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STATE OF CALIFORNIA  
NEW MOTOR VEHICLE BOARD  
**MINUTES**

The New Motor Vehicle Board ("Board") held a Special meeting on November 4, 2004, at the Hyatt Regency San Francisco Airport, Regency B Room, 1333 Bayshore Highway, Burlingame, California.

2. **ROLL CALL**

Glenn E. Stevens, President of the Board, called the General meeting to order at 1:18 p.m.

Present:	Robert V. Branzuela	Tom Novi
	Robert T. (Tom) Flesh	Executive Director
	David C. Lizárraga	Howard Weinberg
	Haig Papaian	General Counsel
	Andy Robles	Robin Parker
	Sushil K. Sharma	Senior Staff Counsel
	Alan J. Skobin	
	Glenn E. Stevens	
	David W. Wilson	

3. **ASSEMBLY MEMBER MARCO ANTONIO FIREBAUGH, CHAIR, LATINO LEGISLATIVE CAUCUS, AND ASSEMBLY MEMBER JUDY CHU, CHAIR, ASIAN PACIFIC ISLANDER CAUCUS, SUGGESTED THAT THE NEW MOTOR VEHICLE BOARD INVITE THE FOLLOWING AUTOMOBILE MANUFACTURERS AND NEW MOTOR VEHICLE DEALER ASSOCIATIONS TO TESTIFY IN GENERAL CONCERNING THEIR CURRENT POLICIES AND PLANS, AND THE STATUS OF THEIR EFFORTS TO INCREASE DIVERSITY AMONG NEW VEHICLE FRANCHISEES - GOVERNMENT AND INDUSTRY AFFAIRS COMMITTEE:**

- a. **NATIONAL ASSOCIATION OF MINORITY AUTOMOBILE DEALERS (NAMAD)**  
Sheila Vaden-Williams, President  
Silvestre Gonzales, President, Gonzales Automotive Group, Inc.
- b. **NATIONAL AUTOMOBILE DEALERS ASSOCIATION (NADA)**  
Carl Ragsdale, Chief Operating Officer, Dealer Services

- c. GENERAL MOTORS CORPORATION  
Joe Chrzanowski, Executive Director, Dealer Network Planning & Investments  
William T. Nicholson, Executive Director
- d. AMERICAN HONDA MOTOR COMPANY  
Marc V. Burt, Manager, Business Minority Development  
Richard Otera, Staff Attorney, Honda North America, Inc.
- e. DAIMLERCHRYSLER CORPORATION  
Charles T. Polce, Jr., Senior Manager, Dealer Network Development
- f. FORD MOTOR COMPANY  
George J. Frame, Executive Director of Dealer Development, Minority Dealer Operations
- g. TOYOTA MOTOR SALES, USA, INC.  
Will Nicklas  
National Manager, Toyota Dealer Investment Group

Mr. Stevens welcomed and thanked everyone for their attendance. The meeting was turned over to Tom Flesh, Chair of the Government and Industry Affairs Committee. Howard Weinberg, Board General Counsel, advised the members and attendees that comments should not be made concerning pricing or matters currently pending before the Board.

Mr. Flesh noted that the Board at its 2<sup>nd</sup> Annual Industry Roundtable had discussed the topic of dealer diversity. Members of the Board, including Robert Branzuela and David Lizárraga, were also interested in this topic. Because of this interest, the Board wanted to hold a Special meeting in conjunction with a General meeting to address this topic as suggested by then Assembly Member Marco Firebaugh.

- a. NATIONAL ASSOCIATION OF MINORITY AUTOMOBILE DEALERS (NAMAD)  
Sheila Vaden-Williams, President

Ms. Vaden-Williams addressed the following legislative inquiry: “Representing ethnic minority dealers, NAMAD can provide background information and suggested methodologies to increase dealer diversity.”

- b. NATIONAL AUTOMOBILE DEALERS ASSOCIATION (NADA)  
Carl Ragsdale, Chief Operating Officer, Dealer Services

This Agenda item was postponed pending Mr. Ragsdale’s arrival.

- c. GENERAL MOTORS CORPORATION  
Joe Chrzanowski, Executive Director, Dealer Network Planning & Investments  
William T. Nicholson, Executive Director  
Herman Caruthers, Area Manager  
Inder Dosangah, Northern California GM dealer

The representatives from General Motors Corporation addressed the following legislative inquiry: "As the first automotive manufacturer to establish a dealer development program, General Motors should be requested to discuss successful strategies and pitfalls in building dealer diversity."

Then Assembly Member Marco Antonio Firebaugh, presented comments to the members and audience concerning the dealer diversity topic. Assembly Member Firebaugh indicated that the topic should be approached from an opportunity standpoint. The intent today was to call for dialogue and to partner with NAMAD.

- b. NATIONAL AUTOMOBILE DEALERS ASSOCIATION (NADA)  
Carl Ragsdale, Chief Operating Officer, Dealer Services

Mr. Ragsdale addressed the following legislative inquiry: "Request NADA to discuss diversity efforts."

- d. AMERICAN HONDA MOTOR COMPANY  
Marc V. Burt, Manager, Business Minority Development  
Richard Otera, Staff Attorney, Honda North America, Inc.

The representatives from Honda addressed the following legislative inquiry: "As a strong partner with the National Association of Minority Automobile Dealers, Honda should be given the opportunity to discuss their perceptions of the benefits generated by this partnership."

- e. DAIMLERCHRYSLER CORPORATION  
Charles T. Polce, Jr., Senior Manager, Dealer Network Development  
Cecil M. Ward, Minority Retail Dealer Development  
Rush Dupree, Director, Minority Dealer Relations, DaimlerChrysler Services

The representatives from DaimlerChrysler addressed the following legislative inquiry: "DaimlerChrysler should be requested to discuss their plans to improve profitability of their ethnic minority dealers."

- f. FORD MOTOR COMPANY  
George J. Frame, Executive Director of Dealer Development, Minority Dealer Operations

Mr. Frame addressed the following legislative inquiry: "Although Ford has been a diversity pioneer, the corporation has sustained an approximate 50% attrition rate

since its inception and has terminated approximately 50 ethnic minority dealers. Ford should be requested to discuss corporate plans to improve quality and profitability among new vehicle franchisees.”

- g. TOYOTA MOTOR SALES, USA, INC.  
Will Nicklas, National Manager, Toyota Dealer Investment Group  
Larry Distler, National Manager, Diversity Development

The representatives from Toyota addressed the following legislative inquiry: “As the fastest growing automotive manufacturer, Toyota should be challenged with developing a more formalized dealer development program. Toyota should also be questioned about its current practice of awarding customer convenience center franchises to existing dealers.”

In addition to the above factory participants, the following individuals also attended the Dealer Diversity Meeting:

- Phillip Branzuela, Veracom Automotive Group
- Ed Fitzpatrick, in-coming Chair of the California Motor Car Dealers Association
- Glenda Gill, Executive Director, Rainbow Push Automotive Project
- Deborah Goldman, Managing Counsel, Toyota Motor Sales, USA, Inc.
- Sossi Keuylian, Beverly Hills Lamborghini
- Brian Maas, Government and Legal Affairs Counsel, California Motor Car Dealers Association
- Olga Martinez, dealer candidate
- Diana Rude, Principal Assistant, Assembly Member Marco Antonio Firebaugh
- Beverly Thacker, Dealer News, Public Affairs Manager, Ford Motor Company
- Peter K. Welch, President, California Motor Car Dealers Association
- Gwen Young, Wheeler Trigg Kennedy LLP

#### 4. ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 5:37 p.m.

Submitted by

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TOM NOVI  
Executive Director

APPROVED: \_\_\_\_\_

Glenn E. Stevens  
President  
New Motor Vehicle Board