

NEW MOTOR VEHICLE BOARD
1507 - 21st Street, Suite 330
Sacramento, California 95811
Telephone: (916) 445-1888

STATE OF CALIFORNIA

NEW MOTOR VEHICLE BOARD

In the Matter of the Protest of

BOB LEWIS VOLKSWAGEN dba BOB LEWIS
SUZUKI,

Protestant,

v.

AMERICAN SUZUKI MOTOR CORP.,

Respondent.

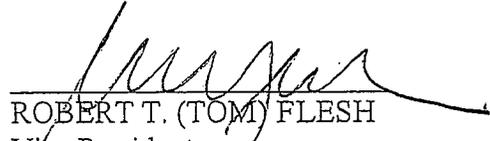
Protest No. PR-2042-07

DECISION

At its regularly scheduled meeting of September 7, 2007, the Public Members of the Board met and considered the administrative record and "Proposed Order Granting Respondent's Motion to Dismiss as to the Claims of the Silicon Valley Suzuki Advertising Association" in the above-entitled matter. After such consideration, the Board adopted the Proposed Order.

This Decision shall become effective forthwith.

IT IS SO ORDERED THIS 7th DAY OF SEPTEMBER 2007


ROBERT T. (TOM) FLESH
Vice President
New Motor Vehicle Board

1 NEW MOTOR VEHICLE BOARD
1507 - 21ST Street, Suite 330
2 Sacramento, California 95814
Telephone: (916) 445-1888

CERTIFIED MAIL

8 STATE OF CALIFORNIA
9 NEW MOTOR VEHICLE BOARD

11 In the Matter of the Protest of

12 BOB LEWIS VOLKSWAGEN dba BOB LEWIS
13 SUZUKI,

Protestant,

v.

15 AMERICAN SUZUKI MOTOR CORP.,

Respondent.

Protest No. PR-2042-07

**1. ORDER DENYING RESPONDENT'S
MOTION TO DISMISS PROTEST AS
TO BOB LEWIS VOLKSWAGEN dba
BOB LEWIS SUZUKI;
AND
2. PROPOSED ORDER GRANTING
RESPONDENT'S MOTION TO
DISMISS AS TO THE CLAIMS OF
THE SILICON VALLEY SUZUKI
ADVERTISING ASSOCIATION**

18 To: Gary S. Vandeweghe, Esq.
Attorney for Protestant
19 96 North Third Street, Suite 500
San Jose, California 95112

20 James M. Mulcahy, Esq.
21 Rex T. Reeves, Esq.
Raymond Chan, Esq.
22 Attorneys for Respondent
THE MULCAHY LAW FIRM
23 1 Park Plaza, Suite 225
Irvine, California 92614

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1 documents found and exchanged, counsel were then to submit to the Board whatever documents were
2 found along with counsels' statements as to the reasons for their disagreement.

3 7. On June 15, 2007, in response to the above requests of the administrative law judge,
4 counsel for American Suzuki unilaterally submitted to the Board the documents which are Exhibits A-G
5 attached to this order. Nothing has been received from counsel for Protestant.

6 THE ENTITIES INVOLVED

7 8. There are three entities involved in the transactions that gave rise to this protest. They are:

8 a. Bob Lewis Suzuki;

9 b. Suzuki of America; and

10 c. The Silicon Valley Suzuki Advertising Association ("SVSAA")². This is a corporation
11 separate from Bob Lewis Suzuki.

12 THE EXTENT OF THE BOARDS' POWERS TO HEAR THIS PROTEST

13 9. Section 3050(d) empowers the Board to (d) "Hear and decide, within the limitations and
14 in accordance with the procedure provided, a protest presented by a franchisee pursuant to Section
15 3060, 3062, 3064, 3065, or 3065.1." (Emphasis added.)

16 10. Section 3065.1 requires that any protest filed pursuant to that section be filed by a
17 "franchisee"³ against a "franchisor"⁴.

18 11. There must be a "franchise"⁵ in existence before there can be a franchisee or franchisor.

19
20
21 ² As alleged in the Protest, the SVSAA is a corporation created by Bob Lewis Suzuki. (Protest, page 2, lines 8-9) The records
22 of the Secretary of State show that the SVSAA shares the same address with Bob Lewis Volkswagen as well as the same agent
for service of process. The records of the Secretary of State show different numbers for each corporation and a "Date Filed" of
October 31, 2002 for the SVSAA as compared to a "Date Filed" of February 23, 1971 for Bob Lewis Volkswagen.

23 ³ Section 331.1 states: A "franchisee" is any person who, pursuant to a franchise, receives new motor vehicles subject to
24 registration under this code, new off-highway motorcycles, as defined in Section 436, new all-terrain vehicles, as defined in
Section 111, or new trailers subject to identification pursuant to Section 5014.1 from the franchisor and who offers for sale or
lease, or sells or leases the vehicles at retail or is granted the right to perform authorized warranty repairs and service, or the
right to perform any combination of these activities. (Emphasis added.)

25 ⁴ Section 331.2 states: A "franchisor" is any person who manufactures, assembles, or distributes new motor vehicles subject to
26 registration under this code, new off-highway motorcycles, as defined in Section 436, new all-terrain vehicles, as defined in
Section 111, or new trailers subject to identification pursuant to Section 5014.1 and who grants a franchise. (Emphasis
added.)

27 ⁵ Section 331 in part provides: (a) A "franchise" is a written agreement between two or more persons having all of the
following conditions:

(1) A commercial relationship of definite duration or continuing indefinite duration.

(2) The franchisee is granted the right to offer for sale or lease, or to sell or lease at retail new motor vehicles or new

1 12. There is a franchise in existence here under which Bob Lewis Suzuki is a franchisee and
2 Suzuki of America is the franchisor.

3 13. The SVSAA is not a franchisee of Suzuki of America as there is no franchise in existence
4 between the SVSAA and Suzuki of America.

5 14. Because Bob Lewis Suzuki is a franchisee the Board would have the power under Section
6 3050(d) to hear and decide a protest filed by Bob Lewis Suzuki under Section 3065.1.

7 15. However, as the SVSAA is not a "franchisee" the Board would not have such power if the
8 claim asserted in the protest is the claim of the SVSAA.

9 **ISSUES PRESENTED BY THE MOTION TO DISMISS**

10 16. American Suzuki asserts that:

11 a. The only entity which was eligible to participate in the Suzuki Advertising Program was
12 the SVSAA, a separate corporation which is not a "franchisee" as defined in the Vehicle Code. As only
13 the SVSAA was eligible to participate in the Advertising Program, the claim has to be that of the SVSAA.
14 Therefore, the protest should be dismissed as the Board has no jurisdiction to address a dispute between
15 the SVSAA and American Suzuki.

16 b. If the protest is that of Bob Lewis Suzuki the protest should be dismissed because Bob
17 Lewis Suzuki is not an eligible participant under the terms of the Advertising Program.

18 **DISCUSSION**

19 17. This protest was filed in the name of and in behalf of "Bob Lewis Volkswagen dba Bob
20 Lewis Suzuki" against "American Suzuki Motor Corporation".

21 18. As stated above, the protest refers to an advertising program created by American Suzuki
22 in April 2001 called the "American Suzuki Motor Corporation Advertising Association Program."

23 19. In accordance with the requirements of the Program, Bob Lewis Suzuki, in July 2001,
24 created a separate corporation called the Silicon Valley Suzuki Advertising Association ("SVSAA") with
25 Steven Lewis as its president.

26 20. The only dealer that was a member of the SVSAA was Bob Lewis Suzuki.

27
28 trailers subject to identification pursuant to Section 5014.1 manufactured or distributed by the franchisor or the right to perform
authorized warranty repairs and service, or the right to perform any combination of these activities. ...

1 21. American Suzuki determined that the SVSAA was eligible to participate in the Program.
2 American Suzuki asserts that, under the terms of the Program:

3 A. American Suzuki would reimburse advertising expenses to any advertising association
4 that was established by Suzuki dealers if the advertising association (here the SVSAA) met
5 American Suzuki's eligibility requirements; and,

6 B. American Suzuki's only obligation was to reimburse the advertising associations (of
7 which the SVSAA was one). The advertising associations would in turn reimburse the dealers
8 who were members of the advertising associations (here SVSAA would reimburse Bob Lewis
9 Suzuki). As the Program was open only to the advertising associations there was no obligation in
10 American Suzuki to make any payment to any dealer.

11 **The Motion to Dismiss**

12 22. The Motion to Dismiss is predicated upon the assertion that the SVSAA was permitted to
13 participate in the Program but that Bob Lewis Suzuki has no right to reimbursement from American
14 Suzuki. American Suzuki asserts that the only claim Bob Lewis Suzuki would have would be against the
15 SVSAA.

16 23. If the claim as asserted in the protest is that of the SVSAA there would be no jurisdiction
17 in the Board to hear the protest as the SVSAA is not a franchisee of American Suzuki. Counsel for
18 Protestant conceded this point during the hearing on the motion. (RT page 5, lines 4-15)

19 24. However, if the claim asserted in the protest is being made by Bob Lewis Suzuki, Bob
20 Lewis Suzuki would have standing to file a protest. Whether there is any merit to the claim of Bob Lewis
21 Suzuki cannot be determined by a ruling on this motion.

22 **The Allegations of the Protest**

23 25. To paraphrase from court decisions in other cases, "The protest is not happily drafted." It
24 is impossible to interpret with certainty just who is alleging what under the language of the protest. For
25 example: The protest refers to the SVSAA being an eligible participant in the Program with the funds
26 from the program being "provided to the SVSAA and other similar associations to reimburse Dealers for
27 50% of approved advertising." (Protest - page 2, lines 11-13); and, the protest also alleges that
28 "...Protestor (Bob Lewis Suzuki) was regularly and routinely reimbursed by Respondent (American

1 Suzuki) under the Program.” (Protest – page 2, lines 15-16)

2 26. Because it has not been established what the terms of the Program were (or whether there
3 was or was not a separate program to reimburse the dealers in addition to the reimbursement to the
4 advertising associations), it is impossible to resolve any claim of Bob Lewis Suzuki at this time by this
5 motion.

6 27. Based upon the protest and the arguments of counsel, there are at least two scenarios⁶
7 possible as asserted by Bob Lewis Suzuki.⁷

8 **If Bob Lewis Suzuki is making claims under the Program**

9 28. The protest can be read as alleging that it was Bob Lewis Suzuki that submitted the claims,
10 that the claims were submitted under the Program, and that American Suzuki failed to pay the claims of
11 Bob Lewis Suzuki.

12 29. Because Bob Lewis Suzuki is a franchisee of American Suzuki, Bob Lewis Suzuki would
13 have standing to file a protest with the Board under Section 3065.1, and the Board would have jurisdiction
14 under Section 3050(d) to hear and consider the protest of Bob Lewis Suzuki. Whether there is any merit
15 to the claim of Bob Lewis Suzuki is a mixed question of law and fact that cannot be determined based
16 upon the pleadings and documents as submitted. Similarly, the contention of American Suzuki that Bob
17 Lewis Suzuki was not eligible under the terms of the Program cannot be decided based upon the pleadings
18 and documents as submitted.

19 **If Bob Lewis Suzuki is making claims outside of the Program**

20 30. As stated above, Bob Lewis Suzuki is a franchisee of American Suzuki and has standing to
21 file a protest with the Board under Section 3065.1. The Board would have the power to hear and consider
22 the claim pursuant to Section 3050(d).

23 31. The claim of Bob Lewis Suzuki to the “other 50%” of the advertising expenses could be a
24

25 ⁶ During oral argument, counsel for Bob Lewis Suzuki made reference to the fact, in addition to the payments by American
26 Suzuki to the SVSAA, there was a “second half under Part 2” of the Program that was orally communicated to Mr. Steven
27 Lewis and which was performed over a period of time with payments being made to Bob Lewis Suzuki. Whether this can
28 factually and legally be established is something that will have to be determined at an evidentiary hearing.

⁷ American Suzuki may be quite correct that the Program was limited only to the advertising associations, that no dealer was
eligible or permitted to participate, and that there was no other advertising program in existence, written or oral, that extended
to Bob Lewis Suzuki. However, these are questions of fact that must wait for determination through an evidentiary hearing.

1 claim for reimbursement from American Suzuki separate from and outside of the Program (in addition to
2 what the SVSAA was entitled to receive under the Program).⁸ The merits of this claim could be
3 determined by resolving questions of law and fact and Bob Lewis Suzuki would have standing to file a
4 protest making such a claim with the Board.

5 32. In response to the administrative law judge's request, the following documents were
6 submitted to the Board by American Suzuki:

- 7 ▪ American Suzuki Advertising Association Program Rules for the period from April 1,
8 2001 – December 31, 2001. [See Exhibit A]
- 9 ▪ American Suzuki Advertising Association General Guidelines Effective: April 1, 2001.
10 [See Exhibit B]
- 11 ▪ American Suzuki Advertising Association Program Rules for the period from January 1,
12 2002 – December 31, 2002. [See Exhibit C]
- 13 ▪ American Suzuki Advertising Association General Guidelines Effective: January 1, 2002.
14 [See Exhibit D]
- 15 ▪ A "Sample" form (blank) captioned "ASMC Adversiting (sic) Association Claim Form"
16 showing a Program period from April 1 – July 30, 2001. The sub-caption on this form is
17 "DEALER INFORMATION". [See Exhibit E]
- 18 ▪ A form captioned "Suzuki Advertising Association Claim Form." The sub-caption on this
19 form is "ASSOCIATION INFORMATION". This form is partially filled out showing the
20 name "Silicon Ad Association" for the "Program Month" of "September 2002 - December
21 2002" (sic). [See Exhibit F]
- 22 ▪ A Sales Information Bulletin dated December 18, 2003 with a letter attached. The bulletin
23 states that the attached letter (dated December 18, 2003 and addressed to "Dear Suzuki
24 Dealer") "outlines the 2004 plan which will affect the dealers' advertising." The attached
25 letter states in part "This additional advertising holdback will be collected on each new

26
27 ⁸ It is possible that what was referred to as the "second half under Part 2" may be a different program separate from the
28 Program that was allegedly limited only to advertising associations. Because it has not been established what the terms of the
Program were or whether there was or was not a separate program to reimburse the dealers in addition to the reimbursement to
the advertising associations, it is impossible to resolve the claim of Bob Lewis Suzuki at this time by this motion.

1 vehicle wholesaled and deposited in a special account with each individual dealer's code.
2 The funds will be reimbursed to the dealers once copies of the dealer's advertising and
3 supporting invoices are submitted to and approved by the Advertising Checking Bureau.

4 **This new allowance will not replace the co-op program, but will supplement it."**

5 (Bold in the original.) [See Exhibit G]

6 33. As can be seen, the above documents include a claim form for "Dealer Information"
7 [Exhibit E], what may be a separate claim form for "Association Information" [Exhibit G] and an
8 announcement about a program that will provide advertising reimbursement directly to the individual
9 dealers [Letter attached to Exhibit G].

10 34. The legal and factual significance of these documents as they relate to the claim of Bob
11 Lewis Suzuki that it was directly eligible for reimbursement under an American Suzuki advertising
12 incentive program (in addition to the SVSAA) will have to be determined at an evidentiary hearing on the
13 protest of Bob Lewis Suzuki.⁹

14 **If the claims can only be the claims of the SVSAA**

15 35. If Bob Lewis Suzuki cannot establish a claim under or outside of the Program, and it is
16 only the SVSAA that has any rights under the Program, then any claim under the Program against Suzuki
17 of America should be brought by the SVSAA and not by Bob Lewis Suzuki.

18 36. However, if the claim is that of the SVSAA, because there is no right in the SVSAA to file
19 a protest with the Board, the Board would have no jurisdiction over any dispute between the SVSAA and
20 Suzuki of America.

21 **CONCLUSION**

22 **As to the Protest as filed by Bob Lewis Suzuki**

23 37. To the extent that the Protest is alleging a claim or claims by Bob Lewis Suzuki, the
24 motion to dismiss is denied.

25 38. There are questions of law and fact as to what rights if any Bob Lewis Suzuki may have as

26
27 ⁹ It is possible that the different forms are nothing more than evolutionary changes to just one form that occurred during the
28 course of the Program rather than separate forms for separate portions of the Program. However, as stated, the legal and
factual significance of these forms, the other documents submitted by American Suzuki, and whatever other documents may be
found to exist, must be evaluated during the administrative hearing to which Bob Lewis Suzuki is entitled as a franchisee.

1 to the right to reimbursement under the Program or outside the Program. As stated above, the terms of the
2 Program cannot be ascertained based upon the pleadings and documents as submitted.

3 As to any claims asserted by the SVSAA against American Suzuki

4 39. To the extent that the Protest is alleging a claim or claims by the SVSAA against American
5 Suzuki, the motion to dismiss is granted.

6 40. The SVSAA is not a franchisee of American Suzuki. The Board has no jurisdiction to
7 address a dispute between the SVSAA and American Suzuki.

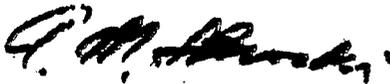
8 ORDER AS TO BOB LEWIS SUZUKI

9 After consideration of the pleadings, exhibits, and oral arguments of counsel, the following order
10 is hereby made: Respondent's Motion to Dismiss the protest of Bob Lewis Suzuki is denied.

11 SO ORDERED.

12
13 DATED: June 26, 2007

NEW MOTOR VEHICLE BOARD

14
15 By 

16 ANTHONY M. SKROCKI
17 Administrative Law Judge
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27 George Valverde, Director, DMV
28 Mary Garcia, Branch Chief,
Occupational Licensing, DMV

AMERICAN SUZUKI MOTOR CORPORATION ADVERTISING ASSOCIATION PROGRAM RULES

PROGRAM PERIOD: April 1, 2001 – December 31, 2001

PARTICIPANTS: All American Suzuki Motor Corporation (ASMC) eligible advertising associations

PROGRAM OBJECTIVE: To allow ASMC advertising associations to aggressively advertise Suzuki vehicles in their market area.

ADVERTISING ASSOCIATION GUIDELINES: Please refer to the attached "ASMC Advertising Associations General Guidelines" dated April 1, 2001, which are incorporated in these program rules. These guidelines include: association eligibility requirements, association funds, advertising content information, advertising media guidelines and claim submission information.

ADVERTISING FUNDS: Funds will be made available to eligible advertising associations upon ASMC approval of individual advertising association proposals. Approved advertising will be reimbursed at 50%. No exceptions to the 50% reimbursement will be made. Funds will be reimbursed to the Advertising Association upon receipt and verification of the advertising association claim form (Please refer to the "ASMC Advertising Association General Guidelines"). ASMC is not responsible for the direct payment of advertising invoices.

ADVERTISING PROPOSAL: Advertising association proposals must include the following: proposed advertising expenditures, advertising dates, advertising content, sales goals and inventory stocking levels. A current advertising association financial statement must also be submitted with the proposal. Creative executions must be included with the proposal. Your DSM will assist you in developing the proposal. Advertising Association proposals must be approved in writing from ASMC before expenditure of funds. Any expenditure of funds by the advertising association before written approval is received will be the responsibility of the advertising association.

ASSOCIATION ELIGIBILITY: Please refer to the attached "ASMC Advertising Association General Guidelines" for eligibility requirements. Current advertising associations will have a six month grace period to comply with the eligibility requirements. All eligibility requirements must be completed by Oct 1, 2001.

REVIEW/AUDIT PROCEDURES: ASMC reserves the right to inspect advertising association records during normal business hours and to question and/or disqualify any advertising claims made or reported that are not in accordance with the program rules and advertising guidelines. At the conclusion of this program, it may be necessary for a representative of ASMC to review advertising association records for accuracy. Such a review is not an audit and does not preclude an audit at a later date. All reimbursements made under this program are subject to such future audits and possible financial adjustments to the advertising association. Failure to submit dealer records for an ASMC audit may result in disqualification of the advertising association for this program and subsequent charge backs of any amounts paid by ASMC under this program.

TAX LIABILITY FOR FEDERAL, STATE OR OTHER TAXES: Any tax liability imposed on the reimbursement and/or award received in this campaign will be the sole responsibility of the advertising association and not of ASMC.

FINAL DECISION: In all matters relating to the interpretation and application of any rule or phase of this program, the decision of ASMC shall be final. ASMC reserves the right to cancel, amend or revoke the program at any time due to reasonable business consideration or due to circumstances beyond its control.

AMERICAN SUZUKI MOTOR CORPORATION ADVERTISING ASSOCIATION GENERAL GUIDELINES

Effective: April 1, 2001

ELIGIBILITY

In order to be a recognized Suzuki advertising association and to be eligible for advertising association funds the advertising association must meet all the following requirements. All information must be current and on record at American Suzuki Motor Corporation (ASMC).

1. ASMC requires that a legal entity be validly formed for the sole purpose of advertising Suzuki vehicles in a local market area.
 - All associations must adopt Articles of Incorporation and Bylaws in compliance with the Secretary of State's office for that given state. Each association is responsible for informing and updating the Secretary of State of person named in the Articles of Incorporation.
 - The Bylaws serve as a guideline for the corporation by setting forth the rules and procedures that govern the management of the corporation business and the conduct of it's corporate affairs.
 - Each association should elect officers: a President, Secretary and Treasurer. The duties of the officers should be set forth in the Bylaws. The duties include holding of meetings and the maintenance of accurate and complete corporate records.
 - Each advertising association must be established as an independent nonprofit corporation separate from ASMC. A nonprofit corporation is the equivalent of a "not for profit" corporation and means a corporation wherein, no part of the income is distributable to member, directors or officers.
 - All dealers in the advertising association must complete and sign a "Dealer Participation in Advertising Association" form.
 - Organizational formation documents must be approved by ASMC.
 - The association must immediately notify ASMC of any of the following: any change of control or deadlock in the management of the association; any change to the Articles of Incorporation or Bylaws; any changes in the composition of its members; or any other changes in the status such as inactivity or dissolution.
2. An independent designated financial representative is required.
 - The financial representative is required to maintain a detailed record of association funds including association assessments and expenditures. These must records must be made available to ASMC upon request.
 - The financial representative must also maintain a current advertising association financial statement to be provided to ASMC upon request.
 - The financial representative should render financial advice to the association, which would protect the best interests of the association while at the same time ensuring compliance with all state and federal tax laws.

3. The advertising association must have a current advertising agency.
 - The advertising agency should support the advertising association in advertising proposal development, advertising implementation and advertising claim submission.
4. The Advertising Association must be active in advertising Suzuki products.
 - Advertising associations must advertise Suzuki products on a regular basis as outlined in these guidelines and the Advertising Association program rules.
 - Advertising associations must meet on a regular basis to plan and develop Suzuki advertising campaigns and to conduct regular association business such as elections of officers and accountability of funds.
 - ASMC recommends that when a advertising association meeting takes place that the President or other officers of the association invite a representative of ASMC to attend the meeting. The ASMC representative can provide assistance on effective advertising and developing the association advertising proposal.

ASMC strongly advises and recommends each association to retain legal counsel to assist in the formation of a valid advertising association. Legal counsel should also render advice to the directors and/or officers of the association in conducting the association's activities that protect the best interests of the association while at the same time ensuring compliance with all state and federal laws.

Eligibility documentation should be mailed to the address below:

American Suzuki Motor Corporation
3251 E. Imperial Highway
Brea, CA 92821-6795
Attention: Sales Programs Dept.

FUNDS

Advertising Association funds are provided through a levy of assessments from each individual dealer member.

- Dealers will be assessed by ASMC according to the designated assessed amount on the "Dealer Participation in Advertising Association" form.
- ASMC will not collect less than \$150 per vehicle for any association. ASMC recommends an assessment of \$300 per vehicle.
- The assessments will be sent to the associations on a monthly basis along with a detailed summary.
- Upon assessment, the funds become the property of the advertising association and there is no individual member interest in those funds.
- Assessment amounts per vehicle are detailed on the vehicle invoice.

ASMC MATCHING FUNDS

ASMC matching funds may be available. Please see the current Advertising Association Program Rules for details. Suzuki does not guarantee matching funds.

ADVERTISING PRE-APPROVAL

All association advertising must receive written pre-approval by ASMC in order to be eligible for advertising association co-op reimbursement. Please see the current Advertising Association Program Rules for pre-approval procedures. Creative executions should be submitted with the association's advertising proposal. Please refer to these guidelines for specific ad requirements broken down by media.

ABOUT REIMBURSEMENT

Upon completion of advertising, the advertising association must complete a Suzuki Automotive Advertising Association Claim form and submit it, along with the required documentation, to the Advertising Department for reimbursement. Claims must be submitted to Suzuki's Advertising Department within 90 days of the advertising period.

Once Suzuki receives the claim, the Advertising Department will review the required documentation and process reimbursement for the pre-approved amount. If the approved amount of the submission is less than the maximum reimbursement amount, the remaining balance will be forfeited.

All claims submitted are subject to auditing by the Advertising Department for proper documentation, brand mention and approved advertising activities.

Suzuki advertising association funds are available only for eligible Suzuki advertising associations. Only paid advertising will be reimbursed. Only media expenditures including commissions, agency fees will be eligible for reimbursements.

ASMC AUTOMOTIVE ADVERTISING CLAIM FORMS

Claim forms will be mailed to the advertising association after the advertising association's proposal has been approved by ASMC.

Claim forms along with required documentation should be mailed to the address below:

American Suzuki Motor Corporation
3251 E. Imperial Highway
Brea, CA 92821-6795
Attention: Automotive Advertising Association

ADVERTISING TOOLS

The current model year ad planner includes samples of print advertisements dealers may choose to use. Each print advertisement provides areas where an advertising association may customize the ad with price points, maps, or other pertinent information. The approved Suzuki automotive logo, photography, line art and print ads can be found in the current model year ad planner located on CD-ROM or on the dealer section of the Suzuki website at www.suzuki.com.

AMERICAN SUZUKI MOTOR CORPORATION ADVERTISING ASSOCIATION PROGRAM RULES

PROGRAM PERIOD: January 1, 2002 – December 31, 2002

PARTICIPANTS: All American Suzuki Motor Corporation(ASMC) eligible advertising associations

PROGRAM OBJECTIVE: To allow ASMC advertising associations to aggressively advertise Suzuki vehicles in their market area.

ADVERTISING ASSOCIATION GUIDELINES: Please refer to the attached "ASMC Advertising Associations General Guidelines" dated April 1, 2001, which are incorporated in these program rules. These guidelines include: association eligibility requirements, association funds, advertising content information, advertising media guidelines and claim submission information.

ADVERTISING FUNDS: Funds will be made available to eligible advertising associations upon ASMC approval of individual advertising association proposals. Approved advertising will be reimbursed at 50%. No exceptions to the 50% reimbursement will be made. Funds will be reimbursed to the Advertising Association upon receipt and verification of the advertising association claim form (Please refer to the "ASMC Advertising Association General Guidelines"). ASMC is not responsible for the direct payment of advertising invoices.

ADVERTISING PROPOSAL: Advertising association proposals must include the following: proposed advertising expenditures, advertising dates, advertising content, sales goals and inventory stocking levels. A current advertising association financial statement must also be submitted with the proposal. Creative executions must be included with the proposal. Your DSM will assist you in developing the proposal. Advertising Association proposals must be approved in writing from ASMC before expenditure of funds. Any expenditure of funds by the advertising association before written approval is received will be the responsibility of the advertising association.

ASSOCIATION ELIGIBILITY: Please refer to the attached "ASMC Advertising Association General Guidelines" for eligibility requirements.

REVIEW/ AUDIT PROCEDURES: ASMC reserves the right to inspect advertising association records during normal business hours and to question and/or disqualify any advertising claims made or reported that are not in accordance with the program rules and advertising guidelines. At the conclusion of this program, it may be necessary for a representative of ASMC to review advertising association records for accuracy. Such a review is not an audit and does not preclude an audit at a later date. All reimbursements made under this program are subject to such future audits and possible financial adjustments to the advertising association. Failure to submit dealer records for an ASMC audit may result in disqualification of the advertising association for this program and subsequent charge backs of any amounts paid by ASMC under this program.

TAX LIABILITY FOR FEDERAL, STATE OR OTHER TAXES: Any tax liability imposed on the reimbursement and/or award received in this campaign will be the sole responsibility of the advertising association and not of ASMC.

FINAL DECISION: In all matters relating to the interpretation and application of any rule or phase of this program, the decision of ASMC shall be final. ASMC reserves the right to cancel, amend or revoke the program at any time due to reasonable business consideration or due to circumstances beyond its control.

AMERICAN SUZUKI MOTOR CORPORATION ADVERTISING ASSOCIATION GENERAL GUIDELINES

Effective: January 1, 2002

ELIGIBILITY

In order to be eligible for advertising association funds the advertising association must meet all the following requirements. All information must be current and on record at American Suzuki Motor Corporation (ASMC).

1. ASMC requires that a legal entity be validly formed for the sole purpose of advertising Suzuki vehicles in a local market area.
 - All associations must adopt Articles of Incorporation and Bylaws in compliance with the Secretary of State's office for that given state. Each association is responsible for informing and updating the Secretary of State of person named in the Articles of Incorporation.
 - The Bylaws serve as a guideline for the corporation by setting forth the rules and procedures that govern the management of the corporation business and the conduct of it's corporate affairs.
 - Each association should elect officers: a President, Secretary and Treasurer. The duties of the officers should be set forth in the Bylaws. The duties include holding of meetings and the maintenance of accurate and complete corporate records.
 - Each advertising association must be established as an independent nonprofit corporation, separate from ASMC. A nonprofit corporation is the equivalent of a "not for profit" corporation and means a corporation wherein, no part of the income is distributable to member, directors or officers.
 - All dealers in the advertising association must complete and sign a "Dealer Participation in Advertising Association" form.
 - Organizational formation documents must be approved by ASMC.
 - The association must inform ASMC of any changes to the associations' Articles of Incorporation and Bylaws. The association must also notify ASMC of any changes of association officers or directors.
2. An independent designated financial representative is required.
 - The financial representative is required to maintain a detailed record of association funds including association assessments and expenditures. These records must be made available to ASMC upon request.
 - The financial representative must also maintain a current advertising association financial statement to be provided to ASMC upon request.
 - The financial representative should render financial advice to the association, which would protect the best interests of the association while at the same time ensuring compliance with all state and federal tax laws.
3. The advertising association must have a current advertising agency.
 - The advertising agency should support the advertising association in advertising proposal development, advertising implementation and advertising claim submission.

INTERNET

This form of advertising includes banner and button advertisement, which are directly linked to the American Suzuki corporate website or a current Suzuki sales promotion.

Commissions, agency fees on media expenditures are eligible for reimbursement. Production fees are not eligible for reimbursement.

Ad Requirements:

- Banner or button advertisements that are directly linked to the Suzuki corporate website or a current Suzuki sales promotion
- May also be linked to the dealer's website
- Must include the approved Suzuki automotive logo
- Must be exclusive new Suzuki vehicle advertising
- Must include a visual representation of a new Suzuki vehicle in the form of line art or photography

Required Claim Submission Documentation:

- Original invoice with affidavit with each claim submission
- Copy of the screen grab
- Copy of the measurement report (such as click throughs)

OTHER

Other events, promotional items and any other form of advertising, not mentioned above, may be eligible under this program. You must receive pre-approval by ASMC.

NOTE:

- The participating advertising association understands that participation in this program is completely voluntary.
- ASMC or ASMC's designated representative will check for compliance with the rules of the program and check invoices for accuracy.
- The advertising association shall conduct a pre-production legal review of all advertising to ensure legal compliance. The association acknowledges and agrees that the association shall assume all responsibility for advertising under the program.
- The participating advertising association shall indemnify and hold ASMC harmless for all costs, expenses and/or losses, including reasonable attorney fees, resulting from any and all claims, lawsuits, judgements, or other liability suffered by ASMC based upon or related to any advertising prepared by the participating advertising association, or at the participating advertising association's direction, including, but not limited to, any claim of libel, slander, piracy, plagiarism, invasion of privacy, infringement of copyright or other intellectual property interest, or other advertising activity under this program, except where any such claim arises solely out of material supplied by ASMC and incorporated into any materials or advertisement prepared by the participating advertising association.
- ASMC reserves the right to amend, revoke or interpret this program at any time, without liability, in its sole discretion. Prior interpretation or actions taken by ASMC during this program or previous programs are not binding and have no bearing on future decisions.

The announcement was broadcast _____ times as entered in the station's program log. The times this announcement was broadcast were billed to this client on our invoice(s) numbered/dated _____ at his earned rate of: \$ _____ each for announcements broadcast between _____ and _____ for a total of \$ _____. Sworn to and subscribed to me and in my presence on this _____ day of _____, 20__.

Signature of station official

Notarized above Typed Name & Title, Station Call Letters

MALL DISPLAY/AUTO SHOW

This form of advertising includes any Mall or Auto Show display, which does not have support from American Suzuki under a separate program.

Advertising for association reimbursement must be exclusive to Suzuki and include new vehicle advertising only.

Commissions, agency fees on media expenditures are eligible for reimbursement. Production fees are ineligible for reimbursement.

Ad Requirements:

- Must be exclusive to Suzuki and include new Suzuki vehicles only
- Reimbursement is for space costs only

Required Claim Submission Documentation:

- Copy of invoice
- Photographs of each side of the display as proof of performance (minimum 4 angle photos)

CINEMA

Cinema advertising for reimbursement must be exclusive to Suzuki and include new vehicle advertising only.

Commissions, agency fees on media expenditures are eligible for reimbursement. Production fees are ineligible for reimbursement.

Ad Requirements:

- Must include the approved Suzuki automotive logo
- Must be exclusive new Suzuki vehicle advertising
- Must include a visual representation of a new Suzuki vehicle in the form of line art or photography

Required Claim Submission Documentation:

- Copy of original invoice/affidavit
- Original slide

Required Claim Submission Documentation:

- Copy of paid invoice
- Original, full-page ad for each insertion showing publication name and date
- Original direct mail piece along with postal receipts

OUTDOOR

Outdoor advertising for association must be exclusive to Suzuki and include new vehicle advertising only.

Commissions, agency fees on media expenditures are eligible for reimbursement. Production fees are ineligible for reimbursement.

Ad Requirements:

- Includes any outdoor billboard, bus board, or taxi board, etc.
- Must include the approved Suzuki automotive logo
- Must be exclusive new Suzuki vehicle advertising
- Must include a visual representation of Suzuki vehicles in the form of photography or line art

Required Claim Submission Documentation:

- Copy of paid invoice
- Photograph of the billboard (in place) or computer generated copy of the photo with an affidavit

RADIO

Radio advertising for association reimbursement must be exclusive to Suzuki and include new vehicle advertising only.

Commissions, agency fees on media expenditures are eligible for reimbursement. Production fees are ineligible for reimbursement.

Ad Requirements:

- Must be exclusive new Suzuki vehicle advertising

Required Claim Submission Documentation:

- A copy of the notarized affidavit of performance (such as the ANA/TB form)
- Copy of the paid invoice
- Copy of the script. The following information should be on the bottom of the script:

APPROVED MEDIA LIST

Television
Print
Radio
Internet

Outdoor Board
Mall /Auto Show
Cinema

AD REQUIREMENTS & CLAIM DOCUMENTATION

TELEVISION

Television advertising must be exclusive to Suzuki and include new vehicle advertising only.

Commissions, agency fees on media expenditures are eligible for Association reimbursement. Production fees are ineligible for reimbursement.

Suzuki running footage must be included in all commercials. Suzuki pre-produced television spots and running footage may be obtained through the Advertising Department at (714) 996-7040, ext. 2458. The approved television spot is a 25:05 commercial where associations can utilize the last 5 seconds to add price points, maps, or other pertinent information. Due to talent restrictions, the first 25 seconds may not be altered.

Ad Requirements:

- Must include the approved Suzuki automotive logo
- Must include Suzuki running footage unless Suzuki pre-produced spots are used

Required Claim Submission Documentation:

- Copy of the notarized affidavit of performance (such as the ANA/TB form)
- Copy of the paid invoice
- Copy of the video tape (mandatory)
- Copy of the script (mandatory)

PRINT (NEWSPAPER, MAGAZINE, INSERTS, OR DIRECT MAIL)

Newspaper, magazine, inserts or direct mail advertising for association reimbursement must be exclusive to Suzuki and include new vehicle advertising only.

Commissions, agency fees on media expenditures are eligible for reimbursement. Production fees are ineligible for reimbursement.

Ad Requirements:

- Must include the approved Suzuki automotive logo
- Must include a visual representation of a new Suzuki vehicle in the form of line art or photography

All claims submitted are subject to auditing by the Advertising Department for proper documentation, brand mention and approved advertising activities.

Suzuki advertising association funds are available only for eligible Suzuki advertising associations. Only paid advertising will be reimbursed. Only media expenditures including commissions, agency fees will be eligible for reimbursements.

ASMC AUTOMOTIVE ADVERTISING CLAIM FORMS

Claim forms will be mailed to the advertising association after the advertising association's proposal has been approved by ASMC.

Claim forms along with required documentation should be mailed to the address below:

American Suzuki Motor Corporation
3251 E. Imperial Highway
Brea, CA 92821-6795
Attention: Automotive Advertising Associations

ADVERTISING TOOLS

The current model year ad planner includes samples of print advertisements dealers may choose to use. Each print advertisement provides areas where an advertising association may customize the ad with price points, maps, or other pertinent information. The approved Suzuki automotive logo, photography, line art and print ads can be found in the current model year ad planner located on CD-ROM or on the dealer section of the Suzuki website at www.suzuki.com.

ADVERTISING CONTENT

- **New Vehicle Advertising**
Advertising reimbursement is for exclusive Suzuki new vehicle advertising only.
- **Suzuki Automotive Logo**
The Suzuki automotive logo must be included in all visual executions in its entirety and may not be altered. Please see below, an example of the approved Suzuki automotive logo for advertising purposes:



Vehicle Names

Each new Suzuki vehicle featured must be mentioned by its appropriate name. Please refer to the following names of these vehicles:

XL-7	Vitara 4 door
XL-7 Grand Vitara	Esteem Sedan
V6 Grand Vitara	Esteem Wagon
Vitara 2 door	Swift

ASMC strongly advises and recommends each association to retain legal counsel to assist in the formation of a valid advertising association. Legal counsel should also render advice to the directors and/or officers of the association in conducting the association's activities that protect the best interests of the association while at the same time ensuring compliance with all state and federal laws.

Eligibility documentation should be mailed to the address below:

American Suzuki Motor Corporation
3251 E. Imperial Highway
Brea, CA 92821-6795
Attention: Sales Programs Dept.

FUNDS

Advertising Association funds are provided through a levy of assessments from each individual association member.

- Dealers will be assessed by ASMC according to the designated assessed amount on the "Dealer Participation in Advertising Association" form.
- ASMC will not collect less than \$150 per vehicle for any association. ASMC recommends an assessment of \$300 per vehicle.
- The assessments will be sent to the associations on a monthly basis along with a detailed summary.
- Upon assessment, the funds become the property of the advertising association and there is no individual member interest in those funds.
- Assessment amounts per vehicle are detailed on the vehicle invoice.

ASMC MATCHING FUNDS

ASMC matching funds may be available. Please see the current Advertising Association Program Rules for details. Suzuki does not guarantee matching funds.

ADVERTISING PRE-APPROVAL

All association advertising must receive written pre-approval by ASMC in order to be eligible for advertising association co-op reimbursement. Please see the current Advertising Association Program Rules for pre-approval procedures. Creative executions should be submitted with the association's advertising proposal. Please refer to these guidelines for specific ad requirements broken down by media.

ABOUT REIMBURSEMENT

Upon completion of advertising, the advertising association must complete a Suzuki Automotive Advertising Association Claim form and submit it, along with the required documentation, to the Advertising Department for reimbursement. Claims must be submitted to Suzuki's Advertising Department within 90 days of the advertising period.

Once Suzuki receives the claim, the Advertising Department will review the required documentation and process reimbursement for the pre-approved amount. If the approved amount of the submission is less than the maximum reimbursement amount, the remaining balance will be forfeited.

ASMC ADVERTISING ASSOCIATION CLAIM FORM

DEALER INFORMATION

Association name	USA Suzuki Dealers	Association President	
		Contact phone	

PROGRAM INFORMATION

Program Period	APRIL 1-JULY 30, 2001
Timeline	CLAIM MUST BE SUBMITTED WITHIN 90 DAYS OF CLAIM PERIOD
Association expenditure on Suzuki ad	100,000
Reimbursement ratio	50%
Reimbursement from ASMC	50,000
Date	
Signature	Association

S A M P L E

Claim information (Evidence must be attached)

Advertising Item	Evidence Required	Claim Amount (To Be Completed By Dealer)	Approved Amount (To Be Completed By ASMC)	Reason for Adjustment (To Be Completed By ASMC)
Television	Television Media Invoices and Affidavits	\$	\$	
Radio	Cassette, Media Invoices and Affidavits	\$	\$	
Print	Original Tear Sheets with date and Media Invoices/Original mailer, etc.	\$	\$	
Outdoor	Photo and Invoice	\$	\$	
Mall/Auto Show	Monthly Invoice, Four Photos	\$	\$	
Cinema	Monthly Invoice/Original Slide	\$	\$	
Internet	Invoice/Affidavit, Screen Grab, Measurement Report (click through)	\$	\$	
Other	Description and Contract/Cost	\$	\$	
Total Claim Amount of Suzuki Expenditure		\$	\$	
FOR SUZUKI USE ONLY: PROCESSED BY: (To Be Completed By ASMC)			FOR SUZUKI USE ONLY: REIMBURSEMENT \$: (To Be Completed By ASMC)	

SUBMIT CLAIM FORM AND REQUIRED DOCUMENTATION TO:

Automotive Advertising Department
AMERICAN SUZUKI MOTOR CORPORATION
 3251 East Imperial Highway, Brea, CA 92821-6795
 Fax #: (714)524-8499, Tel #: (714)996-7040 (Ext. 2458)

EXHIBIT E



SUZUKI ADVERTISING ASSOCIATION CLAIM FORM

ASSOCIATION INFORMATION

Association Name Silicon Ad Association	Association President Steve Lewis	
	Association President Dealer Bob Lewis Suzuki	

PROGRAM INFORMATION

Program Month	SEPTEMBER 2002 – DECEMBER 2002
Timeline	CLAIM MUST BE SUBMITTED WITHIN 90 DAYS OF CLAIM MONTH
Association expenditure on Suzuki ad	\$92,150
Reimbursement ratio	50%
Reimbursement from ASMC	\$46,075
Date	
Signature	Association President

CLAIM INFORMATION

(Evidence must be attached)

Advertising Item	Evidence Required	Claim Amount (To Be Completed by Association)	Approved Amount (To Be Completed By ASMC)	Reason for Adjustment (To Be Completed By ASMC)
Television	Tape, Media Invoices and Affidavits	\$	\$	
Radio	Cassette, Media Invoices and Affidavits	\$	\$	
Print	Original Tear Sheets with date and Media Invoices/Original mailer, etc.	\$	\$	
Outdoor	Photo and Invoice	\$	\$	
Mall/Auto Show	Monthly Invoice, Four Photos	\$	\$	
Cinema	Monthly Invoice/Original Slide	\$	\$	
Internet	Invoice/Affidavit, Screen Grab, Measurement Report (click through)	\$	\$	
Other	Description and Contract/Cost	\$	\$	
Total Claim Amount of Suzuki Expenditure		\$	\$	

FOR SUZUKI USE ONLY:

PROCESSED BY:

(To Be Completed By ASMC)

FOR SUZUKI USE ONLY:

REIMBURSEMENT \$:

(To Be Completed By ASMC)

SUBMIT CLAIM FORM AND REQUIRED DOCUMENTATION TO:

Automotive Advertising Department

AMERICAN SUZUKI MOTOR CORPORATION

3251 East Imperial Highway, Brea, CA 92821-6795

Fax # (714) 524-8400 Tel # (714) 996-7040 (Ext. 2467 or Ext. 2384)

EXHIBIT F



AMERICAN SUZUKI MOTOR CORPORATION
AUTOMOTIVE



SALES INFORMATION BULLETIN NO: 03-12-13

ACTION
 INFORMATION
 PERMANENT
 EXPIRES

DATED: December 18, 2003

TO: Regional Sales Managers
Assistant Regional Managers
District Sales Managers
Sales Trainers

SUBJECT: Advertising Changes

ACTION: As described below

TIMETABLE: Immediate

OFFICE CONTACT: Ben Hilverda, ext. 2497

ORIGINATING DEPARTMENT: Automotive Advertising

PURPOSE/DESCRIPTION:

The attached letter, which is being mailed to all automotive dealers today, outlines the 2004 plan which will affect the dealers' advertising. Further details will be forwarded in early January to clarify the implementation of these new processes. RSMs, please insure that the information is reviewed with all region personnel and field personnel prior to the DSMs reviewing with each of the dealers.

Gary Anderson
Vice President, Automotive Sales

GA:lsb

ROUTE TO: R. Suzuki, K. Suzuki, S. Ishikawa, D. Semer, C. Smith-Arnold, T. Carney, J. Dunn, B. Hilverda, A. Ferrer, M. Culligan, T. Finley, B. Stwertnik, F. Mangel, D. Taylor, K. Nishida, D. Malloy, E. Nichols, O. Dy, C. White, D. Weber, C. Speier, D. Hamilton, D. Harris, M. Haynes, D. Mullins, H. Kabage, M. Koch, B. Kasai, E. Parlett, J. Ramirez, M. Sezaki, T. Hosner, Y. Takano, E. Craig, D. Dubelbeiss, M. Clark, S. Suzuki, A. Hashima, M. Elhard, H. Tanaka, M. Eastman, F. Nuss, M. Boyer, T. Mukai, G. Golembiewski, C. Snyder, H. Cho, T. Meyers, D. Eaton, C. Bolton

3251 E. Imperial Hwy., P.O. Box 1100, Brea, CA 92822-1100 • Tel. (714) 996-7040 • FAX (714) 524-2512 • <http://www.suzuki.com>

EXHIBIT C



SUZUKI

AMERICAN SUZUKI MOTOR CORPORATION
AUTOMOTIVE

December 18, 2003

Dear Suzuki Dealer,

This year we announced our aggressive 3-5-7 plan to you at our Dealer Meeting in Las Vegas. At that time we reviewed with you our dealer development activities, our exciting new product plans, and our intentions to Triple our Sales by the year 2007. In order to achieve these objectives we gave you our commitment that we were going to aggressively step up our marketing support.

In order to get out to a fast start in 2004, we are announcing today several new marketing initiatives that will be effective next year. Each of the following programs was favorably received by the National Dealer Advisory Board at their meeting November 21, 2003 in Corpus Christi, TX.

* NATIONAL ADVERTISING

* REGIONAL ADVERTISING PROGRAM

* CONDITIONAL ADVERTISING HOLDBACK

* NATIONAL ADVERTISING

The 2004 model year represents a very important first step in achieving our 3-5-7 plan. Collectively we must get off to a very strong start next year. Starting in January, ASMC is stepping up National support for the entire product line. In addition to supporting the XL-7 and Verona throughout the year, we will be launching the Forenza in the first quarter and an all new wagon and five door coupe in the third and fourth quarters. As a result, every dealer will receive 55 percent more Suzuki national television advertising weight next year. We will be on network and cable television airwaves 28 weeks out of the year and in select magazines at impact levels every month in 2004.

* REGIONAL ADVERTISING PROGRAM

To build the momentum necessary to achieve the 3-5-7 plan, AMSC has spent the last several months identifying those markets that represent the greatest sales potential for American Suzuki. Every market has been evaluated on the basis of Suzuki sales strength, competitive sales strength, and dealer coverage as well as Suzuki open point issues. While we are still finalizing the market list, ASMC is initiating an additional level of product advertising to help build awareness and drive traffic in those areas of highest sales potential. ASMC will fully fund this additional broadcast support that could result in additional 16 weeks of local advertising. A Dealer Creative Review Board will be created in the coming weeks to ensure that dealer input is part of the process. Two Dealers from every Region will be selected to participate on this important board. This new level of advertising will be developed in the first quarter and begin airing in April.

Under this new program, local dealer associations will be allowed to continue to develop and purchase advertising on their own, but ASMC will no longer contribute money to those efforts. ASMC will however honor its commitment to match those funds in association accounts as of December 31, 2003 if they are utilized with approved advertising by March 31, 2004. This policy will go into effect January 1, 2004.

*** CONDITIONAL ADVERTISING HOLDBACK**

AMSC has also been exploring new and unique avenues to enhance individual dealer advertising efforts. This area is critical if Suzuki and dealers are to build awareness and traffic at the retail level. After favorable review with the Dealer Advisory Board and in conjunction with the January 2, 2004 price increase, ASMC is announcing an additional one percent "conditional advertising holdback". This additional advertising holdback will be collected on each new vehicle wholesaled and deposited in a special account with each individual dealer's code. The funds will be reimbursed to the dealers once copies of the dealer's advertising and the supporting invoices are submitted to and approved by the Advertising Checking Bureau. **This new allowance will not replace the co-op program, but will supplement it.**

This new program was developed to help individual dealer advertising efforts and will not have a negative impact on dealer margins. Specific program guidelines will be forwarded early next year to help you better understand this new program so you can take full advantage of its potential.

We are very excited about 2004 Sales! With the new marketing initiatives we are starting on January 1st, we are confident that you too will join in our commitment to achieving 3-5-7 and making you one of the most successful and profitable dealers in the industry.

Best regards,



Thomas Carney
Automotive Marketing Director