

CARLISLE CHEVROLET COMPANY

SINCE 1926

Chevrolet

Cadillac

**1701 West U.S. 287 Bypass
Waxahachie, Texas 75165**

My name is Frank A. Blankenbeckler, III. I am the dealer-principal of Carlisle Chevrolet-Cadillac in Waxahachie, Texas. Carlisle Chevrolet, to my knowledge, is the oldest Chevrolet dealership in the state of Texas, operating continuously from 1926 until the present time as Carlisle Chevrolet Company. This dealership was founded in 1926 by my maternal grandfather Y.C Carlisle. My father Frank A. Blankenbeckler, Jr., awarded with a Bronze Star for his service to his country at Bastogne during World War II and having received a Master in Tax Law from Harvard, married my mother in 1947 and moved to Waxahachie, Texas to be the dealer at Carlisle for nearly the next 55 years. I graduated from the University of Texas in 1974 and since that time I have had one job, that being a GM dealer for nearly 35 years. Approximately three years ago my son, Austin, graduated from Ole Miss and joined me at the dealership to fulfill his childhood dream of being a Chevrolet dealer like his father, his grand father, and great grand father before him.

During these years, almost 84, I would say that my family as a Chevrolet dealer and a citizen of Waxahachie would without question be numbered as one of the most generous and civic minded. My family was very instrumental in the founding of Baylor Hospital, the YMCA, school board member, and other contributions too numerous to mention. My point of this type of introduction is to state that the Blankenbeckler and Carlisle families have been an integral and generous part of Waxahachie.

To clarify a point, at the start of May this year my dealership was franchised as a Chevrolet, Cadillac, and Jeep dealer. One 13 May 2009 I received a letter from Chrysler via UPS. It stated that I would no longer be a Jeep dealer as of 8 June 2009. On 14 May 2009 I received a letter from GM stating that they believed it to be their intention that my dealer agreement would not be extended beyond the expiration of the current agreement which is due to expire in October 2010. To say the least this was a tremendous 24 hours. In 24 hours I have been told that basically everything my family and my self have worked for was being taken away.

I have introduced a folder which conveys some facts about Carlisle Chevrolet. I would like to convey to the committee some of the contents of this folder. From the first page you can see that Waxahachie is located approximately 30 miles to the south as the county seat of Ellis, the contiguous south county to Dallas County on IH 35 E. Additionally this location is at the intersection of U.S. 287 Bypass. These are two of the major highways in the state. This location is on approximately 10 acres. This is an excellent location for an automobile dealership. Also it might be noted that Ellis County is one of the fastest growing and most vibrant counties in the DFW metroplex.

Next is one of several newspaper articles written about my dealership in the local paper, the Waxahachie Daily Light.

Next is a page of facts about Carlisle Chevrolet. I will read this page. ----- As you can see, my dealership is a significant contributor to my community, county, state, and country. Eliminating Carlisle Chevrolet will take a considerable amount of dollars out of the economy. I would like to digress to the point about my employees. I just attended the funeral of my office manager, Tommie Connelly. My grandfather hired her at the age of 16. She worked for Carlisle Chevrolet for nearly 50 years. My current office manager has been at Carlisle for over 35 years. There have been only two office managers at Carlisle Chevrolet. We had a service manager, Joe McMahan, who worked for Carlisle Chevrolet for nearly 50 years. My grandfather hired him when he was about 17. When I came to work at Carlisle there was salesman, Doc Flynn. When he died he had worked at Carlisle for 50 years and was the ranking member in Chevrolet's national sales organization, Legion of Leaders. I could go on and on about the people who currently work or have worked at Carlisle. My point is, over the past years 84 years Carlisle has had and currently has the best people in the industry.

I would like to mention to the committee the human element of these actions by GM and Chrysler. Nearly 90 souls depend upon Carlisle for their livelihood. With our closing these people will be subjected to extreme economic hardship. I've had many opportunities to sell this business. Now I am deprived of that right. My family will be left with a single purpose facility with no tenant. This is totally senseless.

My grandfather bought and paid for Carlisle Chevrolet from his labors. My father paid my grandmother over a period of 15 years for Carlisle Chevrolet through his efforts and work. It took me nearly 20 to pay my parents for Carlisle Chevrolet. It took GM and Chrysler a mere 24 hours to steal Carlisle Chevrolet from me!

This makes no sense. Why is this happening?

GM and Chrysler have stated publicly that they have not used the bankruptcy code to usurp state and local motor vehicle codes and statutes. This is patently not true. I don't care how their actions are spun or discussed.

To my understanding, all GM dealers have been offered either a wind down agreement, for terminated dealers, or a participation agreement for potentially continuing dealers. The content of these agreements is horrible. Dealers are told either to sign the agreements or they, GM, will petition the bankruptcy court to have them immediately terminated. The decision not to sign is ultimately not a decision. Some of the provisions of the "wind down" agreement are: (1) electronically furnish a copy of your sales and service customers that most probably will be given to the new dealer that is awarded your point. This I feel is a violation of federal privacy laws that have terrible penalties upon violation. (2) we are not to be paid for our special tools or parts. (3) we relinquish any right of recourse against them. (4) waive all termination assistance rights. (5) agree not to sue. (6) waive all state statutes or regulations that would normally apply to termination. (7) agree not to sue. (8) agree to not protest the reestablishment of a new dealer in place of yourself. (9) waive any right to recover financial loss from signing.

For the “participation agreement dealers” it is my understanding that they have to agree to (1) stocking requirements. (2) monthly sales goals. (3) building image. (4) dualing regulations. If they fail to comply with these requirements, they run the risk of quick termination. All of these mentioned items are in direct conflict with most state motor vehicle statutes.

Again it is impossible for an intelligent person not to come to the conclusion that G.M. is definitely using the bankruptcy code to usurp local and state statutes and doing so much to their advantage. This is wrong.

Now I would like to address what I think is the most important part of my testimony. As I have previously stated in a period of 24 hours, my business was essentially taken from me on the grounds that I am not a productive dealer. I adamantly dispute this point. Carlisle Chevrolet and I are more than adequately capitalized. As I have previously stated our CSI is definitely within the range of my peers. You can see that we are definitely a player when it comes to the sale of vehicles. We are located in a superb location in a nice facility in a vibrant automotive market. So why am I being terminated? More importantly, how in this country can a man’s property be taken without due process and without compensation and possibly given to another party that has been in my community for less than a year for nothing.

I adamantly believe my constitutional rights have been violated. I think that I am a victim of an illegal taking. This is the most important point of this hearing in my mind. And I think it is the feeling of all the dealers that are in this same position. I also feel like it should be the concern of all Americans.

I am hurt. I feel violated. I am extremely angry. I wear my father’s Bronze Star label pin on my coat. He was a member of the greatest generation. I am glad that he is not alive to witness this travesty. To have risked his life for a country that would do what they are doing would destroy him. I love my country and my state. I am feel great pain in what is happening. It is my hope and prayer that I will be able to continue my life and not be consumed by bitterness should this situation not be reversed and the country returned to the tenets that our founding fathers created.

Thank you for hearing my testimony.

Frank A. Blankenbeckler, III