

Depot Garage, Inc.  
435 Fourth Avenue  
Gustine, CA 95322  
(209) 854-2433  
(209) 854-3820

Sent by  
Certified Mail  
Postmarked 9-30-11  
DATE  
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NEW MOTOR VEHICLE BOARD

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PROTEST  
60 DAY NOTICE  
STATE OF CALIFORNIA  
NEW MOTOR VEHICLE BOARD

FILED  
NEW MOTOR VEHICLE BOARD  
DATE 9-30-11  
BY na

In the Matter of the Protest of )  
DEPOT GARAGE, INC., )  
Protestant, )  
V. )  
GENERAL MOTORS, )  
Respondent. )  
\_\_\_\_\_ )

Protest No. PR-2315-11  
PROTEST  
[V.C. sec. 3060]

Protestant, Depot Garage, Incorporated, files this protest under the provisions of California Vehicle Code section 3060 and alleges as follows:

1. Protestant is a new motor vehicle dealer selling automobiles, parts and accessories, and is located at 435 Fourth Avenue. Protestant's telephone number is (209) 854-2433.
2. Respondent distributes/manufactures GMC products and is the franchisor of Protestant.
3. Protestant is represented in this matter by Jose Reynoso, General Manager of Depot Garage, Inc., whose address and telephone numbers are 435 Fourth Avenue Gustine California 95322 (209) 854-2433.
4. On or about September 2, 2011, Protestant received from Respondent a notice that Respondent intends to terminate its existing franchise agreement effective 60 days from Protestant's receipt of said notice.

5. Protestant generally denies each and every allegation contained in the written notice of termination.

6. Respondent does not have a good cause to terminate the franchise by reason of the following facts:

(a) In response to Respondent's termination letter, where Respondent states "On June 20, 2011, Mr. Reynoso submitted a letter from Bank of the West dated June 20, 2011 in which the bank manager advised that BOW was in the process of closing a line of credit for the Dealer within the next two weeks. More than two months later, no acceptable floorplan credit line has been provided by Dealer, whether from BOW or any other source." We had miscommunication with BOW about our intentions to create a floorplan sufficient to General Motors standards. We started a line of credit with Bank of the West, however, it was not established correctly to be a flooring line, instead being a business line. This error cost us two months; valuable time considering the circumstances. Due to our time constraint, we are in the process of transferring ownership of the franchise to Bruce Thompson of Thompson Chevrolet Buick in Patterson California. We want to make sure our past and present customers are taken care of so they will continue to do business with General Motors as well as ourselves.

(b) Protestant has made a substantial and permanent investment in the dealership. Being one of California's oldest dealers, we have been a franchise for over 70 years. We had the opportunity in November 2010 to take on an investor and relocate my franchise to Los Banos California, a city with a population ten times greater than Gustine California. Jose Reynoso opened up communication to Phil Walters at General Motors about relocating within our assigned sales region. There is not a franchise of the Respondent in Los Banos and has not been for 5 years. Our investor was a past franchise owner with the Respondent for over 60 years and understands the policies and procedures General Motors has and has a great grasp of the automobile business. When Jose Reynoso presented our proposal to Phil Walters, we were told that General Motors was not interested in having a franchise in Los Banos. When our floorplan issues arose, the minimum floorplan offered by any bank was two million dollars, which was not feasible in a town of five thousand people. If we were allowed to move to Los Banos California, a two million dollar floorplan would be sustainable. Since we are unable to relocate, we are in need of transferring ownership to Bruce Thompson.

(c) Protestant has transacted and is transacting an adequate amount of sales compared to the business available to it. According to Respondent's termination letter, as of September 2, 2011, we had sold 13 vehicles. Those 13 vehicles were sold without a floorplan source, which we feel shows effort on our part to maintain our commitment to our franchise agreement with Respondent.

(d) Protestant has fulfilled the warranty obligations to be performed by it.

(e) The extent of any failure of Protestant to comply with the terms of the franchise agreement is immaterial.

(f) Protestant has adequate motor vehicle sales and service facilities, equipment, vehicle parts, and qualified service personnel to reasonably provide for the needs of buyers and vehicle owners in the market area and is rendering adequate services to the public.

(g) It would be injurious to the public welfare for the franchise to be terminated or for Respondent to refuse to continue the existing franchise. When Respondent when through bankruptcy and downsized their number of dealers, Newman California lost their dealer leaving just Thompson's Chevrolet Buick and ourselves as the only General Motor dealers in over 50 miles in some directions.

7. Protestant desires to appear before the Board and estimate that the hearing in this matter will take 10 days to complete.

8. A Pre-Hearing Conference is requested.

WHEREFORE, Protestant prays as follows:

1. That the Board sustain this protest and order Respondent not to terminate Protestant's Franchise

2. That pending the hearing in this matter, the Board or its authorized representative immediately order the Respondent not to terminate Protestant's franchise until such time as Respondent has established good cause for such actions under the provisions of Vehicle Code sections 3060 and 3061.

DATED: September 30, 2011

By: Robert D. Voris

Robert D. Voris

By: Jose L. Reynoso

Jose L. Reynoso