



ATTORNEY GENERAL

P.O. Box 94005 • Baton Rouge, LA 70804
225-326-6705 • www.ag.state.la.us

Tammi Arender Herring, Director of Communications
225-326-6703 (office) • 225-588-4639 (cell) • arendert@ag.state.la.us

June 5, 2009
FOR IMMEDIATE RELEASE

PRESS RELEASE

ATTORNEY GENERAL GOES TO BAT FOR LOUISIANA AUTO DEALERS AND CONSUMERS

BATON ROUGE, La.—Attorney General Buddy Caldwell is looking into the possibility of unfair trade practices by General Motors. The Louisiana Auto Dealers Association and the Louisiana Motor Vehicle Commission have brought to Caldwell's attention the fact that GM is trying to create a system under which GM dealers operate in the marketplace without almost any of the existing Louisiana regulations that guarantee a level playing field, while all other franchise dealers in the state operate under the normal existing regulations. "The consumers are the ones who will suffer," said Caldwell.

"This will cause serious harm to Louisiana citizens because car dealerships are a critical part of our communities. They sponsor our kids in little league, they give sponsorships to our schools, and they contribute to our overall sales tax and revenue. I can not stand by and allow this to happen."

The AG's action were precipitated after a letter from General Motors was sent to all GM dealerships in the state asking them to execute a modification of their franchise agreements, which would be contrary to the regulatory plan legislatively implemented in the state of Louisiana. In an effort to insure the continued operation of that plan, the

Attorney General has decided to explore, with other attorneys general, the affect the terms of agreement laid out in this letter will have on our dealerships.

Caldwell says it appears General Motors is asking Louisiana to give it a license to violate state laws which protect consumers and dealers. Caldwell has contacted the National Association of Attorneys General in Washington, D.C. about what action can be taken. A conference call with other AG's is scheduled for Monday.

-End-