



PONTIAC

Zone Office
Pontiac Division
General Motors Corporation
P.O. Box 23090
Oakland, California 94623

May 16, 1991

Mr. Richard DiGiulio
DiGiulio Pontiac GMC, Inc.
4411 Peralta Blvd.
Fremont, Ca. 94536

Dear Mr. DiGiulio:

This is in response to your proposal involving the sale of certain assets by DiGiulio Pontiac GMC, Inc. related to the sale and service of Pontiac and GMC Truck products to Signer Buick-Cadillac. This response is provided by Pontiac as Business Management Division on behalf of itself and GMC Truck.

Current dealer network plans in that area call for Pontiac and GMC Truck as a separate dual point. The dualling patterns established for representation of General Motors vehicles are an important component of our dealer network planning and are implemented with careful consideration for the needs of the effected General Motors Divisions, their dealers and the consumers of their products. Based on those factors and a careful consideration of market conditions and potential, it has been determined that Pontiac-GMC Truck representation should continue with the present network plan rather than establish a 4-way dual with Buick and Cadillac.

Similarly, General Motors believes that the current Buick-Cadillac dual arrangement provides sufficient opportunity to justify the maintenance of that dual arrangement exclusive of the representation of other General Motors products. The present dual arrangement in this area assures adequate profit opportunity for the dealer and appropriate devotion of attention and resources to the sale and promotion of our products.

Consequently, we are disapproving your proposal which would result in the dualling of Pontiac, GMC Truck, Buick and Cadillac. However, we will continue to work with you to effect the sale of your assets in a manner that will accomplish your objectives, as well as those of Pontiac and GMC Truck Divisions.

Yours very truly,

R. J. Durand
Zone Manager

RJD:cc

cc: Mr. W. R. Stark, GMC Truck

