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## Chrysler dealer gets 2nd chance after arbitration

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Bill Hahn will soon be back in the new-car business.

The owner of the once and future Village Chrysler-Jeep in Royal Oak became the first of 14 former local Chrysler dealers to successfully reverse the automaker's decision to close his dealership after an arbitrator ruled in Hahn's favor late Tuesday.

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"We're grateful to the arbitrator and the overwhelming support we have received from our customers and community," Hahn said. Operating as Village Automotive on Woodward, Hahn has gutted out the past year selling and servicing used vehicles to meet his payroll of 21 people, down from a 2007 peak of 54. "We're looking for a long-term, mutually beneficial relationship with Chrysler."

The Auburn Hills automaker said in a statement it is disappointed by the decision, but "believes the arbitration process will continue to confirm the sound business decisions made during the bankruptcy."

Chrysler now has seven days to give Hahn a letter of intent setting terms and conditions for his reinstatement.

Chrysler reduced its dealer network by 25% in June 2009 to about 2,400 as a condition of its government-backed restructuring. Fewer dealers, so the strategy went, would accelerate plans to bring all four brands -- Chrysler, Dodge, Jeep and Ram -- under the same roof. It also would boost the average sales per dealership, making surviving showrooms more profitable and enabling owners to upgrade their stores.

After Congress passed and President Barack Obama signed legislation last November enabling rejected dealers to challenge Chrysler through arbitration, more than 400 of 789 dealers began the process of contesting the closure of their dealership.

A large percentage of those cases have already been quietly settled. Chrysler has won 29 arbitrations. Dealers have prevailed in 10. Fewer than 75 cases remain throughout the U.S., a Chrysler spokesman said.

Hahn and other area dealers, including Jeff Tamaroff, Colleen McDonald, Joe Ricci and Brian Campbell, are still contesting their closures. Tamaroff and Campbell have presented their cases and are awaiting a decision. McDonald and Ricci are to present their cases to arbitrators in coming weeks.

Earlier this month, Chrysler CEO Sergio Marchionne said the arbitrations are "taking a lot of time and energy. It's a hassle."

Jim Eagan, who advises dealers for the consulting firm Plante & Moran, said Chrysler's dealer downsizing will be successful if it can regain market share lost in the year before and after bankruptcy.

