April 29, 2009, shall have the right to seek, through binding arbitration, continuation, or reinstatement of a franchise agreement, or to be added as a franchisee to the dealer network of the covered manufacturer in the



geographical area where the covered dealership was located when its franchise agreement was terminated, not assigned, not renewed, or not continued.

Section 747(e). The arbitrator found in DeLand Dodge's favor, determining that DeLand Dodge "shall be added to the roster of dealerships of Chrysler Group, LLC, the newly created and covered manufacturer." (Doc. No. 2-1 p. 1.) DeLand Dodge then filed, in the Circuit Court of the Seventh Judicial Circuit in and for Volusia County, Florida, its application for confirmation of its arbitration award pursuant to the Florida Arbitration Code, Sections 682.01-682.22, Florida Statutes. (Doc. No. 2.) Specifically, DeLand Dodge requested an order that it should be "unconditionally" added to the roster of dealerships. (*Id.* at 2.) Chrysler removed the action to this Court and contends this Court has subject matter jurisdiction because the case involves a federal question. (*See* Doc. No. 11.) DeLand Dodge argues that state courts have exclusive jurisdiction over this action because it is brought pursuant to the Florida Arbitration Code. (*See* Doc. No. 5.)

II. STANDARD OF REVIEW

On a motion to remand, it is the removing defendant's burden to prove that federal jurisdiction exists. *Williams v. Best Buy Co.*, 269 F.3d 1316, 1319 (11th Cir. 2001). "Federal courts are courts of limited jurisdiction," and "it is to be presumed that a cause lies outside this jurisdiction." *Kokkonen v. Guardian Life Ins. Co. of Am.*, 511 U.S. 375, 377 (1994). Removal statutes are therefore strictly construed, and any uncertainties regarding jurisdiction are resolved in favor of remand. *Syngenta Crop Prot., Inc. v. Henson*, 537 U.S. 28, 32 (2002); *Burns v. Windsor Ins. Co.*, 31 F.3d 1092, 1095 (11th Cir. 1994). Nevertheless, a defendant may remove

to federal court any civil case filed in state court if the action could have been brought in federal court originally. 28 U.S.C. § 1441(a).

III. ANALYSIS

In DeLand Dodge's motion to remand, it asserts that the Court does not have subject matter jurisdiction over its claims. (Doc. No. 5 p. 1.) According to DeLand Dodge, federal jurisdiction is not provided by statute because state courts have exclusive jurisdiction to hear applications brought under the Florida Arbitration Code. (*Id.* at ¶ 5.) DeLand Dodge cites the language of Florida Statute Section 682.12, which provides that "the court shall confirm and award . . .", and section 682.18 which defines "court" as "any court of competent jurisdiction of this state." Thus, DeLand Dodge argues, only state courts can enter the confirmation for which it has applied. DeLand Dodge also contends that there is no other basis for federal question jurisdiction. According to DeLand Dodge, the matter "does not seek a construction of any federal law, including but not limited to Section 747 of the Consolidated Appropriations Act of 2010." (*Id.* at 14.) It asserts that section 747 is no longer at issue because it only established a right to arbitration, which has already occurred and is "final and binding." (*Id.* at 15.)

Chrysler argues that the action should not be remanded because this Court has federal question jurisdiction, both because the complaint pleads a cause of action created by federal law and because DeLand Dodge's state-law claims implicate federal issues. (Doc. No. 11 p. 5) (citing *Grable & Sons Metal Prod., Inc. v. Darue Eng'g & Mfg.*, 545 U.S. 308, 312 (2005); *Franchise Tax Bd. of the State of Cal. v. Constr. Laborers Vacation Trust for So. Cal.*, 463 U.S. 1, 9-11 (1983)). Chrysler further contends that DeLand Dodge incorrectly assumes that the

Florida Arbitration Code applies to this arbitration. According to Chrysler, that Code only applies to arbitrations conducted by agreement, not mandatory arbitrations as in the instant case. (*Id.* at 8-9). Even if Section 747 did provide for a confirmation process, Chrysler argues, DeLand's request to be "unconditionally added" to the dealer network "goes far beyond what this federal statute provides." (*Id.* at 9-10.)

While it is true that Section 747 is the source of this arbitration, the Court is not convinced that this alone provides federal jurisdiction over DeLand Dodge's application for confirmation. In determining whether federal jurisdiction exists, the Court applies the well-pleaded complaint rule, which requires the Court to look to the face of the complaint rather than to defenses for the existence of a federal question. *Jones v. LMR Intern., Inc.*, 457 F.3d 1174, 1178 (11th Cir. 2006) (citing *Caterpillar Inc. v. Williams*, 482 U.S. 386, 392 (1987)).

As stated above, DeLand Dodge brings this action pursuant to state law. (*See* Doc. No. 2.) Though nothing on the face of the complaint suggests a federal question, DeLand Dodge "may not avoid federal jurisdiction if either (1) [its] state-law claims raise substantial questions of federal law or (2) federal law completely preempts [its] state-law claims." *Dunlap v. G&L Holding Group, Inc.*, 381 F.3d 1285, 1290 (11th Cir. 2004) (citing *Franchise Tax Bd.*, 463 U.S. at 13). The Court finds that DeLand Dodge's claims neither involve substantial questions of federal law, nor does federal law preempt its claims. Nothing in Section 747 provides for the relief which DeLand Dodge seeks because the statute does not provide for confirmation of the arbitration; it also does not preempt DeLand Dodge's state law claims. Though the federal statute was the source for the arbitration, "the mere presence of a federal issue in a state cause of action does not automatically confer federal-question jurisdiction." *Id.* (citing *Merrell Dow*

Pharms., Inc. v. Thompson, 478 U.S. 804, 813 (1986)). Chrysler's arguments against remand might be appropriate when seeking dismissal for failure to state a claim, but whether DeLand Dodge has sufficiently stated a claim is not a jurisdictional issue for this Court to decide at this juncture. Finally, the Court must resolve any uncertainty in favor of remand. *Syngenta*, 537 U.S. at 32.

The Court will deny DeLand Dodge's motion for costs and attorney's fees. " 'Absent unusual circumstances, courts may award attorney's fees under [28 U.S.C.] § 1447(c) only where the removing party lacked an objectively reasonable basis for seeking removal.' " *Bauknight v. Monroe County, Fla.*, 446 F.3d 1327, 1329 (11th Cir. 2006) (quoting *Martin v. Franklin Capital Corp.*, 546 U.S. 132, 141 (2005)). The statute providing the mechanism for the arbitration was a federal statute; therefore, Chrysler had an objectively reasonable basis for believing this Court had subject matter jurisdiction. Thus, the Court will not award DeLand Dodge costs and fees.

Because this Court is satisfied that it does not have subject matter jurisdiction over this action, the case will be remanded to the Circuit Court of the Seventh Judicial Circuit in and for Volusia County, Florida.

Based on the foregoing, it is ORDERED as follows:

1. Plaintiff B.G.R., LLC d/b/a DeLand Dodge's ("DeLand Dodge") Motion to Remand (Doc. No. 5), filed on August 5, 2010, is GRANTED IN PART AND DENIED IN PART. The motion is GRANTED insofar as the case will be remanded to the Circuit Court of the Seventh Judicial Circuit in and for Volusia County, Florida. (Case No. 2010 12407 CIDL.) The motion is DENIED insofar as Plaintiff requests costs and attorney's fees.

2. The Clerk is directed to close this case and terminate all pending motions.

DONE and **ORDERED** in Chambers, in Orlando, Florida, on September 28, 2010.

Copies furnished to:

Counsel of Record
Unrepresented Party



ANNE C. CONWAY
United States District Judge

EXHIBIT T

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

LESON CHEVROLET CO., INC.

*

CIVIL ACTION

VERSUS

*

NO. 10-3290

GENERAL MOTORS, LLC

*

SECTION "L"(4)

ORDER

Counsel for the Defendant contacted the Court immediately after the Court issued its Order & Reasons remanding the above captioned matter to the Louisiana Motor Vehicle Commission. (R. 10). Counsel requested the opportunity to file a motion for reconsideration as to the Court's Order & Reasons. The Court has considered this request and agrees to entertain the Defendant's motion. Accordingly, IT IS ORDERED that the remand order is STAYED in order to allow the Court to consider the Defendant's forthcoming motion for reconsideration. IT IS FURTHER ORDERED that Defendant file its motion for reconsideration within ten days of this Order, and Plaintiff file its response to the motion ten days after the motion has been filed. Thereafter, the Court will make a determination as to subject matter jurisdiction, and based thereon, will either retain the case or lift the stay and go forward with the remand.

New Orleans, Louisiana this 18th day of October 2010


UNITED STATES DISTRICT JUDGE

