

1507 - 21st Street, Suite 330
Sacramento, California 95814
Telephone: (916) 445-1888

STATE OF CALIFORNIA

NEW MOTOR VEHICLE BOARD

In the Matter of the Protest of)
)
GUNDERSON-IHLE CHEVROLET, INC.,) **Protest No. PR-1380-93**
)
) Protestant,)
)
) vs.)
)
) GENERAL MOTORS CORPORATION,)
) CHEVROLET MOTOR DIVISION,)
)
) Respondent.)
)

DECISION

The attached Proposed Decision After Remand from the Superior Court of the Administrative Law Judge is hereby adopted by the New Motor Vehicle Board as its Decision in the above entitled matter.

This Decision shall become effective forthwith.

IT IS SO ORDERED THIS 12th day of September 1995.



MICHAEL M. SIEVING
Administrative Law Judge/
Assistant Executive Secretary

California.

Petitioner and Protestant GUNDERSON-IHLE CHEVROLET, INC. (Gunderson-Ihle) was represented by Aaron Jacoby, 9100 Wilshire Boulevard, 5th Floor, West Tower, Beverly Hills, California 90212.

Respondent, CHEVROLET MOTOR DIVISION, GENERAL MOTORS CORPORATION (Chevrolet) was represented by Wallace Allan of O'Melveny & Myers, 400 South Hope Street, Los Angeles, California 90067.

The Proposed Decision after Remand, adopted by the New Motor Vehicle Board ("Board") on August 25, 1994, and attached hereto, is hereby incorporated by reference herein in its entirety, and is supplemented only to the extent as set forth in this Proposed Decision after Remand from Superior Court.

ISSUES PRESENTED

The only issue presented at this hearing is whether the previously undisclosed documents of Respondent Chevrolet's "Project 2000" supports Petitioner's claim that Respondent had promised it an exclusive freeway dealership location on the Interstate 10 freeway from Ontario to the Pacific Ocean.

The following documents were presented and received into evidence:

1. Petitioner/Protestant's Exhibit 40 which is a document consisting of 279 pages and entitled General Motors Corporation, Marketing Analysis, Project 2000.

2. Petitioner/Protestant's Exhibit 41 which is a 2 page Inter-organization Memorandum of Respondent Chevrolet dated August 17, 1992, on the subject of Project 2000, Pasadena/Ontario California Marketing Area.

3. Petitioner/Protestant's Exhibit 42 which is a 174 page document entitled General Motors Corporation, All-Division Year 2000 Plan Meeting; Pasadena/Ontario & San Bernardino/Riverside, California Marketing Areas, September 16-19, 1992.

4. Petitioner/Protestant's Exhibit 43 which is a 30 page document entitled General Motors Corporation, All-Division Year 2000 Plan Meeting; Pasadena/Ontario & San Bernardino/Riverside, California Marketing Areas, September 16-19, 1992, with handwritten notations.

5. Petitioner/Protestant's Exhibit 44 consisting of 11 pages which begins with General Motors Dealer Network Planning Summary.

In addition to the documentary evidence listed above, the oral testimony was taken of Respondent Chevrolet representative Neil Perkins and of Petitioner and dealer principal Scott Gunderson. Arguments by counsel for both Petitioner Gunderson-Ihle and Respondent Chevrolet were made preceding the introduction of evidence and at the conclusion of the hearing.

FINDINGS OF FACT

1. Project 2000 as it pertains to this matter is a plan by Respondent Chevrolet to locate its dealers in strategic marketing

areas to position Chevrolet and its dealers for vehicle sales and customer service into the next century.

2. Project 2000 was developed in the late summer of 1992. It was presented to at a Chevrolet divisional meeting in September of 1992, and ultimately presented to its dealer body at a meeting on January 20, 1993.

3. Respondent Chevrolet's account managers discussed particular dealer plans with each dealer. The account managers were instructed to maintain the confidentiality of each individual dealer plan and were instructed not to discuss any other dealer's plans with any dealer except the affected dealers. The confidentiality is significant because Petitioner contends, in part, that it was advised that no other dealers would be located to the Interstate 10 freeway from Ontario to the Pacific Ocean.

4. The portions within Petitioner/Protestant's Exhibits 42 and 43 relating to the Petitioner's dealership and the proposed Clippinger relocation, which is the subject matter of this protest, supports Respondent's intent to permit the Clippinger relocation.

5. The relevant portion in Petitioner/Protestant's Exhibit 42 (P002563) is a grid sheet entitled "Pasadena/Ontario, California Year 2000 Plan Chevrolet". The worksheet has 5 headings entitled as follows: Dealer, Facility Rating, Area Rating, Plan, and Time Frame with an explanatory footnote "Time Frame=Immediate, 5 Year or By Year 2000". For Clippinger Chevrolet under the heading "Plan,"

there is a handwritten notation which states: "relo (sic) to I-10". Under the heading "Time Frame" the notations states: "yr. 2000". For Gunderson Chevrolet under the heading "Plan," the notation reads: "relo (sic) to fwy". Under heading "Time Frame," the notation reads: "2"

6. In Exhibit 43 (P002007) the same worksheet is presented with different handwritten notations which were authored by the witness Neil Perkins. For Clippinger Chevrolet under the heading "Plan," the handwritten notation reads: "Relocate to freeway auto mall if opportunity presents itself". Under the heading, "Time Frame" the notation reads: "10 yrs". For Gunderson Chevrolet the notation under the heading "Plan" reads: "Relocate to freeway". Under the heading "Time Frame," it reads: "2 yrs".

7. As explained by Respondent's witness Neil Perkins, the Clippinger portion meant that Chevrolet's plans for Clippinger were to relocate to the I-10 freeway by the year 2000. Both the use of the year 2000 and the 10 year period were time frames within which the relocation would occur but not actual dates for the relocations to occur as Petitioner contends. These documents support Respondent Chevrolet's present attempt to relocate the Clippinger dealership.

8. In Exhibit 44 (P002373) which is entitled General Motors Dealer Network Planning Summary, relating to Clippinger under the heading "Plan" reads: "maintain GM representation, long term

relocation may be desirable, additional study and divisional approval will be necessary." Further in the Exhibit 44 at (P002378) under a heading entitled "Evaluation" for Clippinger Chevrolet it reads: "The dealership is located in a neighborhood area removed from an autorow on Citrus Avenue. The facility is adequate. The plan is to relocate to the West Covina PSA."

9. Mr. Perkins testified that the I-10 freeway to which Clippinger proposes its relocation is located within the West Covina PSA.

10. In the same Exhibit 44 (P002374) for Petitioner Gunderson under "Plan," it reads: "relocate south to I-10 (San Bernardino freeway), additional study and divisional approval will be necessary." Further at (P002378) under the heading entitled "Evaluation" for Gunderson Chevrolet it reads: "The dealership is located in a neighborhood area, removed from the freeway and other dealership representation. The facility is adequate. The plan is to relocate south to the I-10 (San Bernardino Fwy)."

11. Respondent's Project 2000 and the related documents therein do not support Petitioner's contention that Respondent promised it exclusivity along the I-10 freeway. The evidence presented contradicts Petitioner's allegations and supports Respondent's present intent to permit Clippinger to relocate. Petitioner Gunderson was never shown these documents and therefore could not have relied upon them.

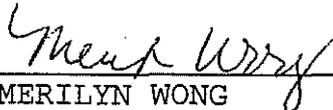
PROPOSED DECISION

Upon due consideration of the evidence relation to Project 2000 the following decision is respectfully proposed:

The Protest is overruled. Respondent Chevrolet shall be permitted to relocate the existing dealership to the proposed site in West Covina, California.

I hereby submit the foregoing which constitutes my proposed decision in the above-entitled matter, as a result of a hearing held before me on the above date and recommend adoption of this proposed decision as the decision of the New Motor Vehicle Board.

Dated: August 25, 1995



MERILYN WONG
Administrative Law Judge
New Motor Vehicle Board

1507 - 21st Street, Suite 330
Sacramento, California 95814
Telephone: (916) 445-1888

STATE OF CALIFORNIA
NEW MOTOR VEHICLE BOARD

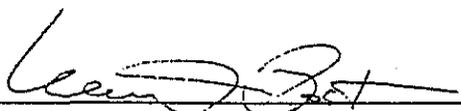
In the Matter of the Protest of)
)
GUNDERSON-IHLE CHEVROLET, INC.,) Protest No. PR-1380-93
)
) Protestant,)
)
) vs.)
)
CHEVROLET MOTOR DIVISION,)
GENERAL MOTORS CORPORATION,)
)
) Respondent.)
_____)

DECISION

The attached Proposed Ruling of the Administrative Law Judge is hereby adopted by the New Motor Vehicle Board as its Decision in the above entitled matter.

This Decision shall become effective forthwith.

IT IS SO ORDERED THIS 25 day of August 1994.


MANNING J. POST
President
New Motor Vehicle Board

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

STATE OF CALIFORNIA
NEW MOTOR VEHICLE BOARD

In the Matter of the Protest of)
GUNDERSON-IHLE CHEVROLET, INC.,) Protest No. PR-1380-93
Protestant,) PROPOSED DECISION
vs.) AFTER REMAND
CHEVROLET MOTOR DIVISION,)
GENERAL MOTORS CORPORATION,)
Respondent.)

PROCEDURAL BACKGROUND

1. By letters dated September 23, 1993, Respondent CHEVROLET MOTOR DIVISION ("Chevrolet") gave notice to LEO HOFFMAN CHEVROLET, INC., ("Hoffman"), 15432 East Nelson Avenue, City of Industry, CA, and 17300 E. Gale Avenue, Puente Hills, CA; RICHARD HIBBARD CHEVROLET, INC., ("Hibbard"), 191 South Indian Hill Boulevard, Claremont, CA; RANCHO VALLEY CHEVROLET-GEO, INC., ("Rancho Valley"), One Rio Rancho Road, Pomona, CA; and GUNDERSON-IHLE CHEVROLET, INC., ("Gunderson-Ihle"), 3333 Santa Anita Avenue, El

Monte, CA of its intention to permit the relocation of **CLIPPINGER CHEVROLET, INC.**, ("Clippinger"), from its current location in Covina to a site in West Covina, at the southeast corner of Grand Avenue and the I-10 San Bernardino freeway.

2. On October 18, 1993, **Hoffman, Hibbard, Rancho Valley** and **Gunderson-Ihle** filed separate protests which were consolidated for hearing on November 1, 1993.

3. Protestants **Hoffman, Hibbard** and **Rancho Valley** were represented by James G. Lewis of the Law Offices of James G. Lewis, 2001 Wilshire Boulevard, Suite 520, Santa Monica, CA. On March 17, 1994, Mr. Lewis notified the Board that his clients had withdrawn their protests. By Order dated March 17, 1994, the protests of **Hoffman, Hibbard** and **Rancho Valley** were dismissed.

4. Pursuant to Vehicle Code Section 3066, a hearing was held before Marilyn Wong, Administrative Law Judge on February 28, 1994, March 1, 1994, March 21 through March 23, 1994, March 28, 1994, and April 11, 1994, at Sacramento, California.

5. Protestant **Gunderson-Ihle** was represented by A. Albert Spar and Nowland Hong, of Parker, Milliken, Clark, O'Hara & Samuelian, 333 South Hope Street, 27th Floor, Los Angeles, CA.

6. Respondent **Chevrolet** was represented by Wallace M. Allan and Gregory R. Oxford of O'Melveny & Myers, 400 South Hope Street, Los Angeles, California, and L. Joseph Lines III of the General Motors Corporation legal staff.

7. At its regularly scheduled meeting held on June 14, 1994, the public members of the Board met and considered the

proposed decision of the Administrative Law Judge. After such consideration the Board remanded the matter back to the Administrative Law Judge to take additional evidence.

8. On June 21, 1994, a Substitution of Attorney was filed with the Board. Protestant substituted Aaron H. Jacoby of Hoecker, McMahon & Buck, 355 South Grand Avenue, Suite 3100, Los Angeles, California, as attorneys of record.

9. A hearing on Remand was held before Marilyn Wong, Administrative Law Judge on June 30, 1994.

ISSUES PRESENTED

10. Protestant contends that there is good cause for not allowing the relocation of ~~Clippinger~~ into the existing Relevant Market Area ("**RMA**") for the following reasons:

a). Protestant's investments are permanent and will be adversely affected by the establishment of an additional dealership [section 3063(a)];

b). There will be an adverse effect on the retail motor vehicle business and the consuming public in the relevant market area [section 3063(b)];

c). Establishment of an additional franchise will be injurious to the public welfare [section 3063(c)];

d). The existing Chevrolet dealers in the relevant market area are providing adequate competition and convenient consumer care for Chevrolet motor vehicles including adequate motor vehicle sales and service facilities, equipment, supply of vehicle parts, and qualified service personnel [section 3063(d)];

e). Establishment of an additional dealership would increase competition and would not be in the public interest [section 3063(e)].

f). Chevrolet made oral and/or written promises to induce Gunderson to relocate to his current location, a move he would not have made had he known Chevrolet would ultimately attempt to relocate Clippinger to the proposed I-10 site.

A. FACTS RELATING TO PERMANENCY OF INVESTMENT

[Section 3063(a)]

11. Gunderson-Ihle Chevrolet, formerly McKee Chevrolet, was purchased in 1986 for \$950,000.00. Scott Gunderson, dealer principal, owns 21% of the dealership. David Ihle owns 74%, and Ted Naegli owns 5%. Scott Gunderson has invested \$75,000, and David Ihle has invested \$500,000 into the dealership.

12. In June 1993, Gunderson-Ihle relocated its dealership to a newly built facility located on 3.6 acres of land adjacent to the I-10 San Bernardino freeway. The total cost of land acquisition and construction was approximately \$5.3 million.

13. El Monte Development Corporation, whose principal shareholders are David Ihle at 95% and Ted Naegli at 5%, own the land upon which the dealership is located. The land was acquired from the City of El Monte for \$2.5 million, of which \$1 million is expected to be paid from sales tax credits generated by the dealership. The site was originally acquired for a hotel at a cost of approximately \$3.9 million to the City of El Monte.

14. Chevrolet and GMAC financed \$3.2 million for site acquisition and construction costs, including a one-year interest free loan of \$500,000.

15. Gunderson-Ihle has been a profitable dealership in the past four out of five years with the exception of a small loss in 1991. The long-term fixed assets of the dealership total \$868,690. This amount represents the permanency of investment of the dealership. If Gunderson-Ihle were required to liquidate its business, the net amount realized, excluding all liquid assets, would be \$927,045. A liquidation of all the assets of the business would result in a total of \$1,795,735 available to the owners.

16. Dealer principal Dane Palmer, owns 70% of Clippinger, and 30% is owned by his father-in-law Norm Clippinger. The dealership has operated from its facilities in Covina since 1929.

17. Although the current facility has been maintained, it is rundown. The area surrounding the facility is deteriorating and lacks freeway accessibility.

18. The proposed Clippinger site is adjacent to the I-10 San Bernardino freeway in West Covina and occupies 11.2 acres of land. If relocation is accomplished Clippinger will construct a new facility which will exceed Chevrolet's guidelines.

19. Clippinger has been negotiating with the City of West Covina for the land acquisition which is dependent, in part, upon the outcome of the instant protest. The total relocation costs to Clippinger are estimated to be approximately \$5.5 million.

**B. FACTS RELATING TO EFFECT ON MOTOR VEHICLE
BUSINESS AND CONSUMING PUBLIC IN THE RMA**

[Section 3063(b)]

20. Chevrolet has divided the Pasadena-Ontario Multiple Dealer Area ("MDA") into Areas of Geographic Sales and Service Advantage ("AGSSA"). An AGSSA is a geographic area where that dealer maintains a competitive advantage over all other Chevrolet dealers based solely upon geographic proximity to customers. Within the RMA surrounding Clippinger there are eight (8) dealers each with its own AGSSA. Gunderson-Ihle is in AGSSA 9. Both the existing Clippinger facility and the proposed site are in AGSSA 11.

21. Chevrolet assesses dealer performance by using national penetration rates which have been segment-adjusted to account for local consumer preferences. The adjusted rates are referred to as "expected penetration rates."

22. The following chart, based on retail registrations of Chevrolet cars and light trucks, shows the difference between actual and expected penetration of Chevrolet vehicle registrations.

	<u>1992</u>	
	<u>Chevrolet</u> <u>*expected penetration</u>	<u>Chevrolet</u> <u>actual penetration</u>
AGSSA 11	16.27%	10.48%
RMA	16.30%	10.49%
MDA	15.94%	10.59%

September 1993 Year to Date ("YTD")

	Chevrolet <u>*expected penetration</u>	Chevrolet <u>actual penetration</u>
AGSSA 11	15.67%	11.15%
RMA	15.66%	11.66%
MDA	15.48%	11.48%

*Expected penetration is a figure adjusted from the national average to account for local consumer preferences.

23. The difference between actual and expected penetration rates represents sales opportunities of Chevrolet vehicles which are lost through inter-brand competition.

24. Vehicles sold by dealers outside the RMA and registered to customers within the RMA are additional sales opportunities which are lost through intra-brand competition or in-sell.

25. The chart below depicts lost sales opportunities from inter and intra-brand competition.

<u>1992</u>		
# vehicles lost from inter-brand competition	# vehicles lost from intra-brand competition (in-sell)	Total Lost
1,930	1,383	3,313

September 1993 YTD

# vehicles lost from inter-brand competition	# vehicles lost from intra-brand competition (in-sell)	Total Lost
1,479	1,556	3,035

26. An impact analysis was made of the proposed Clippinger relocation upon the surrounding RMA dealers based on 1992 and 9/93 YTD registration data. If Clippinger were to relocate and perform at optimum levels, it would have incremental sales increases of 175 and 241 additional new vehicles sold. These additional new vehicles only represent about 5% and 7% of the total lost sales opportunities within the RMA.

27. Additional potential sales are influenced by population trends. There has been significant household and population growth within the RMA between 1980 and 1993. The trend of population and household increase within the RMA is expected to continue through 1998. The population density is evenly dispersed throughout the RMA.

28. Within the RMA retail registrations grew from 36,809 in 1982 to 64,068 in 1988. The registrations decreased during 1989-1992, however the 1993 registrations (annualized 9/93) of 45,768 are an increase over the 1992 figures of 35,157.

**C. FACTS RELATING TO WHETHER SUCH ESTABLISHMENT WILL
BE INJURIOUS TO THE PUBLIC WELFARE**

[Section 3063(c)]

29. Clippinger has achieved outstanding customer satisfaction, ranking near the top of the dealers in the RMA. It enjoys a Customer Satisfaction Index ("CSI") rating of 90-91% against a zone average of 85-86%.

30. Clippinger is the largest GM auto parts dealer in the

state. Clippinger currently employs 130 people. To accommodate an increase in business if the proposed relocation is completed, Clippinger would hire 15-20% more employees.

D. FACTS RELATING TO ADEQUACY OF COMPETITION AND CONSUMER CARE FACILITIES AND PERSONNEL

[Section 3063(d)]

31. Gunderson-Ihle has a large, newly built facility at a freeway accessible location. With its fifty-two (52) service stalls and eleven (11) body shop stalls, it exceeds Chevrolet's guidelines. Its sales and profitability have dramatically increased at its new location.

32. According to GM's "Purchase and Delivery Satisfaction Survey" for the MDA, Gunderson-Ihle ranks seventh among a total of nine (9) dealerships. Its "Dealership Purchase Satisfaction" rating is 81.8% over twelve (12) months and 83.1% over three (3) months (through January 1994). This compares with a MDA zone average of 87.3% (12 months) and 87.4% (3 months) respectively.

33. In contrast, Clippinger rates second in the MDA with satisfaction ratings of 90.7% (12 months) and 91.7% (3 months) respectively.

34. GM's "Service Satisfaction Survey" through January 1994, shows Gunderson-Ihle last among the nine (9) dealers in customer satisfaction, with ratings of 74.3% (12 months) and 77.1% (3 months). This compares with MDA zone averages of 77.3% (12 months) and 78.5% (3 months) respectively.

35. **Clippinger** was second in its MDA in customer service satisfaction with 81.8% (12 months) and 83% (3 months) respectively.

36. Customer convenience to **Clippinger** would be better served at a facility south of its existing location. By using a computer generated model which attempts to determine the optimal location for **Clippinger** relative to the existing dealers and to determine the most convenient location for customers, the proposed site is at an optimal location.

E. FACTS RELATING TO INCREASED COMPETITION AS AGAINST THE PUBLIC INTEREST

[Section 3063(e)]

37. Of the eight (8) dealers within the RMA, five (5) of them - **Sierra, Rancho Valley, Hoffman, Gunderson-Ihle** and the proposed **Sillette** - are at or near major freeways. Micro-site characteristics such as proximity to a major freeway, traffic volume, and proximity to an auto row or mall can be significant factors affecting dealers' sales.

38. **Gunderson-Ihle** is located 9.6 miles west of the proposed **Clippinger** site on the north side of the I-10 freeway and is predominantly visible to westbound traffic. **Clippinger** would be located on the south side of the I-10 and predominantly visible to eastbound traffic. **Clippinger's** current location is closer to **Gunderson-Ihle** at 8.6 miles than the proposed site. The freeway visibility would further enhance the Chevrolet brand for existing

and potential Chevrolet customers which would in turn benefit all Chevrolet dealers in the area.

39. The proposed site's freeway accessibility would stimulate competition in sales and service, and provide more convenient access to Chevrolet products and service.

40. **Clippinger** is a successful high quality dealer whose continued presence in the marketplace at an improved location will likely increase both inter and intra-brand competition which benefits the consuming public.

F. FACTS RELATING TO THE ALLEGED PROMISES MADE TO GUNDERSON-IHLE BY CHEVROLET WHICH INDUCED HIS RELOCATION TO HIS CURRENT LOCATION

41. Protestant contends that he was induced to move his dealership to the I-10 freeway, a move he would not have otherwise made because of the high costs, based on a promise by Chevrolet that he would be the only Chevrolet dealer on the I-10 from Ontario to the Pacific Ocean.

42. In 1988 Gunderson-Ihle was faced with three options due to the expiration of his lease. They could renew the lease, buy the property where the dealership was then located, or relocate. They ultimately decided to relocate and looked at many freeway and non-freeway locations in the process.

43. At this time, Gunderson and his partners, Ihle and Naegli, met with Chevrolet's LA zone manager John Roberts, to discuss relocation and financing. At one of these meetings Roberts presented a map fixed with dots representing the various dealer

locations. Roberts and Gunderson discussed that upon relocation Gunderson-Ihle would enjoy an elongated market area along the I-10, and they would be the only Chevrolet dealer on I-10 from Ontario to the Pacific Ocean.

44. In November 1990 Gunderson made a written request to relocate to his present site. This request was made solely by Protestant and was subject to approval of Respondent. The request was approved subject to standard provisions set forth in a letter from Chevrolet to Gunderson dated March 22, 1991. The letter indicates that there are no other agreements, oral or written, between the parties. The letter was signed by Scott Gunderson on July 24, 1991 without any additions or amendments.

45. In December 1991 Gunderson, by letter to Chevrolet, formally requested financial assistance for relocation. The letter parenthetically points out that "There is currently no freeway Chevrolet dealer between Ontario and the Pacific Ocean."

46. Protestant further relies on a meeting with then district sales manager Ron Price and a document referred to as Plan 2000 in support of his contention that Chevrolet promised him exclusivity on the I-10. Gunderson claims to have met with Price in 1991 after a dealer meeting where Plan 2000 was discussed. Gunderson contends that he asked Price if there would be any other dealers on the I-10, whereupon Price allegedly replied "Absolutely not." Price denies this discussion and further states that he would not divulge any other dealer's plans. Even if such a statement was made to Gunderson he could not have possibly relied upon it in his decision

to relocate. It was established that the meeting between Price and Gunderson occurred on February 25, 1993, and not in 1991 as Gunderson mistakenly believed. This being the case Gunderson had already decided to relocate and broken ground on his new site when he had the meeting with Price.

47. Protestant also relies on the document known as Plan 2000 as evidence of Chevrolet's promise. The document, which Gunderson admitted he had never seen prior to this protest, was dated June 30, 1993. This date is approximately one week after the date Gunderson-Ihle opened for business at their new location.

DETERMINATION OF ISSUES

The Protestants have failed to prove that there is good cause not to permit the relocation of Clippinger in that:

1. Protestants established that their investments are permanent, but failed to establish that their investment would be adversely affected (Section 3063(a));

2. Protestants failed to prove that the relocation would have an adverse effect on the retail motor vehicle business and consuming public in the RMA (Section 3063(b));

3. Protestants failed to prove that the relocation would be injurious to the public welfare (Section 3063(c));

4. Protestants failed to establish that there is adequate competition and convenient consumer care in terms of sales and service facilities, equipment, supply of vehicle parts, and qualified service personnel for Chevrolet in AGSSA 11 and the RMA (Section 3063(d));

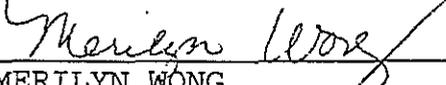
PROPOSED DECISION

THEREFORE, the following decision is respectfully proposed:

The Protest is overruled. Respondent Chevrolet shall be permitted to relocate the existing dealership to the proposed site in West Covina, California.

I hereby submit the foregoing which constitutes my proposed decision in the above-entitled matter, as a result of a hearing held before me on the above date and recommend adoption of this proposed decision as the decision of the New Motor Vehicle Board.

Dated: July 13, 1994



MERILYN WONG
Administrative Law Judge
New Motor Vehicle Board