NEW MOTOR VEHICLE BOARD
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STATE OF CALIFORNIA

NEW MOTOR VEHICLE BOARD

In the Matter of the Protest of ALDON, INC., a California corporation, dba CARSON TOYOTA, Protestant, v. TOYOTA MOTOR SALES U.S.A., INC., a California corporation, Respondent, H.T.L. AUTOMOTIVE INC., dba HOOMAN TOYOTA OF LONG BEACH and HOOMAN SCION OF LONG BEACH, Intervenor.	**Protest No. PR-2339-12**
In the Matter of the Protest of ALDON, INC., a California corporation, dba CARSON SCION, Protestant, v. TOYOTA MOTOR SALES U.S.A., INC., a California corporation, Respondent, H.T.L. AUTOMOTIVE INC., dba HOOMAN TOYOTA OF LONG BEACH and HOOMAN SCION OF LONG BEACH, Intervenor.	**Protest No. PR-2340-12**

In the Matter of the Protest of CABE BROTHERS, a California corporation, dba CABE TOYOTA and CABE SCION, Protestant, v. TOYOTA MOTOR SALES U.S.A., INC., Respondent, H.T.L. AUTOMOTIVE INC., dba HOOMAN TOYOTA OF LONG BEACH and HOOMAN SCION OF LONG BEACH, Intervenor.	**Protest No. PR-2341-12**

DECISION

At its regularly scheduled meeting of November 12, 2013, the Public Members of the Board met and considered the administrative record and Proposed Decision in the above-entitled matters. After such consideration, the Board adopted the Proposed Decision as its final Decision in these matters with the following amendments:

1. The last sentence in Footnote 18 on page 17 ("Hooman does not have the burden of showing good cause to relocate under Section 3062, so its reasons for electing to do so are inapposite.") is deleted.

2. Footnote 22 on page 28 is deleted in its entirety.

This Decision shall become effective forthwith.

IT IS SO ORDERED THIS 13th DAY OF NOVEMBER 2013.

BISMARCK OBANDO
President
New Motor Vehicle Board

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CERTIFIED MAIL

STATE OF CALIFORNIA

NEW MOTOR VEHICLE BOARD

In the Matter of the Protest of ALDON, INC., a California corporation, dba CARSON TOYOTA, Protestant, v. TOYOTA MOTOR SALES U.S.A., INC., a California corporation, Respondent, H.T.L. AUTOMOTIVE INC., dba HOOMAN TOYOTA OF LONG BEACH and HOOMAN SCION OF LONG BEACH, Intervenor.	**Protest No. PR-2339-12** **PROPOSED DECISION**
In the Matter of the Protest of ALDON, INC., a California corporation, dba CARSON SCION, Protestant, v. TOYOTA MOTOR SALES U.S.A., INC., a California corporation, Respondent, H.T.L. AUTOMOTIVE INC., dba HOOMAN TOYOTA OF LONG BEACH and HOOMAN SCION OF LONG BEACH, Intervenor.	**Protest No. PR-2340-12**

In the Matter of the Protest of CABE BROTHERS, a California corporation, dba CABE TOYOTA and CABE SCION, Protestant, v. TOYOTA MOTOR SALES U.S.A., INC., Respondent, H.T.L. AUTOMOTIVE INC., dba HOOMAN TOYOTA OF LONG BEACH and HOOMAN SCION OF LONG BEACH, Intervenor.	**Protest No. PR-2341-12**

PROCEDURAL BACKGROUND

Statement of the Case

1. By separate letters dated August 2, 2012, Toyota Motor Sales, U.S.A., Inc. ("TMS" or "Respondent") notified the Toyota and Scion[1] dealers as required by California Vehicle Code Section 3062[2] of its intention to relocate H.T.L. Automotive, Inc., dba Hooman Toyota of Long Beach and Hooman Scion of Long Beach ("Hooman" or "Intervenor"), from its present Toyota dealership location at 4401 E. Pacific Coast Highway, Long Beach, California ("Current Location") to a location at 3399 E. Willow Street and 2679 Redondo Avenue, Long Beach, California ("Proposed Location").

2. The notices were sent to the following dealers located within the relevant market area ("RMA") of the proposed relocating dealer:[3]

- Cabe Brothers dba Cabe Toyota and Cabe Scion (collectively "Cabe," unless otherwise specified);

[1] Toyota and Scion are not treated as separate franchises, but are both part of the Toyota franchise.
[2] Unless otherwise indicated, all references are to the California Vehicle Code.
[3] RMA is the shorthand rubric for the area defined by statute as "any area within a radius of 10 miles from the site of a potential new dealership." (§ 507) Notice is required to be given under Section 3062 (a)(1) when a franchisor seeks to relocate an existing motor vehicle dealership, if there is a dealership of the same line-make within a radius of 10 miles from the site of the proposed new location, unless the new location is within one mile of the existing dealership location and is within the same city. Under Section 3062(a)(1), when a timely protest has been filed, a franchisor is not permitted to relocate an existing motor vehicle dealership until a hearing has been held before the Board, nor thereafter if Protestant establishes at the hearing that there is good cause not to permit the relocation. (§ 3066)

- Aldon, Inc. dba Carson Toyota and Carson Scion ("Carson");
- Apaulo, Inc. dba Norwalk Toyota and Norwalk Scion ("Norwalk"); and
- DWWSB, Inc. dba South Bay Toyota and South Bay Scion ("South Bay").

The New Motor Vehicle Board ("Board") received the notices on August 6, 2012.

3. On August 22, 2012, Cabe filed a timely protest (Protest No. PR-2341-12).

4. On August 16, 2012, Aldon Inc., dba Carson Toyota, and Aldon, Inc. dba Carson Scion, each filed a timely Protest. Nos. PR-2339-12 and PR-2340-12 respectively. The two entities' protests are considered as a single protest in this matter.[4]

5. On August 22, 2012, Norwalk and South Bay each filed a timely Protest, Nos. PR-2342-12 and PR-2343-12 respectively. These protests were later voluntarily dismissed, as set forth in Board orders dated November 30, 2012, and January 11, 2013.

6. On August 29, 2012, Hooman filed a Motion to Intervene in each of the above-entitled protests. By order dated September 25, 2012, Hooman Toyota's Motion to Intervene was granted.[5]

7. A hearing on the merits of the consolidated Protests (Nos. PR-2339-12, PR-2340-12 and PR-2341-12), was held June 3-7, 2013, June 10-14, 2013, and June 17-21, 2013, before Administrative Law Judge Victor D. Ryerson ("ALJ Ryerson").

8. At the request of the parties, on June 27, 2013, ALJ Ryerson conducted a site visit of Carson's dealership, Cabe's dealership, Hooman's dealership at the Current Location, and the buildings and facilities at the Proposed Location. All of the parties and their counsel were present. The hearing was deemed closed at the conclusion of the site visit. An Amended Memorandum of June 27, 2013, Site Visit, dated August 15, 2013 ("Site Visit Memo"), was prepared by ALJ Ryerson and filed in the record, memorializing the observations made in the course of the site visit.[6]

9. Several motions were made, both *in limine* and during the course of the hearing, to

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[4] The date shown for these two protests is set forth out of chronological order to conform to the parties' order of presentation of evidence at the hearing, and to the discussion throughout this decision.

[5] Leave to intervene was granted subject to conditions specifying the manner and degree to which Hooman could participate.

[6] Exhibit (Ex.) 286, consisting of a series of color photographs that had been selected by the parties to illustrate the locations involved in this matter, was utilized in conjunction with the site visit. (See RT Vol. XV, 24:21-23.) Photographs from that exhibit were viewed at various times during the visit for reference purposes and to illustrate testimony that had been presented in the hearing room.

exclude or strike certain evidence on the grounds that it was irrelevant, or to avoid prejudice because it was belatedly offered after the discovery deadline. Some evidence was excluded from the record in response to these motions, including testimony and portions of the report of expert John P. Matthews, Ph.D. concerning the theoretically optimal location for Hooman's dealership within its market area.

10. The matter was submitted on September 19, 2013.

Parties and Counsel[7]

11. Cabe's Toyota and Scion dealership is located at 2895 Long Beach Boulevard, Long Beach, California. (Ex. 1001; Ex.1153) Cabe is a corporation owned by John Cabe, Marilyn Gidden, and Glenda Favilla. (RT Vol. I, 112:17 - 116:17; Ex.1003) John Cabe is Cabe's Dealer Principal and General Manager. (Ex.1153; Ex. 2003) Cabe is a "franchisee" within the meaning of Sections 331.1 and 3062(a)(1).

12. Cabe is represented by Gregory J. Ferruzzo, Esq. of Ferruzzo & Ferruzzo, LLP, 3737 Birch Street, Suite 400, Newport Beach, California.

13. Carson's Toyota and Scion dealership is located at 1333 E. 223rd Street in Carson, California. (Ex. 1508) Carson is a corporation owned by the Skinner and Pennington families. (Id.) Albert C. Skinner is the Dealer Principal. (RT Vol. XI, 178:3-4; Ex. 1508) Carson is a "franchisee" within the meaning of Sections 331.1 and 3062(a)(1).

14. Carson is represented by Halbert B. Rasmussen, Esq. and Franjo M. Dolenac, Esq. of Manning, Leaver, Bruder & Berberich, 5750 Wilshire Blvd., Suite 655, Los Angeles, California.

15. TMS is a distributor of Toyota and Scion line-make vehicles and products. TMS is a "franchisor" within the meaning of Sections 331.2 and 3062(a)(1).

16. TMS is represented by Steven A. McKelvey, Jr., Esq., S. Keith Hutto, Esq., and Steven B. McFarland, Esq. of Nelson Mullins Riley & Scarborough, LLP, 1320 Main Street, 17th Floor, Columbia, South Carolina.

17. Hooman is a corporation owned by Hooman Nissani and Kevin Golshan. (RT Vol. IV, p.

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[7] Citations throughout this decision refer to oral testimony by reporter's transcript volume number (RT), page, and line, and by exhibit number (Ex.), page(s) and line(s). Other documents in the record are identified by their titles, as specifically denoted in the text.

9:13-22; RT Vol. 14, pp. 101:1-102:5; Ex. 268) Hooman Nissani is Hooman's Dealer Principal, President and Chief Executive Officer. (Ex. 1009) Hooman is a "franchisee" within the meaning of Sections 331.1 and 3062(a)(1) for purposes of this matter.

18. Hooman is represented by Michael J. Flanagan, Esq., Gavin M. Hughes, Esq., and Danielle R. Vare, Esq. of the Law Offices of Michael J. Flanagan, 2277 Fair Oaks Boulevard, Suite 450, Sacramento, California.

Summary of Witnesses' Testimony and Exhibits Introduced at Hearing

19. The following witnesses testified at the hearing, and their testimony principally concerned the following general subject areas:[8]

a. John Cabe testified about Cabe's ownership, history, operation, and local market, and how he anticipates Hooman's proposal to relocate would affect Cabe's market.

b. Lillian Moore, Cabe's Controller, testified about Cabe's financial statements, the costs of Cabe's Image II USA Renovation project, and Cabe's profitability generally.[9]

c. Scott Watkins, Director of the Industry Analysis Practice for Anderson Economic Group, testified as Cabe's expert concerning the market impact of Hooman's relocation.

d. Dan Duddridge, Cabe's Operations Manager, testified about Cabe's operations, the challenges associated with Cabe's Primary Market Area ("PMA") and local market conditions, the level of competition between Cabe and Hooman, the expansion and Image USA II renovation of Cabe's facility, the financial status of the dealership, and the impact he anticipates the proposed relocation by Hooman would have on Cabe's business.[10]

e. Edward Stockton, Vice President and Director of Economic Services at The

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[8] This is not necessarily an exhaustive summary of each witness' testimony.

[9] "Image II" or "Image USA II" in the record refers to TMC's Image USA II dealership facility program that establishes brand "image" or appearance guidelines for Toyota dealerships in order to create a consistent appearance among dealerships for the purpose of promoting brand identity. Pursuant to the Toyota Dealer Agreement, all Toyota dealers have expressly agreed to provide dealership facilities that satisfy TMS's image requirements. (See, e.g., Ex. 1153,Section XVIII.A, p.16)

[10] TMS assigns a PMA to each dealer. It is a geographical area based upon the census tracts most proximate to the dealer, and is assigned for the purpose of evaluating the dealer's performance of its obligations under its Toyota Dealer Agreement. A dealer's PMA is a diagnostic tool only, and the dealer does not have any exclusive rights to sell Toyota products or services within its PMA, nor does its PMA limit the geographical area in which it may sell or promote the sale of Toyota products. Customers are unaware of the area comprising a Toyota dealer's PMA, or the boundaries of the PMA. Significantly, under Section VIII of the Toyota Dealer Agreement, Toyota "may add new dealers, relocate dealers, or adjust (the dealer's) PMA as it reasonably determines is necessary." (See, e.g., Ex. 1153, p. 5 (CABE001044))

Fontana Group, testified as Hooman's expert concerning the Long Beach area market and the impact upon it of the proposed relocation by Hooman.

f. John P. Matthews, Ph.D., testified as Carson's expert concerning the impact of the proposed relocation by Hooman.

g. Doug Eroh, General Manager of TMS's Los Angeles Region, testified about the Los Angeles regional market, the circumstances of Hooman's proposal to TMS to relocate, and TMS's acceptance of that proposal.

h. Albert Skinner testified about Carson's ownership history and local market, the effect of Hooman as a competitor in that market, and the effect he anticipates the proposed relocation would have upon Carson.

i. Martin Brylski, President and CEO of Carson, testified about Carson's operation, the local market conditions, the level of competition among the dealers in the market, and the anticipated effect of the proposed relocation.

j. Herbert Walter, CPA, testified as an expert for TMS concerning his assessment of Cabe's and Carson's financial performance for 2009 through 2012.

k. Michael Durby, Vehicle Production and Sales Planning Manager for TMS, testified about issues relating to TMS's concerns relating to Hooman's financial condition and accounting practices as they pertained to the proposed relocation.

l. Sharif George Farhat, Vice President Analytical Services for Urban Science Applications, Inc. testified as TMS's expert witness concerning the Los Angeles and South Bay dealer network and his evaluation of the proposed relocation.

m. Hooman Nissani testified about the circumstances of Hooman's acquisition of the Toyota of Long Beach dealership at the Current Location in 2008, the subsequent history and operation of that dealership, its plans to relocate the dealership to the Proposed Location, and its plans to remodel and renovate the buildings and facilities at the Proposed Location.

20. In addition, the parties jointly lodged excerpts of the discovery depositions of the following witnesses for the record: Sam Carillo, Hooman's Fixed Operations Director; Mike Vogel, Carson's Fixed Operations Director; Jeff Bracken, Group Vice President and General Manager for

Lexus; Jason Kong, Field Sales Manager, Western Region for Lexus; Alfredo Cabaero, Carson's General Sales Manager; Steven Hearne, Vice President of Sales for Lexus; William Bergen, District Service and Parts Manager, Los Angeles Region, for TMS; Julio Torres, Cabe's Service Manager; and Patrick O'Donnell, Long Beach City Council Member.

21. A total of 194 exhibits were admitted in evidence.[11] Most of the exhibits had been pre-marked, as required by the pre-hearing order, and any numbered exhibit was deemed to be identified for the record when first mentioned in testimony. Before the conclusion of the hearing, each party offered exhibits thus identified in evidence, and those exhibits were admitted in their entirety, unless an objection was successfully interposed or the party withdrew the exhibit. As more specifically reflected in the Reporter's Transcript, portions of certain exhibits were stricken or otherwise excluded. One exhibit was entirely excluded.

ISSUES PRESENTED

22. The following issues are presented in these protests:[12]

a. Did Cabe sustain its burden of proof of showing good cause why Hooman should not be permitted to relocate its dealership to the Proposed Location?

b. Did Carson sustain its burden of proof of showing good cause why Hooman should not be permitted to relocate its dealership to the Proposed Location?

c. In determining whether or not the burden of proof of showing good cause why Hooman should not be permitted to relocate is satisfied, what are the existing circumstances, including, but not limited to, all of the following?[13]

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[11] Any exhibits marked 1 through 249 were admitted as stipulated exhibits unless withdrawn before the hearing closed. Intervenor's assigned exhibit numbers are 250 through 999; Protestants' exhibits are numbered 1,000 through 1,999; and Respondent's exhibits are numbered 2,000 and above. This numbering system does not necessarily reflect the actual proponent of an exhibit, as many exhibits were selected for admission in lieu of others that are identical, or nearly so, to avoid duplication. The numbers marked on the exhibits also do not necessarily reflect the order in which they were offered or admitted into evidence. Exhibits may consist of several related documents, and page numbers are included in the citations for this reason.

[12] Although the burden of proof is set forth for each protestant separately, the protests were consolidated in this matter, and all of the evidence concerning existing circumstances was considered in determining whether a protestant met its respective burden of proof, regardless of the proponent. The protestants commingled the evidence in their respective proposed findings, so reference to a common record is the only practicable way for the Board to make its determinations.

[13] Specific consideration of these five circumstances is required by Section 3063, which is paraphrased here. The third and fifth of these enumerated circumstances, under the literal language of that section, expressly pertain only to the establishment of a new franchise within the RMA, and the fourth implies such. However, the Board has consistently considered these circumstances in analyzing relocation cases, and does so here. The statutory ambiguity by revisions under Section 11 of Senate

(1) The permanency of the investment;

(2) The effect on the retail motor vehicle business and the consuming public in the RMA if the relocation occurred;

(3) Whether it would be injurious to the public welfare for the franchise to be relocated;

(4) Whether the franchisees of the same line-make in that RMA are providing adequate competition and convenient consumer care for the motor vehicles of the line-make in the market area, including whether motor vehicle sales and service facilities, equipment, supply of vehicle parts, and qualified service personnel are adequate; and

(5) Whether relocation of the franchise as proposed would increase competition, and therefore be in the public interest.

PROTESTANT CABE TOYOTA'S CONTENTIONS

23. Cabe contends that good cause has been established for not permitting Hooman to relocate to the Proposed Location because, without limitation, TMS's decision to support the relocation was not well considered. Specifically, Cabe contends that the proposed relocation is not supported by any market study; no service study was conducted; and no adequate determination was made of the extent of the adverse economic impact on Cabe in terms of sales and service.

24. Cabe further contends that good cause has been established because Hooman misrepresented its financial situation to TMS and provided false information to TMS.

PROTESTANT CARSON TOYOTA'S CONTENTIONS

25. Carson contends that good cause has been established for not permitting Hooman to relocate to the Proposed Location, principally for the following reasons:

a. Carson and Cabe have both made substantial and permanent investments in their respective dealerships in reliance upon the predictable intra-brand competition associated with the permanency of the existing configuration of the local dealer network;

Bill 155, which was signed into law on October 3, 2013, and will become effective in 2014. The third requirement will expressly be expanded to include relocations; the fifth will not.

b. The relocation will have an unpredictable degree of negative impact on the retail motor vehicle business, but a predictable loss of pro-consumer services and a less convenient dealer network for the consuming public in the RMA;

c. The relocation will be injurious to the public welfare by creating a less convenient dealer network, forcing job terminations and cutbacks in pro-consumer services, and perpetuating illegal, anticompetitive behavior in an already aggressive competitive RMA;

d. The Toyota dealers in the RMA are providing adequate competition and convenient consumer care for Toyota vehicles in the RMA, including adequate motor vehicle sales and service facilities, equipment, supply of vehicle parts, and qualified personnel; and

e. When balancing the relocation against the consequential impact on the TMS dealer network and the competitive effects on its consumers, the relocation would not increase competition, and therefore not be in the public interest.

RESPONDENT'S CONTENTIONS

26. TMS contends that the protestants' burden of proving that there is not good cause to permit the relocation has not been met. Contrary to the protestants' contentions, TMS asserts that, because Hooman is proposing to relocate to a superior facility and location which provides increased visibility, accessibility, convenience and amenities, the relocation would actually benefit customers and the public interest. TMS further contends that the Toyota brand's market share in the area surrounding the protestants and Hooman is depressed, and that there is sufficient sales and service opportunity for protestants and Hooman to coexist successfully in the market if Hooman relocates as proposed. In addition, TMS contends that Hooman's relocation would have little or no effect on the protestants, because it would relocate a very short distance in a densely populated market, and because the protestants conduct relatively little business in the area surrounding the Proposed Location.

INTERVENOR'S CONTENTIONS

27. Hooman contends that the protestants' burden of proving that there is not good cause to permit the relocation has not been met. Contrary to the protestants' contentions, Hooman asserts that its current facilities are substantially inadequate to serve the needs of Toyota sales and service customers; that the proposed relocation will not result in any appreciable impact on the protestants; that the

proposed relocation will result in substantial benefits to the public; and that the RMA is currently underserved by the existing dealers.

FINDINGS OF FACT[14]

Preliminary Findings

The Toyota Brand and Market Share

28. Toyota is among the highest ranked brands in terms of market share in the country. As of 2012, it ranked third, with a 12.7 per cent market share. (Ex. 1227, p. SW 000052)

29. Toyota ranks first in California, with a 21.1 per cent market share in 2012. (Id., p. SW000053)

30. The Los Angeles Metro area is one of the best-performing Toyota markets in the country. Toyota's market share in its five Los Angeles Markets is 26.25 per cent. (Ex. 2088, pp. A-2, A-3, and A-8)

31. There are 76 Toyota dealers in TMS's Los Angeles Region. (RT Vol. X, 16:22-17:20)

32. The Los Angeles Metro market associated with the region has a population of 14.8 to 15 million people. It is the largest automotive market in the country. In 2012 approximately 440,000 new motor vehicles were sold in this region, of which approximately 130,000, or about 30 per cent, were Toyota brand vehicles.

33. The Los Angeles metro market is dense and highly competitive, both for inter-brand and intra-brand motor vehicle sales. (Ex. 2088)

RMA for Proposed Location and the City of Long Beach Area

34. The RMA of the Proposed Location has a population of approximately 1.9 to 2 million people, and about 600,000 households. (RT Vol. III, 23:20-24:5; Ex. 2088, p.A-32; Ex. 254, Tab 3, p. 2 incorporated herein as Attachment 1)

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[14] References to testimony, exhibits or other parts of the record supporting these findings are intended to be examples of evidence relied upon to reach that finding, and not to be exhaustive. Findings of Fact are organized under topical headings for readability only, and not to indicate an exclusive relationship to the issue denoted by the topic heading. The Board may apply a particular finding to any "existing circumstance" or other "good cause" factor under Section 3063.
Citations to the record are for the convenience of the Board. The absence of a citation generally signifies that the underlying facts are foundational or uncontested, or that the finding is an ultimate fact based upon other facts in the record and reasonable inferences flowing from those facts.

35. There are 8 Toyota dealers within the RMA. (RT Vol. III, 61:24-62:19)

36. The Toyota sales penetration within the RMA was 24.9 per cent in 2012, about double the national average. (RT Vol. III, 102:6-14; 186:1-5; Ex. 1227 p. SW000055)

37. The City of Long Beach is entirely within the RMA. It extends generally from the Pacific Ocean on the south toward the City of Los Angeles on the north, and is essentially bordered on the west by the Los Angeles River, Interstate 710 freeway, and the City of Carson beyond, and by communities in Orange County to the east. (See Ex. 2088)[15]

38. Interstate Highway 405 ("I-405"), a major freeway connecting the San Fernando Valley with Orange County along the western margin of the greater Los Angeles region, crosses the northern part of Long Beach in a generally west-to-east direction.

39. California Highway 1, the Pacific Coast Highway ("PCH") also runs from west to east through Long Beach. PCH is a heavily trafficked surface arterial.

40. Major north-south arterial streets in Long Beach include Long Beach Boulevard near the western margin of the city close to the Los Angeles River, and a series of streets on the east side of the city. Lakewood Avenue, extending south past the Long Beach Airport and crossing I-405, is one of these.

41. A circulation feature known as the Traffic Circle is located at the intersection of PCH, Lakewood Avenue, and several other streets. The Traffic Circle comprises a concentric system of streets enclosing city blocks that are largely devoted to retail use near the center. The inner Traffic Circle is a multi-lane roundabout with a high traffic volume. The outer Traffic Circle is a narrower local access road. The Current Location is on the Traffic Circle, fronting on PCH. (Ex. 286, p.00060) There is also a small Porsche dealership fronting on the inner Traffic Circle, and an Audi dealership about one block away on Lakewood Avenue. (Site Visit Memo, p. 4)

42. Between I-405 and PCH is a prominent geographical feature known as Signal Hill. (See

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[15]The locations of freeways, surface streets, major drainage features, transit lines, and other major geographical features of Long Beach and its environs are readily ascertainable from maps and online sources, and the Board accordingly takes official notice of these basic foundational facts. We make these preliminary findings largely without specific reference to exhibits in the record, as they are universally referred to and accepted by the parties in the evidence.

Ex. 286, p.00347)[16] PCH runs from west to east along the southern flank of Signal Hill between Long Beach Boulevard south of Cabe's location, to Hooman's Current Location on the Traffic Circle. Willow Avenue runs from a short distance south of Cabe along the north base of Signal Hill, roughly parallel to I-405, to Hooman's Proposed Location at the intersection with Redondo Avenue. (RT Vol. I, 147:18-24; RT Vol. XIV, 79:13-18; 145:5-146:12; Ex. 286, p.00347)

43. The Los Angeles Metropolitan Transit Authority Blue Line, a high-volume light rail line, connects downtown Long Beach with downtown Los Angeles. The Blue Line's Willow Street Station is approximately 100 yards to the south of Carson's dealership. (Site Visit Memo, p. 4) At that point it crosses the southbound lanes of Long Beach Boulevard and continues to its terminus in downtown Long Beach.

Protestants

Cabe

44. Cabe is located on the west side of Long Beach Boulevard south of the Long Beach Boulevard exit of the I-405 freeway.[17] The freeway is visible from the dealership property. (Site Visit Memo, p.4.) The entire dealership is strung along Long Beach Boulevard, and is prominently visible from the street. (Id; Ex. 286, pp. 00063, 00067, 00071, 00079, 00102; Ex. 286, p. CABE 00063 incorporated herein as Attachment 2)

45. Cabe was founded as, and remains, a family-owned dealership. It was founded by brothers Roy and Loy Cabe at its present location in 1966. John Cabe, Loy's son, is Cabe's Dealer Principal and General Manager. He and his two sisters currently own the dealership. (RT Vol. I, 112:17-116:17; Ex. 1153)

46. For at least a decade Cabe's buildings and facilities have not complied with TMS facilities requirements or applicable design standards. The buildings are cramped and look dated, and Cabe deferred investment in improving the dealership to rectify this situation. Although Cabe considered moving its dealership to alternative locations in Long Beach and the City of Signal Hill in recent years,

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[16] Signal Hill is also the name of a separately incorporated community that is entirely surrounded by the City of Long Beach, within which is an auto mall that was developed after the establishment of the Cabe and Carson dealerships.

[17] Cabe's distance from I-405 is approximately one-half mile. (RT Vol. I, 114:8-20)

for various reasons it did not do so. Instead, Cabe determined that it would expand and rebuild its existing dealership, and has been engaged in that process for several years. In April 2013 Cabe began major reconstruction of the dealership buildings and facilities. (RT Vol. II, 10:17-18; 9:13-14; RT Vol. X, 33:13-24; see, e.g., Ex. 286, pp. 00063; 00067; 00140; and 00222; Ex. 2058)

47. Starting in 2006 Cabe acquired additional parcels in the vicinity of its original site for expansion of the dealership. (RT Vol. I, 131:23-5; RT Vol. V, 56:17-57:7; Ex 1209) The newly acquired properties are not contiguous, as they are separated by two streets - 29th Street, which was partially blocked with the City's cooperation and separates the sales and service department, and Columbia Street, which remains opened to vehicular traffic but is a *cul de sac* . (RT. Vol. II, 55:9-22; RT Vol. IV, 146:20-147:13; RT Vol. V, 53:21-55:19; RT Vol. X, 33:17-34:4; Ex. 1209; Ex. 286, p. 00223)

48. As a result of its expansion efforts, the Cabe dealership now operates from a series of buildings fronting on Long Beach Boulevard, with the two streets somewhat interrupting the flow of the dealership. The Blue Line right-of-way and tracks are behind the dealership property. (RT Vol. II, 55:9-22; RT Vol. IV, 146:20-147:13; RT Vol. V, 53:21-55:19; RT Vol. X, 33:17-34:4; Ex. 1209; Ex. 286, pp. 00067, 00071, 00072, 00079, 00102, 00222, and 00203; Site Visit Memo, p. 4)

49. Cabe's current Dealer Agreement with TMS specifies that the reconstruction work to correct its facility deficiencies and achieve Image USA II compliance must be completed by June 30, 2014. (Ex. 1153, p. 5 (CABE 001044)) The rebuilt facility will have more square footage, additional parking, an improved customer waiting area, and a new showroom, and it will comply with Image USA II standards. (RT Vol. V, 134:21-135:13)

50. Significant portions of Cabe's PMA consist of low income households with annual incomes below $30,000. (RT Vol. XIV, 145:23-146:12; Ex. 1234; Ex. 1227)

51. Prior to 2010 Cabe did not have a significant internet sales presence. Since 2010 Cabe has begun utilizing internet sales services, such as TrueCar and Edmunds.com, through which it does the majority of advertising. It established a business development center dedicated to internet sales, and is in the process of building its internet sales force to increase its percentage of internet sales. The result of this increased sales presence has been an increase in the number of vehicles it has sold in the past three years. (RT Vol. II, 38:21-24; 39:3-11; RT Vol. IV, 196:13-15)

52. Cabe's increased internet sales corresponds to a declining percentage of sales Cabe has made within its PMA during the same time period. In 2012 Cabe made 7.9 per cent of its new vehicle sales into its PMA (Ex. 1219, p. Cabe 01774) and 15.6 per cent of the 767 new Toyota sales made into its PMA. (Ex. 1220, p. Cabe 01777)

53. Thirty-seven per cent of Cabe's sales are within ten miles of its dealership. (Ex. 2088, p. R-8) Therefore, Cabe makes nearly two-thirds of its sales to customers beyond its PMA, and "pumps out" the majority of sales to PMAs of dealers outside its own PMA. On the other hand, 84.5 per cent of vehicles sold in its own PMA in 2012 were "pumped in" -- i.e., sold by other dealers. (Ex. 1220)

54. In 2012 Cabe sold 1,514 vehicles nationwide, but only 7.9 per cent (120 units) to customers within its PMA. In other words, about 92 per cent of Cabe's vehicle sales are outside its PMA. (Ex. 1219, p. Cabe 01774) By contrast, a total of 767 Toyota vehicles were sold within Cabe's PMA, but Cabe made only 15.6 per cent of those sales (Ex. 1220, p. Cabe 01777) Cabe is currently making 37 per cent of its sales within a 10-mile radius of its dealership. (Ex. 2088, p. R-8)

55. In 2012 Cabe generated over $61 million in sales. (RT Vol. II, 167:1-7)

Carson

56. Carson is located on I-405 at 1333 E. 223rd Street in the City of Carson, approximately 3.6 miles west of Cabe. (RT Vol. XI, 179:11-180:6; 184:2-10; Ex. 1508)

57. Carson is situated on a 10-acre parcel immediately adjacent to the southbound (eastward flowing) lanes of the I-405 freeway, and is highly visible to passing motorists. Carson exploits its visibility to passing motorists on the freeway by having an "elevated showroom" above the freeway level in which it displays new vehicles. (Ex. 286, pp. Carson 0020 and Carson 0205 incorporated herein as Attachments 3 and 4)

58. An investor group of shareholders who are members of the Skinner and Pennington families founded Carson in 1975, and it is still under their ownership. (RT Vol. XI, p. 179:11-22; p. 197:4-12; Ex. 1506; Ex. 1508) Albert Skinner has been the Dealer Principal from the time the dealership started to the present. (RT Vol. XI, p. 179:19-22; Ex. 1508) Martin Brylski is Carson's President and Chief Executive Officer. (RT Vol. XI, 240:4 -9; 241:7-10)

59. Although its dealership location has been the same since it first opened, starting in 2004

Carson undertook the complete demolition, expansion, and reconstruction of its buildings and facilities (which included a large tent) to build a large, modern dealership that is Image USA II compliant. (RT Vol. I, 131:23-132:5; RT Vol. X, 30:7-12; XI, 180:10-15; 184:2-10; 197:4-12; 200:9-20; Ex. 1523; Ex. 2038) The new facility was completed in late 2008. (RT Vol. VII, 72:2-9; XI, 186:23-187:18)

60. Carson's new facility greatly exceeds TMS's minimum facility guidelines. (RT Vol. IX, 173:13-177:23; Ex. 2038) It is fully Image USA II compliant. (RT Vol. XI, 187:9-11; 201:9-14)

61. Carson currently has 139 employees, down from a peak of 175 before the recent recession. Of these, 21 are sales associates and 24 are qualified technicians. (RT Vol. XI, 242:7-20)

62. Carson is a strong-performing dealership, generating at year-end 2012 more than $133 million in sales of 3,170 new Toyota and Scion vehicles and 1,142 used vehicles. It serviced 24,407 vehicles, based on customer-pay and warranty repair orders. (RT Vol. XI, 180-9; 241:15-22; Ex.1508; Ex. 1514, pp. HoCT001888; 001891-1892)

63. Carson is in a different market from Hooman. (RT Vol. XII, 141:2-10) Carson's new vehicle sales are concentrated around its dealership and to the west, near the City of Carson, and it is not conducting a significant amount of business in Long Beach. (RT Vol. XII, 110:3-11; 141:2-10)

Hooman

64. Hooman's dealership is at the Current Location in Long Beach. It is 3.1 air miles from Cabe and 6.7 air miles from Carson, on PCH at the Traffic Circle. (Ex. 254, Tab 4; Ex. 2056, p.016432; Ex. 286, p. Hooman Current 00060 incorporated herein as Attachment 5)

65. The dealership originally located at this site was Palace Mercedes, but in 1979 Palmers Toyota, which had been established at another Long Beach location, relocated to the Current Location, doing business as Long Beach Toyota. In early 2008 Hooman purchased the Toyota dealership, and now does business at the location as Hooman Toyota. (RT Vol. XIV, 17:20-21; Ex. 1009)

66. Hooman is owned by Hooman Nissani and Kevin Golshan. (RT Vol. XIV, 9:13-22; 101:1-102:5; Ex. 268).

67. The dealership is located on its original two parcels. The sales department is at 4401 E. Pacific Coast Highway, directly on the Traffic Circle, and the service department is at 1775 Ximeno Avenue. (RT Vol. XIV, 17:22-18:7; Ex. 1009, p. TMS-PROD_013311) These parcels are located across

a local street from one another. (Id.)

68. After Hooman purchased the dealership its business began to grow, and Hooman had to modify and expand its facilities to accommodate the increase. (RT Vol. XIV, 24:8-13) Over time, Hooman entered into several short-term leases for offsite storage facilities, and also entered into an agreement to lease the Proposed Location and associated facilities. (RT Vol. XIV, 102:6-103:3; Ex. 274, p. HTL0001192) Hooman has used the Proposed Location for offsite storage and car washing. (RT Vol. XIV, 35:12-36:9; 37:25-38:10; 156:12-22) It uses the offsite "Orizaba location" for receipt of new vehicle inventory, performing pre-delivery inspections, and detailing used vehicles. (RT Vol. XIV, 33:23-34:13)

69. Hooman also contracts with two offsite third-party car wash businesses, because it lacks the capacity to perform all of its necessary car washing. (RT Vol. XIV, 35:12-36:9; 156:12-22)

70. Altogether, Hooman now conducts its various operations from six locations. (RT Vol. XIV, 18:4-7; 30:25-38) The dispersed nature of its operations requires the use of employees who serve as runners, and its operations are inefficient. The customer waiting area has only a few seats and is very small and cramped. (RT Vol. VI, 59:17-60:24; 64:13-65:8; 67:1-5; RT Vol. XIV, 26:21-25) There is room in its showroom for only one small car. (RT Vol. XIV, 22:23-23:4) There are 18 service stalls (RT Viol. XIV, 31:10-14) Employees are required to drive cars to different locations for service and car washes, because there is insufficient space at the Current Location. (Carrillo Deposition, 43:1-8; RT Vol. VI, 56:6-23; 61:1-12; RT Vol. 14, 34:17-25) The service drive is short, requiring customers to line up in the street for service, in violation of traffic laws. (Carrillo Deposition, 46:11-47; RT Vol. XIV, 31:15-32:3)

71. Hooman has performed some upgrades of its sales and service facilities since 2008, including adding three service write-up areas to the then-existing four areas, building out an additional area into which it moved some service write-up areas to increase waiting room space, and painting, cleaning, and maintenance to the service and parts department. (RT Vol. XIV, 24:14-21; 26:14-20; 27:1-13; Carrillo Deposition, 40:9-41:2) However, these facilities do not comply with TMS's minimum space and appearance standards. (RT Vol. X, 40:14-16; 4Ex. 1009, p.TMS-Prod_008736)

72. For 2012 year-to-date, Hooman generated over $72 million in sales, selling 1,781 new

Toyota and Scion vehicles and 590 used vehicles, and servicing approximately 23,829 vehicles on customer-pay and warranty repair orders. (Ex. 252, p. 0000005-0000006)

Hooman's Proposed Relocation

73. Hooman proposes to relocate its Toyota dealership from the Current Location to the Proposed Location. (Ex. 1100) Its proposed relocation actually involves two separate, discrete aspects: first, change of the dealership location to the Proposed Location; and second, reconstruction and reuse of the buildings and facilities at the Proposed Location to construct a new dealership facility that will meet TMS's facility standards and image requirements.[18] (Ex. 286, p. Hooman Proposed 0014 incorporated herein as Attachment 6)

74. On July 30, 2012, TMS approved the proposed relocation following an internal review. (Ex. 1164; Ex. 1563) The internal review included two separate market analyses of the relocation proposal to evaluate its effect on consumers, the public, and other Toyota dealers. (RT Vol. X, 93:14-95:5; 115:21-116:16; Ex. 1109; Ex. 2056)

75. The Proposed Location is within the City of Long Beach, approximately 1.14 air miles from the Current Location.[19] (Ex. 1100)

76. The move would be within Hooman's own PMA, and not to another dealer's PMA.

77. The corner on which the Proposed Location is situated is one block south of the southbound lanes of the I-405 freeway, but not adjacent to an off-ramp. The I-405 freeway is visible from the Proposed Location, but the entrance to the existing building is not visible from the freeway. (Ex. 286, p. 0014; Ex. 1164)

78. The north-south street on which the Proposed Location is situated, Redondo Avenue, is a wide arterial street, the first one north of Lakewood Avenue. Lakewood Avenue intersects PCH at the Traffic Circle approximately one mile south of Willow Street. (See Ex. 286, p. 0005) Willow Street is an east-west arterial that runs generally parallel to I-405. (Ex 1164, p. TMS-PROD, p. 01926; Ex. 286, p.

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[18] Hooman elected to relocate the dealership rather than rebuilding the buildings and facilities at the Current Location due to cost considerations. (See Ex. 1100) Hooman does not have the burden of showing good cause to relocate under Section 3062, so its reasons for electing to do so are inapposite.

[19] The air distance used in a few exhibits varies slightly, from 1.13 to 1.21 miles. However, the distance measure of 1.14 miles has been most widely accepted by the parties, and does not appear to be a matter of controversy.

0014; see also p. 0027 (right side))

79. Although the Proposed Location is approximately one-half block south of the I-405 freeway, there is a highly visible digital reader board near the dealership on East 29th Street across from the freeway, less than one-half block from Redondo Avenue. (See Attachments 8, 9, and 10, referenced below) Under an agreement with the City of Long Beach, which owns the sign, Hooman has used this reader board to display both its dealership name and programmed digital messages for several years. (Ex. 286, p.00347; Ex. 1226) Hooman intends to continue to utilize this reader board, whether or not the dealership relocates to the Proposed Location. (Ex. 1226, p. CABE 001847; Ex. 286, p. Hooman Proposed 00347; and Ex. 1226, CABE001845 incorporated herein as Attachments 7, 8, and 9)

80. Although the entrance to the building at the Proposed Location cannot be seen from the freeway at the reader board location, the reader board can be seen from the corner of Willow Street and Redondo Avenue. (Ex. 286, p. 0014)

81. There is a vacant former Cadillac dealership at the Proposed Location, consisting of a series of buildings that, in contrast to those at Hooman's existing dealership, are modern, attractive, and well designed for dealership use. (See Ex. 286, especially pp. 0005, 00010, 0014, 0027, 0276, and 0305 (for Proposed Location); 0159, 0167, and 0179 (for Hooman's Current Location))

82. The vacated facility at the Proposed Location was purpose-built as a dealership, with features such as a showroom and a service department entryway with an associated driveway. There are entrances on both sides of the corner on which it is situated, and parking lots around the perimeter. There is a showroom in the front of the main building, behind which are sales offices, and service and parts storage areas. (Ex. 286, pp.0005; 00010; 0014; 0027; 0276 and 0305)

83. Since 2009 Hooman has leased the Proposed Location, and uses it for storage of inventory and large parts. Hooman has an option to purchase the property for $8,250,000. (Ex. 275)

84. The Proposed Location is larger than Hooman's current dealership. (Ex. 1164)

85. Hooman has engaged an architect, Dennis Flynn AIA, to redesign the former Cadillac facility for Hooman's use. (Ex. 266; Ex. 273)

86. Hooman's intention is to build a dealership that is better suited to serve its operational needs and comply with TMS's facility requirements than does its present dealership. It will accomplish

these goals by consolidating its present dealership activities into a single facility, and by complying with TMS's facility standards and design requirements. The rebuilt dealership would have more space, parking, and amenities for customers than the Current Location. Hooman intends to remodel the existing dealership buildings and facilities for its own purposes by demolishing the interior showroom and adjacent areas of the main building, partially demolishing other portions of the dealership, converting existing office space and parts and service areas to serve its own operational needs, and constructing additional space for its operations. (Ex. 266) Among other features, it will have 56 service bays and 52 lifts, compared to 21 service bays with 18 lifts at the Current Location. (RT Vol. XIV, 30:24-31:13; 89:11-16; Ex. 264; Ex. 272)

87. The proposed new facility will meet at least 99 per cent of the 2015 standard requirements set by TMS. (RT Vol. XIV, 97:23-98:11, Ex. 267)

88. The estimated future cost of completing these improvements at the Proposed Location is $2.95 million. (Ex. 1561)

89. Hooman is expected to realize a fixed costs savings of around 60% if it is permitted to move to the Proposed Location. (RT Vol. VI, 207:21-208:5; RT Vol. VII, 176:17-177:12)

Findings Relating to Permanency of Investment [Section 3063(a)]

Cabe

90. Cabe has unified its non-contiguous parcels at its existing location with the cooperation of the City of Long Beach, by partially blocking 29th Street to provide for a pedestrian right-of-way separating the sales and service departments, and also by narrowing Columbia Street. (RT Vol. II, 55:9-22; RT Vol. IV, 146:20-147:13; RT Vol. V, 53:21-55:19; Ex. 1209)

91. In August 2008 the Cabe family purchased a parcel next to its parts building for $1.8 million. (RT Vol. I, 123:6-13; Ex. 1209)

92. The Cabe family then purchased the real estate upon which the parts building sits and the corresponding parts building in September 2009 for $1.4 million. (RT Vol. I, 123:21-124:5; Ex. 1209)

93. The Cabe family also purchased a property with a house on it in April 2012 for $400,000. The house was demolished, and Cabe used the lot to store inventory. (RT Vol. I, 123:9-20; Ex. 1209)

94. As of May 2013 the Cabe family had spent $613,875 in construction costs. (RT Vol. II,

151:10-151:24; Ex.1261)

95. The total investment Cabe has already made in land acquisition and facility construction costs through May 2013, though not inclusive, is $4,213,875. Cabe estimates that an additional $3,985,125 will be required to complete its remodeling, based on its proposed loan with Toyota Financial Services, which would bring its total estimated investment to approximately $8.2 million. This effort is underway. (Ex. 1238, p. CABE 001851)

96. As a result of its remodel, Cabe expects its monthly fixed costs to increase between $28,000 and $31,000 over the next 20 years. (RT Vol. I, 152:1-24; 161:9-18; RT Vol. III, 65:22-66:6; RT Vol. V, 73:25-74:17)

97. It is not disputed that Cabe has made a substantial and permanent investment in its dealership.

Carson

98. Carson has invested in improved dealership facilities in conjunction with its remodeling and reconstruction project, and it now owns the underlying real property. Because the landowner would not sell the dealer-occupied property, before commencing its remodeling project Carson enlisted the assistance of the City of Carson Redevelopment Agency to purchase the property, and in turn sell it to the dealership. (RT Vol. XI, 186:7-14; Ex. 1523)

99. The Skinner and Pennington families, through the dealer-related entity Carson Real Estate Leasing, LLC, purchased that property in May 2004 for approximately $8.5 million, ultimately acquiring about ten acres of land for the dealership's facilities. (RT Vol. XI, 203:1-3; Ex. 1523, p. TMS-PROD_004605, ¶ 4.2.1)

100. Carson, through its dealer-related entity, started construction of its new facilities around March 2007 by demolishing all of the existing facilities, and built a completely new facility that was completed around December 2008. (RT Vol. XI, 186:23-187:18; 192:18-193:2 ; Ex. 1524 p. HoCT000469)

101. The construction cost of the new facility totaled $20,418,152. (Ex. 1524, p. HoCT000470)

102. Upon completion of the new facility, Carson invested in completely new service equipment at a cost of $1,539,500. (RT Vol. XI, 193:24-194:9; Ex. 1533, p. HoCT000537; *see also* Ex.

1514 p. H0CT001887, line 62 - $1,552,742)

103. Carson also invested in additional construction and improvements totaling $148,891. (Ex. 1514, p.H0CT001887)

104. Carson invested in new furniture, fixtures, and signs totaling $1,242,362. (RT Vol. XI, 193:24-194;9; Ex. 1514, p.H0CT001887)

105. Additional investment in its facility includes parts and accessories equipment, costing $230,688. (Ex. 1514, p. H0CT001887)

106. In 2012 Carson paid monthly rent of $217,347 to the dealer-related entity, Carson Real Estate Leasing, LLC. Roughly $187,000 of the rent was used to cover the monthly payments on the loans for the real estate acquisition and facility and construction costs invested by the Skinner and Pennington families. (RT Vol. XI, 222:7-24; Ex. 1514, p.H0CT001888 – line 35)

107. Carson's original investment in the dealership totaled $59,400. (RT Vol. XI, 216:7-15; Ex. 1514, p. H0CT001887)

108. The Skinner and Pennington families' dealer-related investments, though not inclusive, total $30 million. (Ex. 1514; RT Vol. XI, 180:10-15)

109. It is not disputed that Carson has made a substantial and permanent investment in its dealership.

Hooman

110. Hooman had made a total investment of $20,317,307 in its current facilities through November 30, 2012. (Ex. 252)

111. Hooman has not made any physical improvements to the Proposed Location, but as of October 2012 had spent $36,000 in architectural fees and plans, $214,000 in attorney fees, and $80,000 in brokers' fees in conjunction with its plan to relocate the dealership. (Ex. 253)[20]

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[20] Hooman also pays a monthly base rate of $36,000 to lease the Proposed Location. (RT Vol. XIV, 104:2-9 ; Ex. 274, p. HTL0001192) Caliber Bodyworks, Inc., a third party, subleases a portion of the Proposed Location from Hooman for its body shop business, offsetting Hooman's monthly rent by $15,000. (RT Vol. XIV, 65:18-66:3; 103:8-24; Ex. 274, p. HTL0001155)

Findings Relating to Effect on the Retail Motor Vehicle Business and The Consuming Public in the Relevant Market Area [Section 3063(b)]

112. The current air distance between Hooman and Cabe is 3.1 miles. Following the relocation it will be 2.2 miles. The net result will be that Hooman will be 0.9 air miles closer to Cabe. (Ex. 254, Tab 4, p.1)

113. The current air distance between Hooman and Carson is 6.7 miles. Following the relocation it will be 5.8 miles. The net result will be that Hooman will be 0.9 air miles closer to Carson. (Id.)

114. The current driving distance between Hooman and Cabe is 3.9 miles. Following the relocation it will be 2.7 miles. The net result will be that Hooman will be 1.2 miles closer to Cabe. (Ex. 254, Tab 4, p. 3)

115. The current driving distance between Hooman and Carson is 7.7 miles. Following relocation it will be 6.5 miles. The net result will be that Hooman will be 1.2 miles closer to Carson. (Id.; Ex. 254, Tab 4, pp. 1, 2, and 3 incorporated herein as Attachments 10, 11, and 12)

116. Because air distance measures do not account for travel routes, drive time measures are more meaningful than air distance measures. (RT Vol. 6, 97:22-108:10, Ex. 254, Tab 14, pp. 1-12) Actual drive times will vary, depending upon such variables as the route taken and the traffic conditions encountered.

117. The current estimated drive time from Cabe to Hooman is 4.3 minutes. Following relocation it will be 3.0 minutes. The net reduction in drive time will be 1.3 minutes. (Ex. 254, Tab 4, p.2)

118. The current drive time from Carson to Hooman is 9.7 minutes. Following relocation it will be 8.2 minutes. The net reduction in drive time will be 1.5 minutes. (Id.)

119. If Hooman relocates, the number of Toyota registrations in the entirety of census tracts that are most proximate to Cabe would decline by either approximately 10 per cent, or by a negligible amount, depending upon the criterion employed, i.e., air distance, drive distance, or drive time. (Ex. 254, Tab 4)

120. Based upon measurement of a dealer's proximity share of new car sales based upon air miles, following Hooman's relocation Cabe's sales would decline from 1664 to 1656, or .48 per cent.

Carson's sales would decline from 1630 to 1625, or .31 per cent. Hooman's sales would increase from 1628 to 1671, or 2.64 per cent. (Ex. 254, Tab 14, p. 1)

121. Based upon measurement of a dealer's proximity share of new car sales based upon drive time, following Hooman's relocation Cabe's sales would decline from 1570 to 1562, or .51 per cent. Carson's sales would decline from 1541 to 1535, or .39 per cent. Hooman's sales would increase from 1541 to 1587, or 2.99 per cent. (Ex. 254, Tab 14, p. 2)

122. The sales figures for the years 2010, 2011, and 2012 produce slightly different results, but are of the same order of magnitude. (Id.)

123. The conflicting estimate that the relocation would produce a loss of 9.29 per cent of Cabe's sales is not credible because of the methodology employed by Cabe's expert. The sixty-degree "wedges" used to develop this estimate were arbitrarily chosen and incorrectly drawn, resulting in the delineation of sectors that exclude significant data. The proposition that Carson's "intercept" position on I-405 is entirely responsible for the difference in Cabe's sales between the west and east sectors is too simplistic a cause-and-effect assumption to be credible. Because this methodology is not rigorous, it is an "analytical non-starter." (Ex. 255, pp. 2-3) The gravity-based sales models of Hooman's expert are inherently more credible.

124. Customers in Hooman's PMA currently must travel an average of 2.7 miles to reach a Toyota dealer. Following Hooman's relocation, they would have to travel an additional .6 miles on average to reach the nearest Toyota dealer. (RT Vol. XIII, 122:11-123:7)

125. The average customer in Hooman's and Cabe's combined PMAs currently travel 2.5 miles to reach the nearest Toyota dealer. After the proposed relocation, the average travel distance would be 2.9 miles, a net increase of .4 miles. (RT Vol. XIII, 126:19-127:11)

126. There is currently no apparent pattern regarding customers choosing between Cabe and Hooman within 5 miles of Cabe. This indicates that customers who cross-shop the two Long Beach dealerships, at least within this five-mile circle, draw little distinction between the relative proximities of Cabe and Hooman, even at their current distance from one another. A reduction of the distance by .9 air miles would not affect this pattern. (RT Vol. VI, 175:15-177:12; Ex. 254, Tab 23, p.1)

127. The Proposed Location is within Hooman's current PMA, and Hooman's PMA will not

change following the relocation. (RT Vol. IV 128:16-23; RT Vol. X, 113-1-6; Ex. 254, Tab 3, p.3)

128. Hooman's relocation to the Proposed Location is unrelated to its ongoing customer incentive ("VIP") program. That program, consisting of free car washes and other consumer services, is part of the operations it can conduct anywhere, and there is no nexus linking it to either its proposed change of location or the facilities it will develop at the Proposed Location.

Findings Relating to Whether it is Injurious to the Public Welfare for an Additional Franchise to be Established [Section 3063(c)]

129. Although Section 3063(c) contemplates the establishment of an additional franchise, no additional franchise would be established in this matter. Relocating the existing franchise would affect the public welfare differently than adding an additional franchise.

130. Hooman's change of location from the Current Location to the Proposed Location will move it farther away from some customers in its PMA, but closer to others. Toyota customers in the areas closest to Hooman would, on average, have to travel approximately 31 seconds more to reach the nearest Toyota dealership. (RT Vol. VI, 86:4-10) RMA customers would have to travel, on average, two to four additional seconds to reach the nearest Toyota dealership. (Ex. 254, Tab 12, pp. 1-2; RT Vol. VI, 87:1-19)

131. Hooman's relocation to a facility with lower operating costs could enable Hooman to lower its prices and offer more pro-consumer services. If a competing dealer is unable to respond by lowering its prices and offering equivalent services, it could respond by cutting its costs and services. (RT Vol. VI, 43:5-44.1; RT Vol. VII, 235:1-22; 121:9-24; RT Vol. XI, 194:12-22; 196:7-17; Ex. 1500, pp. HoCT001773-1774)

132. Hooman's dealership at the Proposed Location will have more room for customers, more inventory on site, increased customer amenities, and increased parking as compared to the dealership at the Current Location. These features will reduce customer wait times and alleviate the need for customers to park in the street and wait in line in busy traffic lanes. (RT Vol. X, 161:21-162:4; RT Vol. XIV, 63:6-12, 65:3-11; 84:21-85:2; 87:4-6; 89:17-20; RT. Vol. IX, 220:2-22)

133. There will be a positive tradeoff between location, on one hand, and safety and convenience, on the other hand, for customers for whom the Proposed Location is less proximate than

the Current Location. This is both qualitative because the better facilities will produce a better and safer customer experience and quantitative because the longer drive time will be offset by the savings in sales and service customers' wait times. (RT Vol. XI, 85:17-88:14; Ex. 254, Tab 12, pp. 1-2)

134. Cabe's public advertising prominently states, "Avoid the Traffic Circle." (Ex. 2066) This is not only an assertion to customers that Cabe's Long Beach Boulevard location is preferable, but also a tacit admission that Hooman's relocation to a site off the Traffic Circle is prudent and justified.

Findings Relating to Whether Franchisees of the Same Line-Make in the Relevant Market Area are Providing Adequate Competition and Convenient Consumer Care for Toyota Vehicles in the Market Area, Including Adequate Sales and Service Facilities, Equipment, Supply of Parts, and Qualified Service Personnel [Section 3063(d)]

135. Toyota has more dealers in the RMA than any other manufacturer, and no other manufacturer has two dealerships in the City of Long Beach. (RT Vol. III, 21:18-22:18) There are 54 total dealerships in the RMA, of which eight are Toyota dealerships. (RT Vol. III, 27:14-25)

136. Both inter-brand and intra-brand competition in the RMA are strong. (RT Vol. III, 21:18-22:18)

137. Toyota's market share in the PMAs that fall wholly or partially within the RMA in this matter, excluding the Hooman and Cabe PMAs, is 28.21 per cent. (RT Vol. III, 83:23-85:1; Ex. 2088, pp. A-2, A-3, and A-8) Within the RMA Toyota's market share in 2012 was 24.9 per cent. This is higher than the California average and about double the national average. (RT Vol. III, 102:6-14; 186:1-5; Ex. 1227 p. SW000055)

138. Excluding the Long Beach PMAs' benchmark, the RMA dealers' market penetration is better than the five Los Angeles Markets, about 26.25 percent, which is more than 1 per cent higher than the California average. (RT Vol. XIII, 211:19-212:8; Ex. 2088 pp. A-8, A-26.1)

139. The RMA dealers' market penetration of Toyota vehicles is among the highest, if not the highest, in the country. Collectively, as well as individually (with one exception), Toyota dealers within the RMA exceed TMS's sales penetration benchmarks denoting adequacy of performance. (RT Vol. III, 29:3-17; Ex. 1227, pp. SW000055-56; Ex. 2088, p. A-26.1)

140. The presence of eight Toyota dealerships within the statutorily-designated RMA indicates that consumer care for Toyota vehicles in the RMA is convenient.

141. There is no substantial evidence in the record that authorized Toyota and Scion sales and service facilities, equipment, supply of parts, and qualified service personnel in the RMA are less than adequate.

Findings Relating to Whether the Relocation of the Franchise Would Increase Competition and Therefore be in the Public Interest [Section 3063(e)]

142. Cabe currently does not satisfy TMS's facility requirements. However, Cabe is currently undergoing major reconstruction of its dealership buildings to satisfy TMS's requirements, and at the conclusion of the construction it will cure the deficiencies to the extent required by its current Dealer Agreement with TMS. (Ex. 1153, p.5 (CABE001044)

143. Following Cabe's and Hooman's respective dealership reconstructions, all three dealerships will comply with TMS's facility standards and design requirements. This will improve inter-brand competition because the universal standards and design enhances the customer experience and the Toyota brand.

ANALYSIS

Permanency of the Investment [Vehicle Code section 3063(a)]

144. Cabe has established permanency of its investment. Cabe has made a substantial investment in its dealership from the time of its establishment to the present, and is committed to making a further substantial investment to renovate and upgrade its dealership. It is uncontested that Cabe's investment is substantial and permanent.

145. Carson has established permanency of its investment. Carson has made a substantial investment in its dealership from the time of its establishment to the present. It is uncontested that Carson's investment is substantial and permanent.

146. Hooman has established permanency of its investment. Since its establishment in 2008, Hooman has made a substantial investment in its current dealership, and has also made an appropriate investment in its prospective dealership facility at the Proposed Location, given that Hooman does not own the Proposed Location.

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Effect on the Retail Motor Vehicle Business and the Consuming Public In the Relevant Market Area [Vehicle Code section 3063(b)]

147. Relocation of Hooman's dealership will have no adverse effect on the retail motor vehicle business in the RMA, because of the population density, Toyota brand penetration, and density of Toyota dealerships in the RMA.

148. The prospect of significant cannibalization of Cabe's sales because of the relocation is doubtful. Because Cabe does not currently make many sales within the area into which Hooman would encroach. As one expert expressed it, Cabe "cannot lose what it didn't win."

149. The circumstance that Cabe is presently in the process of renovating its own dealership buildings and facilities to provide greater convenience for consumers and to comply with TMS's facility and design requirements precedes Hooman's prospective relocation, and will put Cabe on an equal footing to compete with Hooman's renovated dealership.

150. Relocation of Hooman's dealership to the Proposed Location will not have a substantial effect on Carson's business. Carson is a much larger dealership, which it has already completely rebuilt into a modern, efficient and convenient facility that generally exceeds TMS's facility requirements and is Image USA II compliant. Carson is well prepared to compete with Hooman following Hooman's relocation to a better facility at the Proposed Location.

151. Carson and Cabe are already competing with Hooman at the Proposed Location to some extent, because for several years Hooman has had a strong visual presence on I-405 at the Proposed Location through its use of the reader board there. The reader board provides consumer information and directs customers to the Current Location. The reader board also serves as an "intercept" to the east of Cabe, because it is intended to divert passing motorists to the Current Location. Its presence may have some influence upon motor vehicle business in the RMA (as it is intended to) by attracting customers to Hooman that otherwise would be customers of competing dealers.

152. The fact that Hooman's proposed move would be to a location .9 miles closer to Carson, but still 5.8 miles distant, suggests that the relocation will have no material effect upon Carson. In terms of the gravity analogy discussed extensively in the expert testimony, Carson's mass, as reflected by its sales volume (nearly twice that of Hooman), and its distance from the Proposed Location (which will

remain greater than 86 per cent of its distance from the Current Location) provide sufficient "gravitational" attraction to create a point of consumer indifference much closer to Hooman than to Carson. Consequently, Carson will retain most of its proximity advantage after the proposed relocation.

153. Carson's marketing orientation is to the City of Carson and environs, not to Hooman's PMA, and will remain so. There is unlikely to be any shift in Carson's present sales pattern, because Carson does not market heavily into Hooman's PMA.

154. That a significant number of customers will be drawn away from the protestants' dealerships to Hooman's merely because of the greater proximity of Hooman's new location is also unlikely in light of everyday experience. A change in proximity advantage of .9 air miles, or a three to five minute drive time, is not likely to overcome a consumer's preference for a dealer that offers a better price or better service, particularly in this densely dealer populated RMA. [21] Dealerships differ qualitatively, and in this RMA network of closely-spaced dealerships, the better competitor will more likely win a customer over a small proximity advantage that another dealer may have.[22]

155. The most noteworthy consequence of *this* proposed relocation is that the dealership will move from a location where several surface streets converge at the busy Traffic Circle to one that is close to the I-405 freeway. To the extent that the new location will give Hooman a new "intercept" or "regional" status because of its I-405 location, its customer base may change. On the other hand, its move away from the Traffic Circle and nearby areas of its PMA will favor other Toyota dealerships that will gain some proximity advantage to the customers in those areas.

156. Irrespective of the issue of location, the substitution of a more attractive Toyota

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[21] The Board is particularly cognizant of the Los Angeles region's notoriously automobile-friendly culture, a milieu in which driving around to do errands is nothing less than a lifestyle.

[22] The Board also takes notice that Hooman's proposed relocation is between one location and another within the City of Long Beach, and is therefore only subject to protest because the distance of the move is greater by .14 miles (740 feet) than the one-mile distance that Section 3062(a)(1) exempts from protests in such instance. To put this into perspective, consider that R.M.S. "Queen Mary," which is permanently docked in Long Beach Harbor, is 1,019 feet long from bow tip to stern. If she were positioned with her stern on the one-mile limit line, the Proposed Location would be amidships. Ironically, a difference in the relocation of less than a ship's length is the only reason the Board is obliged to examine the entire effect of the proposed relocation at all. The Board cannot disregard the one-mile bright line drawn by the legislature, but recognizes that this relocation is close to one whose effects are not even of legislative concern. The "free zone" established by the legislature for intra-city relocations logically must reflect its view that the impact of such a move upon local competition is too minor to scrutinize. The marginal impact of moving this dealership by a distance of another 740 feet beyond that limit is probably negligible.

dealership with better facilities, amenities, convenience, and service for one that is demonstrably deficient in these aspects is likely to improve the retail motor vehicle business in the RMA. A better dealership should enhance both inter-brand competition in the RMA by attracting more customers away from dealerships representing other line-makes, and intra-brand competition by providing an incentive for other dealers to uphold or improve the quality of their sales and service offerings.

157. Even if the net effect of relocating Hooman to the Proposed Location is that it moves away from more customers than it moves closer to in its PMA, the net increase in inconvenience resulting from customers traveling a slightly greater distance to Hooman or another dealership in the RMA is outweighed by the greater convenience and safety Hooman's customers will enjoy at its relocated dealership. Customers will no longer have to line up in public streets to enter the dealership, and the processing of service requests and other transactions will be correspondingly safer and more convenient. From the standpoint of the consuming public, the relocation will have an overall positive effect.

Whether it is Injurious to the Public Welfare for an Additional Franchise to be Established [Vehicle Code section 3063(c)]

158. Although Cabe argues that relocation of Hooman to the Proposed Location will injure the public welfare by producing competitive impacts that will result in the loss of jobs, encourage illegal and anticompetitive activity, and cause higher prices and a loss of convenience for customers, the greater weight of the evidence demonstrates that precisely the opposite is true. The evidence demonstrates that relocating the dealership into a larger, more convenient facility will increase Hooman's sales and service capacity and promote the growth of its business, ultimately resulting in a higher level of employment, and will not materially alter the way Hooman or any other dealer conducts business. Cabe has not established that the public welfare would be injured by Hooman's relocation.

159. Cabe's contention that Hooman has allegedly engaged in various unlawful sales practices (including the VIP program) is unrelated to the question of whether the relocation would be injurious to the public welfare, because there is no causal connection. The change of location and improvement of the dealership have no relationship to the manner in which Hooman conducts its business. Moreover, the Board is not a legally competent forum in which to adjudicate allegations of

unlawful activity. Accordingly, we have disregarded all of the evidence relating to those allegations in determining whether there is good cause not to permit the relocation.

160. Cabe's contention that Hooman's relocation would be injurious to the public welfare because of prior difficulties in the relationship between Hooman and TMS concerning Hooman's financial condition is misguided. Whatever issues may have existed are of no import to the existing circumstances. Hooman has satisfied TMS's requirements for approval, and TMS has approved Hooman's plans to relocate. There is no evidence to support that Hooman's previous financial condition will have any effect upon the public welfare upon relocation.

161. Carson has not offered any credible evidence that the public welfare would be injured by Hooman's relocation. In light of the size and location of Carson's dealership and the level of its projected loss of sales (if any), it is doubtful that Hooman's activities will materially affect Carson's employment levels. Carson has not established that the public welfare would be injured by Hooman's relocation.

162. The fact that Hooman will offer safer, more comfortable, and more convenient facilities at the Proposed Location will be in furtherance of, and not contrary to, the public welfare. Reuse of a vacant dealership facility also favors, rather than injures, the public welfare, because it is efficient and desirable from an environmental standpoint.

Whether Toyota Franchisees are Providing Adequate Competition and Convenient Consumer Care for Toyota Vehicles in the Relevant Market Area, including Whether Motor Vehicle Sales and Service Facilities, Equipment, Supply of Vehicle Parts, and Qualified Service Personnel are Adequate [Vehicle Code section 3063(d)]

163. Toyota franchisees are providing adequate competition in the RMA, because of the number and above-average sales performance of these franchisees.

164. Toyota franchisees are providing convenient consumer care for Toyota vehicles in the RMA, because of the number and density of the franchisees in the RMA indicate that consumer care is reasonably accessible to all consumers.

165. In the absence of substantial evidence to the contrary, the Board presumes that Toyota franchisees, other than as shown with regard to the protestants and intervenor, are providing adequate sales facilities in the RMA.

166. In the absence of substantial evidence to the contrary, the Board presumes that Toyota franchisees are providing adequate service facilities in the RMA, other than as shown with regard to the protestants and intervenor.

167. In the absence of substantial evidence to the contrary, the Board presumes that Toyota franchisees are providing adequate equipment in the RMA, other than as shown with regard to the protestants and intervenor.

168. In the absence of substantial evidence to the contrary, the Board presumes that franchisees are providing an adequate supply of vehicle parts in the RMA, other than as shown with regard to the protestants and intervenor.

169. In the absence of substantial evidence to the contrary, the Board presumes that Toyota franchisees are providing adequate qualified service personnel in the RMA in the absence of evidence to the contrary, other than as shown with regard to the protestants and intervenor.

170. By definition, "adequate" signifies that a facility or activity simply meets a minimum standard, but does not preclude improvement. Hooman's relocation would improve the level of competition and convenient consumer care for Toyota vehicles in the RMA by improving upon its own current sales and service facilities, equipment, supply of vehicle parts, and service personnel, and thus raise the general level of adequacy for the eight dealers in the RMA.

Whether Relocation of the Dealership would Increase Competition and Therefore be in the Public Interest [Vehicle Code section 3063(e)]

171. The plain wording of Section 3063(e) indicates that increased competition from relocation of a dealership is in the public interest, and implies that public policy favors increased competition caused by relocation of a dealership.

172. Relocating Hooman away from the Current Location on the Traffic Circle to the Proposed Location, which is adjacent to the I-405 freeway, would improve its accessibility to the Los Angeles area freeway system, thereby encouraging cross-shopping. The Traffic Circle is a local traffic circulation feature in Long Beach, and its location is less convenient for RMA-wide cross-shopping. The fact that Cadillac previously located its dealership at the Proposed Location indicates that it is a good location for a dealership business.

173. By creating a more modern, convenient dealership facility for its operations, Hooman will compete on a more equal footing with Carson and Cabe, both of which have, or soon will have, dealership facilities that meet or exceed TMS facility requirements and comply with Image USA II design standards.

174. Hypothetically, Hooman could rebuild its existing dealership to create a better facility, and thus increase its competitive position with both protestants, without being subject to not-good-cause protests. Hooman's election to relocate its dealership instead was a business decision as to how it would increase its competitive position that may have essentially the same competitive effects.

175. Cabe has already responded successfully to its own competitive shortcomings by concentrating its efforts on internet sales in recent years, resulting in greatly increased sales outside its PMA. In addition, Cabe has exploited some of its niche market advantages, for example by selling a large volume of wholesale parts. Unlike many of its competitors, Cabe services older Toyota vehicles, which is consistent with the lower-income demographics of its PMA. With its more modern and convenient rebuilt dealership, Cabe can be expected to compete more effectively in all of these respects. If Hooman does not keep pace, its existing competitive position could slip.

176. As Cabe's dealer principal observed, technological tools are the "wave of the future." Cabe's recent experience demonstrates that the advent of internet sales is changing the nature of both inter-brand and intra-brand competition. Customers no longer need to visit dealerships to shop for new vehicles, but can do so from home. This increases the reach of every dealer well beyond its PMA, and competition may increase irrespective of the factor of location. For online customers who are cross-shopping dealers within the RMA, Hooman's relocation will have essentially no competitive effect, particularly in light of the relatively short driving times and distances involved in comparing available inventory in person.

177. Increasing the number of dealerships in the RMA that satisfy TMS's facility requirements and comply with its Image USA II design standards enhances the Toyota brand image, and thereby improves its inter-brand competitiveness. TMS imposes these requirements and standards because of consumers' preference for visiting such dealerships over substandard ones. Hooman's transformation to a compliant dealership will thus enhance its inter-brand competitiveness.

178. The demographics, travel patterns, and land use have changed since Cabe and Carson established their dealerships at their present locations in the RMA between four and five decades ago, indicating the necessity for the dealer network to be able to adjust reasonably to those new circumstances. The dealer network in this RMA must be flexible enough to respond to such changes, and cannot fossilize because of the desire of any dealer to maintain the *status quo* to preserve its competitive standing.

DETERMINATION OF ISSUES

179. Cabe has established that its investment is permanent. (Section 3063(a))

180. Carson has established that its investment is permanent. (Section 3063(a))

181. Hooman has established that its investment is permanent. (Section 3063(a))

182. Cabe has not shown that Hooman's relocation would have an adverse effect on the retail motor vehicle business and the consuming public in the relevant market area. (Section 3063(b))

183. Carson has not shown that Hooman's relocation would have an adverse effect on the retail motor vehicle business and the consuming public in the relevant market area. (Section 3063(b))

184. Cabe has not shown that it would be injurious to the public welfare for the Hooman Toyota dealership to be relocated. (Section 3063(c))

185. Carson has not shown that it would be injurious to the public welfare for the Hooman Toyota dealership to be relocated. (Section 3063(c))

186. Cabe has established that Toyota franchisees are providing adequate competition and convenient consumer care for Toyota and Scion vehicles in the relevant market area, including whether motor vehicle sales and service facilities, equipment, supply of vehicle parts, and service personnel are adequate. (Section 3063(d))

187. Carson has established that Toyota franchisees are providing adequate competition and convenient consumer care for Toyota and Scion vehicles in the relevant market area, including whether motor vehicle sales and service facilities, equipment, supply of vehicle parts, and service personnel are adequate. (Section 3063(d))

188. Cabe has not shown that competition would not increase if the relocation is allowed, and that the public interest would therefore not be served. (Section 3063(e))

189. Carson has not shown that competition would not increase if the relocation is allowed, and that the public interest would therefore not be served. (Section 3063(e))

190. Cabe has not sustained its burden of proof of showing good cause why Hooman should not be permitted to relocate its dealership to the Proposed Location. (Section 3063)

191. Carson has not sustained its burden of proof of showing good cause why Hooman should not be permitted to relocate its dealership to the Proposed Location. (Section 3063)

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PROPOSED DECISION

Based on the evidence presented and the findings herein, IT IS HEREBY ORDERED THAT Protest Nos. PR-2339-12 and PR-2340-12 are overruled. Protestant Aldon, Inc., a California corporation dba Carson Toyota and dba Carson Scion, has not met its burden of proof under Vehicle Code Section 3066(b) to establish that there is good cause not to relocate Intervenor H.T.L Automotive Inc., dba Hooman Toyota of Long Beach and Hooman Scion of Long Beach, in accordance with the notice dated August 2, 2012. Respondent Toyota Motor Sales U.S.A. shall be permitted to proceed with the relocation pursuant to that notice.

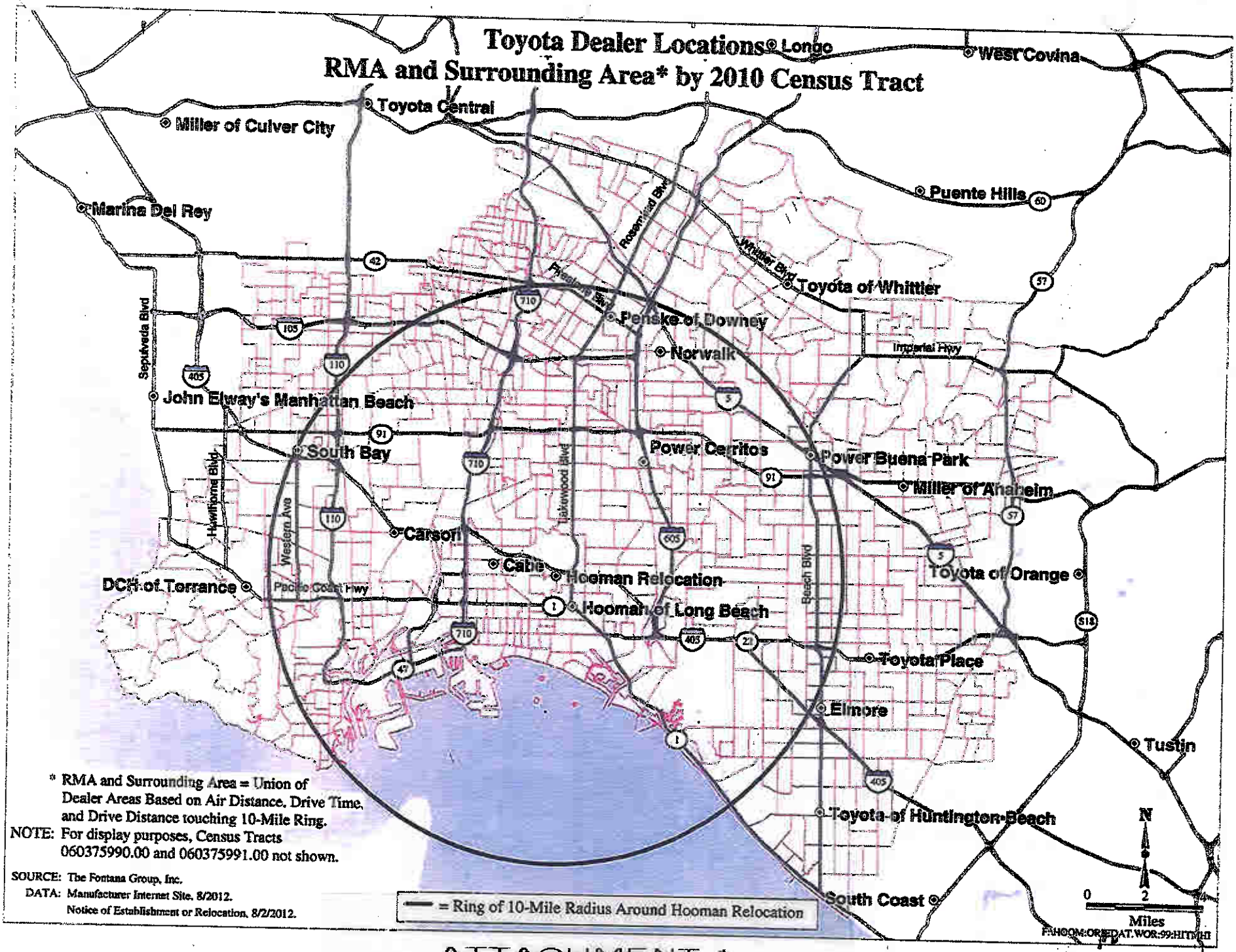
Based on the evidence presented and the findings herein, IT IS HEREBY ORDERED THAT Protest No. PR-2341-12 is overruled. Protestant Cabe Brothers, a California Corporation, dba Cabe Toyota and Cabe Scion, has not met its burden of proof under Vehicle Code Section 3066(b) to establish that there is good cause not to relocate Intervenor H.T.L. Automotive Inc., dba Hooman Toyota of Long Beach and Hooman Scion of Long Beach, in accordance with the notice dated August 2, 2012. Respondent Toyota Motor Sales, U.S.A., Inc. shall be permitted to proceed with the relocation pursuant to that notice.

I hereby submit the foregoing which constitutes my Proposed Decision in the above-entitled matters, as the result of a hearing before me, and I recommend this Proposed Decision be adopted as the decision of the New Motor Vehicle Board.

DATED: October 21, 2013

By: _____
VICTOR D. RYERSON
Administrative Law Judge

Jean Shiomoto, Chief Deputy Director, DMV
Mary Garcia, Branch Chief,
Occupational Licensing, DMV



* RMA and Surrounding Area = Union of Dealer Areas Based on Air Distance, Drive Time, and Drive Distance touching 10-Mile Ring.

NOTE: For display purposes, Census Tracts 060375990.00 and 060375991.00 not shown.

SOURCE: The Fontana Group, Inc.

DATA: Manufacturer Internet Site, 8/2012.
Notice of Establishment or Relocation, 8/2/2012.

— = Ring of 10-Mile Radius Around Hooman Relocation

ATTACHMENT 1

Cabe 00063

ATTACHMENT 2

Carson 0020

ATTACHMENT 3

Carson 0205

ATTACHMENT 4

ATTACHMENT 5

Hooman Proposed 0014

ATTACHMENT 6

ATTACHMENT 7

CABE001847
P-1226.003

ATTACHMENT 8

NEW MOTOR VEHICLE BOARD

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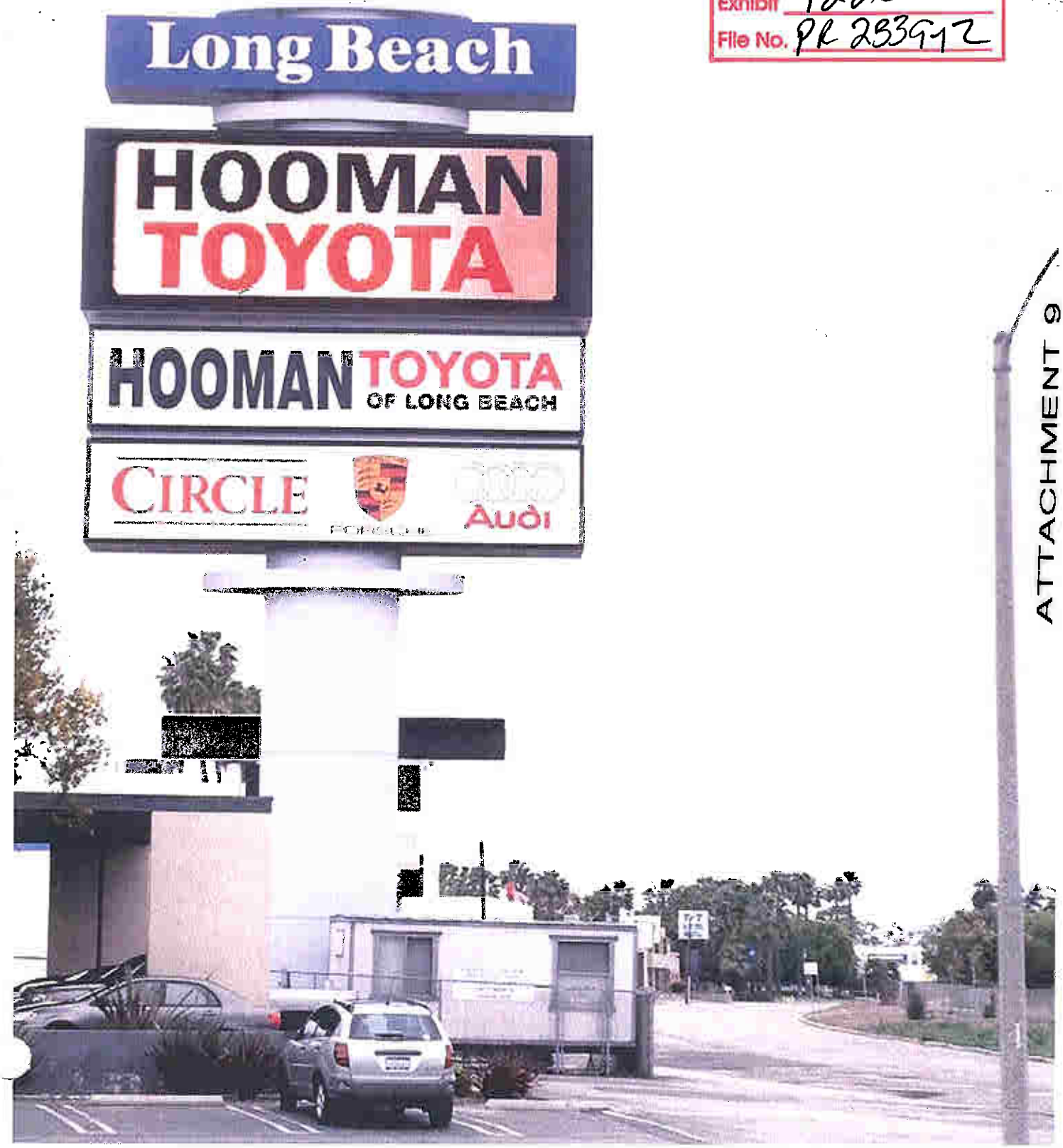
Exhibit 1226

File No. PR 253912



ATTACHMENT 9

CABE001845
P-1226.001

Air Distance in Miles Between Toyota Dealer Locations
RMA and Surrounding Area*

Dealer	Cabe	Carson	DCH of Torrance	Elmore	Hooman of Long Beach	Hooman Relocation	Miller of Anaheim	Norwalk	Penske of Downey	Power Buena Park	Power Cerritos	South Bay	Toyota of Huntington Beach	Toyota of Whittier	Toyota Place
Cabe	0.0	3.6	8.6	12.5	3.1	2.2	14.5	9.3	9.4	11.7	6.3	7.8	14.3	14.1	13.5
Carson	3.6	0.0	5.4	16.1	6.7	5.8	17.8	11.2	10.6	14.8	9.0	4.4	17.7	16.2	17.1
DCH of Torrance	8.6	5.4	0.0	20.4	11.3	10.8	23.1	16.5	15.7	20.2	14.5	5.0	21.4	21.6	21.8
Elmore	12.5	16.1	20.4	0.0	9.4	10.3	8.2	13.5	15.3	8.7	10.5	20.2	3.6	14.7	2.4
Hooman of Long Beach	3.1	6.7	11.3	9.4	0.0	1.2	12.3	9.3	10.1	9.8	5.5	10.9	11.2	13.4	10.5
Hooman Relocation	2.2	5.8	10.8	10.3	1.2	0.0	12.5	8.5	9.1	9.8	4.9	9.9	12.3	12.9	11.3
Miller of Anaheim	14.5	17.8	23.1	8.2	12.3	12.5	0.0	9.6	11.7	3.4	9.1	21.1	11.6	8.0	6.0
Norwalk	9.3	11.2	16.5	13.5	9.3	8.5	9.6	0.0	2.1	6.3	3.9	13.1	16.8	5.0	12.8
Penske of Downey	9.4	10.6	15.7	15.3	10.1	9.1	11.7	2.1	0.0	8.5	5.2	11.8	18.6	6.3	14.8
Power Buena Park	11.7	14.8	20.2	8.7	9.8	9.8	3.4	6.3	8.5	0.0	5.8	17.9	12.3	6.0	7.2
Power Cerritos	6.3	9.0	14.5	10.5	5.5	4.9	9.1	3.9	5.2	5.8	0.0	12.0	13.5	8.0	10.3
South Bay	7.8	4.4	5.0	20.2	10.9	9.9	21.1	13.1	11.8	17.9	12.0	0.0	22.0	18.0	21.1
Toyota of Huntington Beach	14.3	17.7	21.4	3.6	11.2	12.3	11.6	16.8	18.6	12.3	13.5	22.0	0.0	18.3	5.6
Toyota of Whittier	14.1	16.2	21.6	14.7	13.4	12.9	8.0	5.0	6.3	6.0	8.0	18.0	18.3	0.0	13.2
Toyota Place	13.5	17.1	21.8	2.4	10.5	11.3	6.0	12.8	14.8	7.2	10.3	21.1	5.6	13.2	0.0

* RMA and Surrounding Area = Union of Dealer Areas Based on Air Distance, Drive Time, and Drive Distance touching 10-Mile Ring.

SOURCE: The Fontana Group, Inc.
DATA: Manufacturer Internet Site, 8/2012.
Notice of Establishment or Relocation, 8/2/2012.
F:\HOOM: DLRGRD.XLSX:SAD:99:TITMHN

ATTACHMENT 10

Drive Time in Minutes Between Toyota Dealer Locations
RMA and Surrounding Area*

Origin	Destination														
	Cabe	Carson	DCH of Torrance	Elmore	Hooman of Long Beach	Hooman Relocation	Miller of Anaheim	Norwalk	Penske of Downey	Power Buena Park	Power Cerritos	South Bay	Toyota of Huntington Beach	Toyota of Whittier	Toyota Place
Cabe	0.0	5.5	15.3	15.3	4.3	3.0	24.5	18.0	17.5	21.0	13.3	9.2	19.0	27.0	17.1
Carson	5.1	0.0	10.5	18.2	9.7	8.2	26.4	19.6	19.1	23.6	16.9	6.3	21.9	29.3	20.0
DCH of Torrance	15.8	11.0	0.0	29.3	18.5	18.6	36.6	30.7	29.8	33.8	27.9	9.6	33.0	39.5	31.0
Elmore	15.1	18.1	28.9	0.0	13.6	13.5	15.0	19.8	21.7	12.2	15.4	21.9	5.7	22.2	5.3
Hooman of Long Beach	4.5	9.4	18.4	13.0	0.0	2.1	21.5	15.7	16.8	17.9	10.6	13.1	16.7	24.3	14.8
Hooman Relocation	2.7	7.8	17.9	12.7	1.8	0.0	21.8	15.8	16.1	18.2	10.7	11.5	16.4	24.4	14.5
Miller of Anaheim	24.4	27.4	37.1	15.0	21.8	21.7	0.0	11.7	15.1	5.8	13.1	27.7	20.5	15.2	11.1
Norwalk	18.3	20.4	30.5	19.8	16.5	16.4	11.4	0.0	3.5	6.9	6.5	21.1	24.4	10.0	18.8
Penske of Downey	18.1	19.5	29.8	21.8	17.4	16.2	14.7	3.2	0.0	10.2	7.7	20.5	25.5	12.4	22.1
Power Buena Park	21.2	24.2	34.2	12.9	18.6	18.6	5.3	6.9	10.3	0.0	9.5	24.9	18.5	9.4	13.1
Power Cerritos	13.2	16.7	27.4	16.1	11.3	10.8	12.9	6.3	8.6	9.2	0.0	18.3	19.7	15.4	17.8
South Bay	9.4	6.6	9.6	22.5	14.0	12.5	27.1	21.2	20.3	24.3	18.5	0.0	26.2	30.0	24.3
Toyota of Huntington Beach	20.2	23.2	33.9	5.7	18.7	18.5	21.2	24.9	26.7	18.5	20.5	26.9	0.0	28.5	11.6
Toyota of Whittier	27.3	29.8	39.4	22.6	25.4	25.4	15.3	10.2	12.6	9.7	15.5	30.0	28.2	0.0	22.6
Toyota Place	16.4	19.4	30.2	5.7	14.9	14.8	11.5	19.2	22.5	12.8	16.7	23.2	11.1	22.7	0.0

* RMA and Surrounding Area = Union of Dealer Areas Based on Air Distance, Drive Time, and Drive Distance touching 10-Mile Ring.

SOURCE: The Fontana Group, Inc.
DATA: Manufacturer Internet Site, 8/2012.
Notice of Establishment or Relocation, 8/2/2012.
P:\HOOM: DLRGRD.XLSX:SDT:99:TITMHN

ATTACHMENT 11

Drive Distance in Miles Between Toyota Dealer Locations
RMA and Surrounding Area*

	Destination														
Origin	Cabe	Carson	DCH of Torrance	Elmore	Hooman of Long Beach	Hooman Relocation	Miller of Anaheim	Norwalk	Penske of Downey	Power Buena Park	Power Cerritos	South Bay	Toyota of Huntington Beach	Toyota of Whittier	Toyota Place
Cabe	0.0	4.1	9.8	14.1	3.9	2.7	16.6	12.2	11.2	14.3	8.2	8.9	16.9	18.3	14.6
Carson	4.1	0.0	7.1	17.7	7.7	6.5	19.2	13.8	12.8	16.9	10.8	5.1	20.5	20.0	18.2
DCH of Torrance	10.0	7.2	0.0	21.8	11.4	11.9	25.6	20.4	19.4	23.3	17.4	6.4	24.3	26.6	22.3
Elmore	14.1	17.6	22.3	0.0	10.8	11.7	10.3	15.2	17.3	8.6	13.0	22.2	3.9	15.2	3.3
Hooman of Long Beach	3.8	7.7	11.4	10.7	0.0	1.5	14.3	10.5	10.6	12.0	6.3	12.3	13.2	16.2	11.2
Hooman Relocation	2.5	6.3	11.6	11.6	1.5	0.0	14.4	10.7	10.1	12.2	6.4	10.8	14.4	16.3	12.1
Miller of Anaheim	16.3	19.0	25.4	10.4	14.2	14.3	0.0	10.2	12.3	4.0	9.6	22.0	13.8	10.0	6.9
Norwalk	12.2	13.8	20.5	15.2	10.7	10.8	9.9	0.0	2.3	6.4	4.4	15.0	18.5	6.2	14.6
Penske of Downey	11.2	12.8	19.5	17.2	10.8	10.2	12.0	2.1	0.0	8.5	5.7	14.0	20.6	7.5	16.6
Power Buena Park	14.5	17.1	23.6	9.0	12.4	12.5	3.7	6.6	8.7	0.0	6.8	18.4	12.4	6.6	8.5
Power Cerritos	8.2	10.8	17.5	13.5	6.4	6.5	9.5	4.2	5.8	6.6	0.0	13.1	16.3	10.2	13.4
South Bay	8.8	5.3	6.3	22.3	12.4	11.1	21.7	14.9	13.8	18.3	13.1	0.0	25.1	21.1	22.8
Toyota of Huntington Beach	16.7	20.5	24.2	3.8	12.7	14.2	14.2	19.0	21.1	12.4	16.3	25.1	0.0	19.0	7.2
Toyota of Whittier	18.1	19.9	26.6	15.6	16.2	16.3	10.1	6.3	7.5	6.8	10.2	21.1	19.0	0.0	15.0
Toyota Place	14.5	18.0	23.0	3.6	11.8	12.1	7.1	14.9	17.0	8.4	13.3	22.6	7.0	14.9	0.0

* RMA and Surrounding Area = Union of Dealer Areas Based on Air Distance, Drive Time, and Drive Distance touching 10-Mile Ring.

SOURCE: The Fontana Group, Inc.
DATA: Manufacturer Internet Site, 8/2012.
Notice of Establishment or Relocation, 8/2/2012.
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ATTACHMENT 12