

Subj: From Don Signer
Date: 3/16/2006 2:33:31 PM Pacific Standard Time
From: DRSBC
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Ludlow -

Attached is a letter that is self-explanatory.

Don

March 16, 2006

Mr. Ludlow Ramsay
Area Manager
GMAC
1620 E. Roseville Parkway, Suite 200
Roseville, CA 95661

Dear Ludlow:

I would like to thank you and Gary Spinella for taking the time to visit me last Thursday. While I appreciate the admission from both of you of GMAC's mistakes concerning the review items and the flooring restriction, neither the apology letter nor the conversation did anything to change my observation of the origination and intent of the actions described in my March 7 letter to you. In fact, statements made by you and Senior Portfolio Manager Tammie Kerr only served to further reinforce my thoughts in this regard.

As I mentioned to you last Thursday, I talked on the phone to Tammie Kerr on March 7 at approximately 12:00, just before I sent you the letter that day, in order to make sure that my facts concerning the audit and Enterprise flooring restriction were accurate. Not only did the conversation confirm that they were, but Ms. Kerr's comments and illogical answers added further to appalling nature of GMAC's actions. Following is a summary of some of the conversation between Ms. Kerr, my Business Manager Vickie Gill, and me:

- I asked Ms. Kerr what the story was about the "flooring restriction." She reacted with surprise that I knew and asked what I had heard, to which I told her that my representative at Enterprise Rent-A-Car had informed me of it. She was noticeably irritated that he had told me about it, saying that he was not supposed to have done so and that she would call him about it. She went on to say that the "on call" status should be "seamless" to me. My obvious interpretation of "seamless" is that it was supposed to be behind my back, and I was not supposed to know that others out there would be alerted to what would appear to be a questionable financial status of my dealership. Since her response is consistent with the fact that GMAC never informed me of this "on call" status, no other conclusion could be drawn. This subversive activity is absolutely unconscionable!
- Ms. Kerr explained that when a dealer is first assigned to her section, GMAC places him on "on call" status for first six months while the analyst "gets to know the dealer and his buying habits." I told her that after 25 years GMAC should know me, a fact that defies rebuttal. Since I am anything but a financial risk, the act was unjustified and her statement was totally illogical.
- Ms. Kerr said that we were assigned to her section on February 1. This is exactly one week after Jim Gentry's January 25 meeting with me, where he and Herman Caruthers unsuccessfully attempted to convince me to give up Buick and build a prohibitively expensive new facility in the Fremont Auto Mall with Cadillac alone. With the "mid-spring" deadline for GM's commitment to the mall property rapidly approaching, it

appears that extra “persuasion” on me was deemed desirable for General Motors’ cause.

- Ms. Kerr said these reviews must be done periodically. She said that some years a “ cursory review” is done, and others a “comprehensive review.” I said I didn’t remember ever having a review of this extent, to which she responded that I would have had. I asked her if she could check our history. She said she would, and then excused herself and put me on hold. After 5 minutes on hold, she came back apparently with file in hand. She said last review was a “ cursory review” on April 15, 2005 with Leslie Kido, not a “comprehensive review.” The review before that, another cursory one, was March 23, 2004. I asked if there were any of our schedules attached. She said there were none, but only three years of reviews are retained and that schedules are shredded. It seems strange that reviews are retained but schedules shredded, so her statement appeared to be an attempt to justify the lack of schedules. Seemingly flustered that she could find nothing to justify the current extensive schedule request, Ms. Kerr asked if I had a problem with furnishing the requested information. I replied, “Absolutely not. I welcome the opportunity.”
- Ms. Kerr said that she was training Melissa Walker. One of the reasons that we had been put in her section was that our dealership would be an easy one to train on, apparently meaning that everything is so clean. I continue to search for the logic on that.

So, in my strong opinion, the above conversation with Ms. Kerr only strengthens my observation of the motive for GMAC’s actions. Vickie Gill concurred completely.

After my conversation on March 7 with Ms. Kerr, I sent my letter to you at approximately 3:00. You called me at 5:00 that day, beginning by saying “Right off the bat, we made a mistake.” and went on to tell me you had already taken me off flooring restriction before you received the letter. I asked if that was a result of my conversation with Tammie Kerr, to which you replied it was and that there had been a meeting.

In the conversation you told me that I was recently put in “that section” because we had lost money. I asked if you had read the reference in my letter to the “rent” adjustment on my financial statement, to which you said you had. (During your March 9 visit to my office you conceded that there was already a notation from the past in our file about the rent adjustment.) Your repeated reference to “that section” prompted my question, “You keep referring to “that section.” What is “that section?” You hesitated, apparently searching for the right words. During your pause I said, “The trouble section?” You responded, “Uh, yeah.”

When you and Gary were in my office last Thursday, you went through a lengthy explanation of why we were put in “that section.” You said that section had recently been expanded, so had the capacity for more dealers. Some good dealers were put in the group to make use of the capacity. I then reminded you that you had told me on the phone two days earlier that I was put in “that section” because I was losing money. This inconsistency only strengthened my convictions about GM’s collective motives.

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Your March 8 letter said the request for (excessive) financial statement information wasn't intended to insult me, and Gary said in the meeting that the actions weren't meant to drive me away from GMAC. I never felt that either was the intent of the actions, but they both turned out to be by-products. While it would seem that GMAC would be crazy to insult and drive away a long-term good customer like myself, that's exactly what it did. I have to believe I have been of GMAC's best customers in the area of quality of both wholesale and retail, even though the quantity of business has been experiencing shrinkage for many years as a result of Buick's ongoing decline and my accumulation of cash.

It is my understanding that the letter to Jarred Wells of Enterprise, a copy of which you furnished me last Thursday, has been mailed to him. In my March 7 letter to you I requested approval of the letter before it was sent. While I appreciate the letter to Jarred and do not disapprove of its content, it falls short of the message I had requested. But since GMAC denies to me my interpretation of its acts, it doesn't appear that it would admit it to Jarred. So, that letter will go on record as only partially fulfilling my request.

Again, I appreciate the apology and visit from you and Gary, but unfortunately the damage had already been done. And while I appreciate Gary's unscheduled visit two days ago, it resulted only in a repeated denial of my observed intent of GM's actions. Additionally, his conversation included underlying suggestions that if the long ordeal with GM is affecting my health (which it isn't,) I should consider alternatives. He also suggested that my property might have high value for some other use, with the building being torn down. Gary has been a great friend and trusted ally for many years, and it is regrettable that now even he has been drawn into GM's ongoing "you should sell" efforts.

To keep GMAC's involvement in my long ordeal with GM over channeling and relocation in perspective, although among the worst, it is only one of a long series of GM acts working against me. And, relatively speaking, GMAC's time involved is nearly insignificant. Using the February 1 start date, if GM's 15-year-long effort working against my wishes were considered a 24-hour day, GMAC's involvement would amount to less than 12 minutes. So, while GMAC's role in my conflict with GM has been brief, it carries significance as the final straw in my patience. For many, many years I have listened to General Motors' thoughts and endured its pressures on channeling and relocation issues, but it has not listened to me. It is my hope that this will change in the near future.

Sincerely,

Donald R. Signer
President
Signer Buick-Cadillac

cc: Keith Constantine
Gary Spinella
Jim Gentry
Bill Powell