

**CONFIDENTIAL**

*Filed under Board seal*

Exhibit A

1 GREGORY R. OXFORD (S.B. #62333)  
2 ISAACS CLOUSE CROSE & OXFORD LLP  
21515 Hawthorne Boulevard, Suite 950  
3 Torrance, California 90503  
Telephone: (310) 316-1990  
4 Facsimile: (310) 316-1330

5 Attorneys for Respondent  
General Motors LLC

6 Of Counsel:  
7 L. JOSEPH LINES, III  
GENERAL MOTORS LLC  
8 Mail Code 482-026-601  
400 Renaissance Center  
9 P.O. Box 400  
Detroit, Michigan 48265-4000  
10 Telephone: (313) 665-7386  
Facsimile: (313) 665-7376

11  
12 STATE OF CALIFORNIA  
13 NEW MOTOR VEHICLE BOARD  
14

15 WEST COVINA MOTORS, INC., dba  
CLIPPINGER CHEVROLET,

16 Protestant,

17 v.

18 GENERAL MOTORS LLC

19 Respondent.  
20

Protest No. PR-2213-10

**[PROPOSED]  
CONFIDENTIAL STIPULATED  
DECISION OF THE BOARD  
RESOLVING PROTEST**

21 Pursuant to California Vehicle Code §§ 3050.7, 3060, 3066 and 3067, protestant  
22 West Covina Motors, Inc., dba Clippinger Chevrolet ("WCM") and respondent General  
23 Motors LLC ("GM" or "New GM") hereby enter into the following agreement (the  
24 "Stipulated Decision") for resolution of the above-captioned protest. This [Proposed]  
25 Stipulated Decision is dated November 8, 2010.

26 **THE PARTIES**

27 1. WCM is a new motor vehicle dealer licensed by the California Department  
28 of Motor Vehicles and operates a Chevrolet dealership in West Covina, California under a

*Proposed Confidential Stipulated Decision of the Board*

1 General Motors Dealer Sales and Service Agreement (“Dealer Agreement”) initially  
2 entered into with General Motors Corporation (“Old GM”) and later assigned to  
3 respondent New GM. WCM is represented in this matter by Michael J. Flanagan and  
4 Gavin M. Hughes of the Law Offices of Michael J. Flanagan, 2277 Fair Oaks Boulevard,  
5 Suite 450, Sacramento, California 95825, telephone (916) 646-9100.

6 2. Respondent GM is a manufacturer of new motor vehicles licensed by the  
7 California Department of Motor Vehicles. Its mailing address is General Motors Dealer  
8 Contractual Group, Mail Code 482-A07-C66, 100 Renaissance Center, Detroit, Michigan  
9 48265-1000. GM is represented in this matter by Gregory R. Oxford of Isaacs Clouse  
10 Crose & Oxford LLP, 21515 Hawthorne Boulevard, Suite 950, Torrance, California  
11 90503, telephone (310) 316-1990

### 12 BACKGROUND

13 3. Paragraph 10.2 of the GM Dealer Agreement requires the Dealer to maintain  
14 wholesale floorplan financing (“Flooring”) in an amount sufficient to meet its new vehicle  
15 sales obligations. In late 2008, WCM lost its Flooring. In May 2009, however, WCM  
16 obtained Flooring from GMAC, but GMAC suspended WCM’s Flooring on September  
17 15, 2009 and WCM until the last week of October 2010 had not had any Flooring since  
18 that time. As a result, WCM has not been able to purchase from GM, and therefore has  
19 not been able to sell or lease to retail customers, sufficient new Chevrolets to meet its new  
20 vehicle sales obligations under the Dealer Agreement.

21 4. GM gave notice of its intent to terminate WCM’s Chevrolet Dealer  
22 Agreement and WCM filed a protest pursuant to Vehicle Code § 3060. The protest  
23 hearing is scheduled to begin on November 15, 2010.

24 5. During the last week of October 2010, WCM delivered to GM’s counsel a  
25 Flooring commitment from GMAC. Because of the long period of time in which WCM  
26 did not have flooring, and the short period of time during 2009 in which it was able to  
27 regain and maintain Flooring, GM is concerned about the possibility that the current  
28 GMAC commitment may lapse, resulting in a third potentially lengthy period in which

1 WCM lacks Flooring. To address this and other concerns, WCM and its Dealer-Operator,  
2 Ziad Alhassen, have entered into the attached confidential settlement agreement with GM  
3 (the "November 8, 2010 Confidential Agreement") which is submitted under seal with  
4 original signatures as Exhibit A.

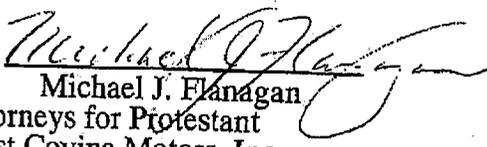
5 **STIPULATION**

6 6. The Parties hereby request the Board issue an order approving the  
7 November 8, 2010 Confidential Agreement and resolving the above-captioned Protest as a  
8 Stipulated Decision and Order of the Board and that the Board reserve jurisdiction to  
9 enforce its Order in the future if requested by any Party hereto in accordance with the  
10 terms of the Stipulated Decision and Order.

11 7. The Parties further request that the Board issue an order maintaining the  
12 November 8, 2010 Confidential Agreement and its terms and conditions under  
13 confidential seal so that they are not disclosed or made available under any circumstances  
14 to third parties, members of the public, dealer members of the Board or the motor vehicle  
15 industry. This request for confidentiality of compromise and settlement documents serves  
16 the public interests in encouraging settlement, in early, efficient resolution of disputes,  
17 and in conserving judicial and administrative resources. The request for confidentiality is  
18 also consistent with the provisions of Government Code §§ 6254(k) and 6255(a).

19 DATED: November 8, 2010

LAW OFFICES OF MICHAEL J. FLANAGAN

21 By:   
22 Michael J. Flanagan  
23 Attorneys for Protestant  
24 West Covina Motors, Inc.  
25 dba Clippinger Chevrolet

26 DATED: November 8, 2010

ISAACS CLOUSE CROSE & OXFORD LLP

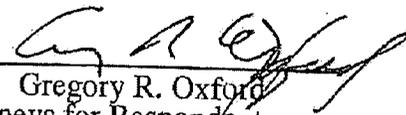
27 By:   
28 Gregory R. Oxford  
Attorneys for Respondent  
General Motors LLC

Exhibit B



General Motors LLC  
Dealer Contractual Group  
Mail Code 462-A18-088  
100 GM Renaissance Center  
Detroit, MI 48265-1000

FED EX# 7978 8373 6560  
PERSONAL & CONFIDENTIAL

December 23, 2011

West Covina Motors, Inc.  
d/b/a Clippinger Chevrolet  
1932 East Garvey Avenue South  
West Covina, CA 91791-1910

Attention: Mr. Ziad Alhassen, President

This letter is written by General Motors LLC ("GM") regarding the General Motors Dealer Sales and Service Agreement (herein after "Dealer Agreement") in effect with West Covina Motors, Inc. d/b/a Clippinger Chevrolet (herein after "Dealer").

GM has received a letter from Dealer's floor plan finance institution notifying us of its decision to suspend Dealer's floorplan financing effective December 1, 2011 for Chevrolet. As we have discussed, this loss of floorplan precludes Dealer from filling sold orders and impairs Dealer's ability to order a selection of product for display and sale to potential customers. It also requires GM to divert to other dealers or place into the warehouse any vehicles ordered by Dealer that GM can no longer invoice and ship to Dealer. The suspension or withdrawal of floor plan by Dealer's floorplan institution and the impact to both the Dealer and General Motors is of serious concern to GM. As a result, Dealer should be advised that GM will take the following actions:

1. Dealer will immediately be placed on cash for vehicles;
2. Seven consecutive days from the date of this letter, Dealer will be placed on CAPS (Cash Advance Payment System) for Parts;
3. Dealer's Open Account may be placed on hold if GM determines it is at risk as to the collection of monies presently owed to GM by Dealer, or monies soon to become due to GM from Dealer;

GM is requesting from Dealer within 30 days a written plan outlining the actions it will take to obtain alternative floorplan financing acceptable to GM, including the time frame within which the financing will be secured.

In addition to the actions described above, should Dealer fail to reinstate its floorplan financing, GM reserves its rights under Articles 10.2 and 13.1 of the Dealer Agreement to take appropriate actions.

Finally, your attention is called to the provisions of that certain Settlement and Deferred Termination Agreement and Release which was executed as of November 8, 2011 and subsequently adopted as a Stipulated Decision of the New Motor Vehicle Board (the "Decision").

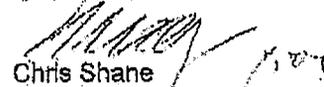
Under the Decision, the December 1, 2011 loss of the dealership's \$3 million dedicated floor plan line of credit which it agreed to maintain for Chevrolet until November 30, 2012 ("Dedicated

Floor plan"), triggered a ninety day period within which the dealership must either (1) reestablish the lost Dedicated Floor plan with a financial institution acceptable to GM or (2) submit a fully executed agreement to sell the dealership or its assets to an unaffiliated third party along with a complete "buy-sell" proposal for GM's review. If neither of these conditions is satisfied at the end of 90 days, *i.e.*, by February 28, 2012, the Decision provides for termination of the Dealer Agreement effective thirty days later, *i.e.*, by March 30, 2012 without any protest or other legal challenge to the termination, as the Board's Decision confirms.

If by your receipt of this letter you have reinstated your floorplan financing, please disregard this letter.

Should you have any questions regarding the matters covered in this letter, please contact me.

Very truly yours,

  
Chris Shane  
Zone Manager  
General Motors LLC

c: Dealer Contractual Group  
Field Manager - Dealer Support  
Regional Director Aftersales  
Manager Aftersales  
Diane Prue, GFSS Vehicle Invoicing & Receivables

Exhibit C



General Motors LLC  
Dealer Contractual Group  
Mail Code 482-A16-C86  
100 GM Renaissance Center  
Detroit, MI 48285-1000

FEDERAL EXPRESS - 7980 0435 1367

**PERSONAL & CONFIDENTIAL**

January 31, 2012

West Covina Motors, Inc.  
d/b/a/ Clippinger Chevrolet  
1932 East Garvey Avenue South  
West Covina, CA 91791-1910

Attention: Mr. Ziad AlHassen, President

General Motors LLC ("GM") has received an email from Bruce Bercovich on behalf of West Covina C, LLC, dated January 30, 2012, advising that West Covina Motors, Inc. d/b/a Clippinger Chevrolet ("Selling Dealer Company") has executed a buy/sell agreement (the "Purchase Agreement") with West Covina C, LLC ("Buying Dealer Company") to sell certain assets of Selling Dealer Company (the "Proposal"). GM understands your desire that Buying Dealer Company and Carlos Hidalgo ("Proposed Dealer Operator") be considered as applicants (together, the "Applicants") for the General Motors Dealer Sales and Service Agreement for Chevrolet. Please review the contents of this letter and the attached information with Proposed Dealer Operator.

In order for GM to start reviewing the proposed sale of assets to Buying Dealer Company (the "Proposal"), certain information must be submitted to GM as set forth in this letter. In submitting the Proposal, please be advised of the following:

1. Subject to GM's rights under Article 12.2 and 12.3 of the General Motors Sales and Service Dealer Agreement (the "Dealer Agreement") between Selling Dealer Company and GM, Selling Dealer Company has the right to dispose of its assets to anyone it wishes on whatever basis it may negotiate. However, any transfer of the assets of Selling Dealer Company without the prior approval of GM may result in the termination of the Dealer Agreement.
2. The Dealer Agreement, by its terms, is not transferable, assignable, or saleable by Selling Dealer Company and conveys no property rights to a buyer. Subject to the provisions of applicable law and under Article 12.2 of the Dealer Agreement, GM retains the right to select and appoint a replacement dealer company, to approve its owners and principal management, and to do this on the basis of evaluating the applicant's qualifications and its proposal, and that such dealership operations will be conducted at an approved location. Further, as more fully described in Article 12.3 of the Dealer Agreement, GM has a right of first refusal to purchase the dealership assets.
3. As provided in Article 2 of the Dealer Agreement, Ziad Alhassen, as Dealer Operator, is obligated to provide personal services by exercising full managerial authority over Dealership Operations (as defined in the Dealer Agreement). GM neither recognizes nor approves management agreements, and GM expects Ziad Alhassen to fulfill all of his or her obligations as Dealer Operator, as provided in the Dealer Agreement, throughout this transaction.
4. GM is not a party to the Purchase Agreement and so it is not bound by the terms and conditions of that agreement.
5. GM does not become involved in negotiations between parties for the purchase and sale of physical assets of a dealer company.

6. Article 12.2.6 of the Dealer Agreement provides that GM is not obligated to approve any proposed change in management or ownership unless Selling Dealer Company makes arrangements acceptable to GM to satisfy any commitments to or indebtedness of Selling Dealer Company to GM.
7. Article 15.2.4 of the Dealer Agreement explains GM's obligations to terminating and replacement dealer companies with regard to assistance on parts and the appropriate parts inventory.
8. The Parts and Accessories Terms of Sale Bulletin, No. 2002-1 U.S. is enclosed for your reference. For information regarding the return of parts and accessories, refer to Section III - Return Plan, Paragraph I - Buy/Sell Dealer Termination Parts Return Assistance Policy.
9. GM requires the assignment and/or survival of any special letters or agreements between GM and Selling Dealer Company, including but not limited to channel strategy or exclusivity agreements. This obligation must be satisfied pursuant to a written agreement between Selling Dealer Company and Buying Dealer Company, which agreement is acceptable to GM in its sole discretion.
10. After Selling Dealer Company's code/BAC has been inactivated/terminated, Selling Dealer Company will no longer be able to submit the previous months' financial data (FACTS 2.0) to GM.

**Selling Dealer Company's Responsibilities:**

- Provide a copy of the executed Purchase Agreement including all exhibits, attachments and related agreements.
- Complete and return to the GM Dealer Contractual Group, at the address listed below, the forms attached to this letter. These forms provide information necessary for review of the Proposal:
  - **GMMS 1036 - Open Account and Election for Settlement of Parts Inventory.** To be completed by Selling Dealer Company, and signed by Selling Dealer Company and Buying Dealer Company.
  - **GMMS 1036-SPO- GM Parts Data Access Authorization Form.**  
In order to request parts assistance, this form must be completed and signed by Selling Dealer Company. A copy of the completed form will be provided to GMCCA to start the process to determine the amount of parts assistance that will be provided.
  - **Customer Records Sharing Authorization Form.**  
Authorizes the sharing of Dealer Company's customer records with GM through Dealer's DSP provider.
- A copy of the GM "Dealer Bulletin GM 04-09, Policies for Changes in GM Ownership/Management" is attached that details GM's policies pertaining to Selling Dealer Company's Proposal to sell certain of its assets. Please provide this policy bulletin to the Applicants for their review and review by the proposed investors, if applicable.
- Please fax Proposed Dealer Operator's name and contact information to the attention of Lontina James at 313-667-5462 or 313-667-5461.

**Proposed Dealer Operator Responsibilities:**

- Information about the Proposal is now collected using the Dealer Contractual Information & Change Request (DCICR) system. The DCICR system is available through Global Connect at <http://www.gmglobalconnect.com>. Proposed Dealer Operator must enter information for the Proposal in the DCICR system. Proposed Dealer Operator must first complete a "Dealer Contractual Information & Change Request (DCICR) Access Request" (copy enclosed). Please have Proposed Dealer Operator fax the completed form to the attention of Lontina at 313-665-1794. When the ID is available, we will return it directly to each individual via e-mail, generally within 48 hours.
- Please review GM Bulletin 11-16 entitled "GM Dealership Naming Convention Policy", for information important in choosing the proposed dealership's legal entity name and/or trade name (dba).
- Upon accessing the DCICR system, Proposed Dealer Operator will view GM's policies for changes in dealership ownership and management, GM Bulletin 04-09. After reviewing GM policies, Proposed Dealer Operator will be able to access the screens required for inputting the information about the Proposal. It is recommended that Proposed Dealer Operator first complete the "Sales and Profit Forecast (Proposed)" and advise Lontina James at 313-665-1794 when completed so that the GM can calculate the Net Working Capital Standard requirements for the Proposal for Proposed Dealer Operator's use on the "Pro-forma Balance Sheet (Proposed)".

**Proposed Investors (Excluding Proposed Dealer Operator) Responsibilities:**

- Proposed dealership investors, executive managers, and successor dealer operators must submit their applications to GM using the forms attached. Each individual must complete the attached Application (GMMS 1018) and Source of Funds (GMMS 1018B) and return them to the address listed below.

**REVIEW OF THE PROPOSAL BY GM**

Upon GM's receipt of the detailed information about the Proposal and required forms, GM will review the Proposal to determine whether it is acceptable. Selling Dealer Company, Buying Dealer Company and Proposed Dealer Operator must understand that GM is conducting this review solely for GM's own benefit. This review is not intended to provide Buying Dealer Company or Proposed Dealer Operator with any assurance as to the potential profit opportunity available, the viability of the dealership, or any validation of his/her own business judgment. GM expects Proposed Dealer Operator to undertake whatever investigation he/she believes is necessary regarding the decision to seek this business opportunity before making any commitments and to make his/her independent analysis of the business opportunity. Proposed Dealer Operator is urged to consult with his/her own attorney, accountant, investment advisor or other consultant regarding this decision. GM does not accept any duty or obligation, fiduciary or otherwise, to advise Proposed Dealer Operator in his/her decision.

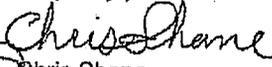
Page 4

The completed forms should be returned to:

**Attn: Lontina James**  
**General Motors LLC**  
**MC: 482-A16-C66**  
**100 Renaissance Center**  
**Detroit, MI 48265-1000**  
**E-mail: lontina.james@gm.com**

Please call either Lontina James at 313-665-1794 or me if you have any questions about this matter,

Very truly yours,

  
 Chris Shane  
Zone Manager  
General Motors LLC

Attach.

c. West Covina C, LLC via Federal Express #7931 7389 3015

Exhibit D



General Motors LLC  
Dealer Contractual Group  
Mail Code 482-A18-C56  
100 GM Renaissance Center  
Detroit, MI 48265-1000

FEDERAL EXPRESS #7981 8150 0101  
RETURN RECEIPT REQUESTED  
PERSONAL & CONFIDENTIAL

March 19, 2012

West Covina Motors, Inc.  
dba Clippinger Chevrolet  
1932 East Garvey Avenue South  
West Covina, CA 91791-1910

Attention: Ziad Alhassen, Dealer Operator

This letter is written by General Motors LLC ("GM") concerning the Asset Purchase Agreement ("Purchase Agreement") dated January 26, 2012, between West Covina Motors, Inc. dba Clippinger Chevrolet as "Seller" and West Covina C, LLC as "Buyer", to sell certain assets of Seller to Buyer (the "Proposal") which GM previously received. GM assesses the qualifications of the proposed owners and management of GM dealerships under the criteria set forth in Article 12.2 of the General Motors Dealer Sales and Service Agreement ("Dealer Agreement"), and in the Policies for Changes in GM Ownership/Management (GM Dealer Bulletin, GM 04-09, dated April 23, 2004), a copy of which is attached for your reference.

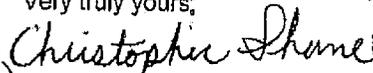
Upon receipt of the Purchase Agreement, GM responded to Seller and copied Buyer acknowledging receipt of the Purchase Agreement via GM's January 31, 2012 letter (copy attached). This letter outlined the responsibilities of both the Seller and proposed Buyer and included instructions for submitting an electronic proposal to GM through the Dealer Contractual Information & Change Request ("DCICR") system. Such proposal was required to contain the information and documentation needed by GM to review any proposal.

To date, despite repeated, separate conversations with the Seller and Buyer, GM has not received any information in DCICR to allow it to evaluate the Proposal under Article 12.2 of the Dealer Agreement. In addition, Lontina James of the Dealer Contractual Group has spoken with the Seller and counsel for the Buyer concerning Seller's and Buyer's failure to submit any proposal information.

As a result of the foregoing, GM does not have any of the required information necessary for it to evaluate the Purchase Agreement and therefore cannot consent to any proposed change in ownership or management which would be contemplated by the Purchase Agreement. GM is therefore returning the Purchase Agreement to you.

Should you have any questions, please feel free to contact me.

Very truly yours,

  
Christopher Shane  
Zone Manager  
General Motors, LLC

Attachments: GM Dealer Bulletin, GM 04-09  
Asset Purchase Agreement  
Immediate Response Letter dated January 31, 2012

c: Dealer Contractual Group  
Regional Director of Sales - Chevrolet  
Regional Director of Business Operations  
West Covina C, LLC (FedEx tracking #7981 8150 7459)



General Motors LLC  
Dealer Contractual Group  
Mail Code 482-A16-C68  
100 GM Renaissance Center  
Detroit, MI 48265-1000

FEDERAL EXPRESS - 7980 0435 1367

**PERSONAL & CONFIDENTIAL**

January 31, 2012

West Covina Motors, Inc.  
d/b/a/ Clippinger Chevrolet  
1932 East Garvey Avenue South  
West Covina, CA 91791-1910

Attention: Mr. Ziad AlHassen, President

General Motors LLC ("GM") has received an email from Bruce Bercovich on behalf of West Covina C, LLC, dated January 30, 2012, advising that West Covina Motors, Inc. d/b/a Clippinger Chevrolet ("Selling Dealer Company") has executed a buy/sell agreement (the "Purchase Agreement") with West Covina C, LLC ("Buying Dealer Company") to sell certain assets of Selling Dealer Company (the, "Proposal"). GM understands your desire that Buying Dealer Company and Carlos Hidalgo ("Proposed Dealer Operator") be considered as applicants (together, the "Applicants") for the General Motors Dealer Sales and Service Agreement for Chevrolet. Please review the contents of this letter and the attached information with Proposed Dealer Operator.

In order for GM to start reviewing the proposed sale of assets to Buying Dealer Company (the "Proposal"), certain information must be submitted to GM as set forth in this letter. In submitting the Proposal, please be advised of the following:

1. Subject to GM's rights under Article 12.2 and 12.3 of the General Motors Sales and Service Dealer Agreement (the "Dealer Agreement") between Selling Dealer Company and GM, Selling Dealer Company has the right to dispose of its assets to anyone it wishes on whatever basis it may negotiate. However, any transfer of the assets of Selling Dealer Company without the prior approval of GM may result in the termination of the Dealer Agreement.
2. The Dealer Agreement, by its terms, is not transferable, assignable, or saleable by Selling Dealer Company and conveys no property rights to a buyer. Subject to the provisions of applicable law and under Article 12.2 of the Dealer Agreement, GM retains the right to select and appoint a replacement dealer company, to approve its owners and principal management, and to do this on the basis of evaluating the applicant's qualifications and its proposal, and that such dealership operations will be conducted at an approved location. Further, as more fully described in Article 12.3 of the Dealer Agreement, GM has a right of first refusal to purchase the dealership assets.
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**Proposed Investors (Excluding Proposed Dealer Operator) Responsibilities:**

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**REVIEW OF THE PROPOSAL BY GM**

Upon GM's receipt of the detailed information about the Proposal and required forms; GM will review the Proposal to determine whether it is acceptable. Selling Dealer Company, Buying Dealer Company and Proposed Dealer Operator must understand that GM is conducting this review solely for GM's own benefit. This review is not intended to provide Buying Dealer Company or Proposed Dealer Operator with any assurance as to the potential profit opportunity available, the viability of the dealership, or any validation of his/her own business judgment. GM expects Proposed Dealer Operator to undertake whatever investigation he/she believes is necessary regarding the decision to seek this business opportunity before making any commitments and to make his/her independent analysis of the business opportunity. Proposed Dealer Operator is urged to consult with his/her own attorney, accountant, investment advisor or other consultant regarding this decision. GM does not accept any duty or obligation, fiduciary or otherwise, to advise Proposed Dealer Operator in his/her decision.

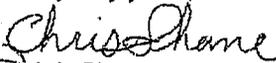
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**Attn: Lontina James**  
**General Motors LLC**  
**MC: 482-A16-C66**  
**100 Renaissance Center**  
**Detroit, MI 48265-1000**  
**E-mail: lontina.james@gm.com**

Please call either Lontina James at 313-665-1794 or me if you have any questions about this matter,

Very truly yours,

  
Chris Shane  
Zone Manager  
General Motors LLC

Attach.

c. West Covina C, LLC via Federal Express #7931 7389 3015

Exhibit E



General Motors LLC  
Dealer Contractual Group  
Mail Code 482-A16-C66  
100 GM Renaissance Center  
Detroit, MI 48265-1000

CERTIFIED MAIL:7011 0110 0000 0992 1611  
RETURN RECEIPT REQUESTED

PERSONAL & CONFIDENTIAL

March 22, 2012

West Covina Motors, Inc.  
d/b/a Clippinger Chevrolet  
1932 East Garvey Avenue South  
West Covina, CA 91791

Attention: Mr. Ziad Alhassen, President

This letter is written by General Motors LLC ("GM") with respect to the Settlement and Deferred Termination Agreement and Release (the "Termination Agreement") entered into by West Covina Motors Inc. d/b/a Clippinger Chevrolet ("WCM") on November 10th, 2010 and the Stipulated Decision concerning the Termination Agreement entered by the California New Motor Vehicle Board on December 15, 2010,

Pursuant to the Termination Agreement, WCM agreed to maintain an acceptable floorplan credit line of at least \$3 million through November 30, 2012 and subsequently secured such a credit line from Ally Financial ("Ally"). On December 1, 2011, contrary to the terms of WCM's agreement, Ally advised GM that it had terminated WCM's credit line. As provided for under paragraph 2.3 of the Termination Agreement, WCM then had 90 days from the December 1st date it lost the Ally credit line to either (1) provide GM with an acceptable replacement floorplan credit line for WCM or (2) present GM with a fully executed "buy-sell" agreement and complete proposal for the transfer of the stock or assets of WCM to an unaffiliated purchaser. GM has not been advised by WCM that it has obtained a qualifying replacement credit line. In addition, while GM did receive an executed "buy-sell" agreement on January 30, 2012, GM has not received, despite repeated inquiries, any further information concerning the "buy-sell" from either the buyer or seller, let alone the "complete proposal" expressly required by paragraph 2.3 of the Termination Agreement and Article 12.2 of the Dealer Agreement.

As we have previously advised, without a complete proposal, GM cannot, and has no obligation to, evaluate the proposed buy-sell. Thus, WCM has clearly failed to satisfy the conditions contained in paragraph 2.3 of the Termination Agreement. As a result, by the express terms of that Agreement and the Stipulated Decision of the Board, the Chevrolet Dealer Agreement between GM and WCM voluntarily terminates on April 3, 2012, which is 120 days after WCM's loss of the required floorplan credit line.

Under the terms of the Termination Agreement, WCM is entitled to termination assistance under Article 15 of the Dealer Agreement with the exception of Article 15.3. GM is willing to purchase, subject to the provisions of Article 15.2 of the Dealer Agreement, certain "Eligible Items" that are currently owned by your dealership, provided the dealership conveys to GM good and marketable title, free of any liens and encumbrances, and that the dealership complies with any applicable laws relating to bulk transfers or sales.

These Eligible Items may include: New and unused motor vehicles of the current model year purchased by Dealer from GM, new and unused motor vehicles of the previous model year if purchased by Dealer from GM within one hundred twenty days before the effective date of termination, product signs of a type recommended in writing by GM, Essential Tools, and GM parts and accessories which specifically meet the applicable requirements of the terminated Dealer Agreement.

Your attention is directed to the provisions of Article 15.2.2 of the Dealer Agreement, whereby GM's obligation to purchase Eligible Items is subject to specific responsibilities of the terminating Dealer:

**Motor Vehicles:** A listing of New and unused Motors Vehicles of the current model year, and new and unused motor vehicles of the previous model year if purchased by Dealer from GM within one hundred twenty days before the effective date of termination, as outlined in Article 15.2.1 of the Dealer Agreement, must be provided to your Zone Manager *within 15 days of the April 3, 2012 termination date*. Your Zone Manager will determine the eligibility of each vehicle listed, and will notify you of proper disposition of all applicable vehicles.

**GM/Divisional Signage:** Please discontinue the use of all GM trademarks as outlined in Article 17.5 of the Dealer Agreement. This includes discontinuing the use of all advertising, stationery, or printed matter that contains or relates to the trade names or trademarks of General Motors LLC or its Divisions. Subject to Article 15.2.1(b) of the Dealer Agreement, your Zone Manager must be contacted *within 60 days of the April 3, 2012 termination date* to review any repurchase requests regarding Dealer-owned signs. **If the dealership has signage it leases from GMDI, please complete and sign the attached form in the bottom left-hand box and fax the signed form to the attention of Lontina James at 313-483-0573.**

**GM Essential Tools:** The OE Tools and Equipment Group will provide you with a preliminary list of eligible tools and instructions regarding tool inventory verification. GM will advise you in writing of the disposition of the tools and the dealership will have *30 days* from date of GM's letter to return eligible tools to the location indicated.

**GM Parts and Accessories:** GM Parts will authorize the dealership to submit an application for a termination parts return. The dealership must submit a single listing of eligible parts and accessories electronically to its GM Parts Distribution Center *within 60 days* after authorization. Eligible Items must be unused and undamaged parts and accessories that: (1) are still in the original re-salable merchandising packages and in unbroken lots; (2) are listed for sale in the then current Dealer Parts and Accessories Price Schedule (except "discontinued" or "replaced" parts); and (3) were purchased by dealer either directly from GM Parts or from an outgoing dealer under an Assignment of Rights. GM Parts will subsequently provide a listing and tags with instructions for the return of eligible parts and accessories. **You must complete the attached GM Parts Data Access Authorization Form and fax the signed form to the attention of Lontina James at 313-483-0573.**

**Warranty Claims:** Any claims for warranty repairs that were completed prior to the termination date must be submitted electronically to GM for processing *within 15 days of the April 3, 2012 termination date*.

- \* **GM Communication Equipment:** The GM Distance Learning Equipment must be disposed of by the dealership in accordance with local disposal ordinances. If you have any questions about this equipment, please contact the GM Training Help Desk at (888) 748-2687.

Your attention is directed to Article 17.5 of the Dealer Agreement headed "Trademarks and Service Marks". Effective April 3, 2012, the dealership is hereby requested to remove all signs and trademarks, and discontinue the use of all advertising, stationery, or printed matter which contains or relates to the trade names or trademarks of General Motors LLC or its divisions.

#### Article 17.5 Trademarks and Service Marks

*"General Motors or affiliated companies are the exclusive owners or licensees of the various trademarks, service marks, names and designs (Marks) used in connection with Products and services."*

Please be advised that once your Dealer Code(s)/BAC has been inactivated/ terminated, the dealership will no longer be able to submit the previous months' financial data (FACTS 2.0) to GM. All GlobalConnect user IDs associated with your BAC will be DE-ACTIVATED with the EXCEPTION of your Partner Security Coordinator's (PSC) ID. Only the PSC's ID will remain active. If there are any non-PSC IDs which need to remain active for business purposes (eg. submitting warranty claims, operating reports, etc.), your PSC will need to RE-ACTIVATE those particular IDs.

Lastly, in order to be able to effectively communicate and correspond with you after termination, please complete the attached "Post Termination Notification" form providing GM with the contact information required and fax it to **Lontina James at 313-483-0573**.

Please be assured that GM will continue to conduct business with West Covina Motors, Inc. d/b/a Clippinger Chevrolet, until the April 3, 2012 termination date, according to the Dealer Agreement and will expect WCM likewise to fulfill its responsibilities and obligations under the Dealer Agreement.

Very truly yours,



 Chris Shane  
Zone Manager  
General Motors LLC

#### Attachments

- c: Dealer Contractual Group
- Field Manager, Dealer Support: Western-Rick Sitek
- Regional Distribution Manager: West - Kerry L. Stasch
- Fixed Operations Zone Manager
- GM Parts: Western-Michelle Baylor
- Customer Consultant, Fleet and Commercial: [Debbie.Francisco@gm.com](mailto:Debbie.Francisco@gm.com),  
[Shirley.Stimage@gm.com](mailto:Shirley.Stimage@gm.com)
- OE Tools: ([dlrstat@servicesolutions.spx.com](mailto:dlrstat@servicesolutions.spx.com))
- GM Co-op: Lori Savage: ([lsavage@cecom.com](mailto:lsavage@cecom.com))
- Law Offices of Michael J. Flanagan

MAR 27 2012