

PRESS RELEASE

**Frank Valeriote, M.P.
Guelph**



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"Reason has prevailed:" MP Frank Valeriote applauds GM Canadian Dealership Settlement

GUELPH- After months of litigation and negotiation between General Motors Canada and 21 Canadian dealerships and continued pressure from the Liberal Auto Caucus, GM Canada announced that 13 dealerships would remain in business and the balance would receive mutually acceptable compensation packages by GM for their closure.

As part of the company's 2009 restructuring plans, General Motors stated its intention to eliminate over one-third of its more than 700 Canadian dealerships by October 2010, which were estimated to employ about 33,000 people. The 21 dealerships named in the lawsuit argued that GM used an arbitrary measure to decide which businesses to close and failed to honour its contractual obligations to the dealerships.

"From the beginning we knew the decision was flawed" said Frank Valeriote, Chair of the Liberal Auto Caucus and MP for Guelph. "Many of the plaintiffs, including Guelph's Robinson Pontiac Buick, were profitable local dealerships that demonstrated exemplary sales figures throughout decades of service in their communities and added very little to GM's overall operating costs."

Amidst the ongoing court proceedings and throughout the spring session of Parliament, Liberal Auto Caucus members with affected constituencies including Frank Valeriote, David McGuinty, Wayne Easter, and Marcel Proulx participated in a series of meetings with General Motors, GM dealers, the Canadian Automobile Dealers Association and the parties' legal counsel respecting the situation. Mr. Valeriote and others also raised the issue repeatedly in the House of Commons, demanding the federal government step in to find an acceptable resolution as a major GM shareholder. A further meeting with GM's Canadian President and legal counsel scheduled for last Friday was postponed pending this announcement.

"As the MP for Guelph, I began making the case for Guelph's Robinson Pontiac Buick before the court proceedings were filed. It was clear from even those early conversations that these were successful local businesses that were at risk of slipping through the cracks of a very complex corporate restructuring" Valeriote continued. "Our advocacy in Parliament intensified once information about the decision-making process behind these closures emerged from the court proceedings themselves.

"I am particularly pleased for the constituents in my riding that Robinson Pontiac Buick will remain open. Saving successful businesses in Guelph and other affected communities helps to preserve not just the many direct and indirect jobs associated with their success, but also a vital part of our community's automotive heritage. I am elated that reason has prevailed, and that the persistence of everyone involved has succeeded in reaching an acceptable solution."

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