

Buick Motor Division
39465 Paseo Padre Pkwy
Fremont, CA 94538

M E M O R A N D U M

DATE: December 16, 1997

TO: DON SIGNER
SIGNER BUICK-CADILLAC, INC.
NEWARK, CALIFORNIA

FROM: Susan Koerber
Zone Manager
Buick San Francisco Zone

SUBJECT: 1998 Buick Allocation

This letter is in response to a decision your dealership made concerning available 1998 Buick allocation during the weeks of November 17, 1997, and December 15, 1997. Your dealership had been allocated Buick product based upon Buick's system of Sales and Availability that utilized sales indexes, along with current production requirements and stock/on preference availability.

Your dealership earned 14 LeSabres on November 17 and 9 LeSabres on December 15. After being offered these vehicles, your dealership only ordered 2 LeSabres on November 14 and 1 LeSabre on December 15.

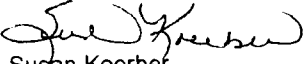
The decision to refuse allocation offered to you has many potential long term consequences that need to be reviewed. The loss of profits, customer sales, service/parts business, after-sales accessories, sales and registration effectiveness, are all potential opportunities missed by not taking advantage of available product. **Based upon your average Gross Profit per New Buick Car of \$1,707 per unit (thru 11/97), your missed profit potential for LeSabre in November was \$20,484 and, in December is, \$13,656.**

As GM moves toward commonization, the relationship of a dealer's sales and availability will take on significant importance in providing the dealer the ability to process their markets and compete with other manufacturers. The advent of Vehicle Order Management Systems (VOMS) in 1998 will allow the dealers and zones to work together to forecast production and sales requirements.

The San Francisco Zone has recently reorganized its direct contact dealer body from 80+ dealers to our current dealer count of 43. This reorganization further makes your dealership critical to the future success of the Northern California market. We need every unit, customer, and profit center to allow your operation to capitalize on the **BEST** Buick lineup in years!

We ask that you review this situation with your District Sales Manager and help us work towards our mutual goals of selling more cars and satisfying more customers. Should you have any further questions or concerns, please do not hesitate to contact me.

Sincerely,


Susan Koerber
Zone Manager
San Francisco Zone

cc: Chris Huddleston
Mark Thomas
Dealer File