

Writing the book on buying and selling auto dealerships

When John J. Pico opened his law practice in 1972, he didn't know the difference between factory car parts and industry car parts.

To him, parts were parts. But to the dealership owners he represented, it made a big difference.

He searched for a book to guide him through car dealership buy-and-sell agreements, factory relations and other related topics, without success. Finally, he decided if he wanted such a book he'd have to write it himself.

After 15 years of research, he published his two-volume book, *A Practical Guide to Buying and Selling Automobile Dealerships* (National Legal Publishing Company, \$495), a desk manual for dealership buyers and sellers, attorneys, accountants, bankers and anyone else who is involved in the day-to-day finances and legalities of a dealership.

"I looked for years to find something to read to help guide me, but there wasn't anything that had any meat to it," says Pico, who sold his law firm in 1980 so he could devote his full attention to dealer consultation. Pico holds a law degree from Hastings College of Law, University of California, and a bachelor of arts degree from Chapman College.

Each of the two volumes has more than 400 pages. They are published in loose-leaf binders so the user can replace pages as they are annually updated. The first volume covers among other things, buyer's preparation, seller's preparation, and negotiating the contract.

The second volume includes samples of documents and forms commonly encountered while representing dealers and lenders in sales, management and workout situations as well as lender, distributor and manufacturer disputes. It contains sample documents, including a letter of intent to buy, management agreement and seller's interview sheet.

Because his book is so new, Pico says he doesn't have figures on how many have been sold, but says he has received positive feedback from dealers and other people whose business thrive on the buying and selling of vehicles and dealerships.

"It (his book) fills a void," says Pico. "One megadealer bought it and gave it to his management team. Accountants tell me they find it useful. It's a desk manual. It gives you a good place to start."

Radio ad spending

Among network radio's top 25 advertisers in 1989 were General Motors (second), Ford Motor Co. (sixth), Volkswagen of America Inc. (13th) and Chrysler Corp. (16th).

The Radio Advertising Bureau says domestic and import manufacturers spent \$59.48 million on network radio advertising — up from \$48.45 million in 1988.

Toyota salutes Earth Day

Toyota Motor Sales U.S.A. has joined the U.S. Forest Service's public awareness campaign to encourage environmentally conscious off-highway driving. Toyota is incorporating the campaign into its 4x4 truck advertising. The ads break this month in conjunction with Earth Day on April 22.

The print campaign will appear in outdoor and 4x4-enthusiast

MARKETING AND MEDIA



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magazines, and in general publications, including *Newsweek's* April

16 Earth Day issue and *Rolling Stone's* May 3 Earth Day issue. The tagline: "When you go off-road, go easy on the environment."

Ford donates vehicles

Ford Motor Co. is donating 13 1989-model Ford cars and trucks to colleges, vocational schools, hospitals and career centers in the Cincinnati area as part of the company's \$6.5 million equipment and engine donation program.

Last year, Ford donated 433 classroom training vehicles, 300 engines, 58 computers and other related engineering and research

equipment to more than 570 recipients in 43 states under the program.

Volvo takes NFL to Berlin

Volvo North America Corp. and Volvo Car Corp. of Sweden will sponsor the first National Football League game in Germany when the Los Angeles Rams and the Kansas City Chiefs meet in West Berlin's Olympic Stadium Aug. 11. In August 1988, the Minnesota Vikings defeated the Chicago Bears 28-21 in the "Volvo American Football Classic" in Gothenburg, Sweden.

NBC will televise the Berlin game. Television coverage is also

expected in Europe and Japan. Volvo expects to buy ad time on the telecast.

Magazine advertising up

The automotive industry was the nation's top spender in magazine advertising in 1989 with \$882.89 million — up 10.53 percent from 1988, according to the Publishers Information Bureau.

While the \$69.13 million the industry spent in December 1989 was down 12.21 percent from December 1988, auto advertising spending for the fourth quarter totaled \$221.5 million, up 15 percent from the 1988 quarter.

A Practical Guide to Buying and Selling Automobile Dealerships.

A NEW publication. An industry benchmark.

No buyer or seller, or the attorneys, accountants and bankers they work with, can any longer afford to go into negotiations without these two books. Those who are even thinking about buying or selling an automobile dealership need them, because they lay out a clear and detailed roadmap of the unforgiving process which lies ahead.

It's written by one of the most experienced attorneys in the field, John J. Pico, who for a decade and a half has served as attorney and advisor for hundreds of automobile dealers across the nation.

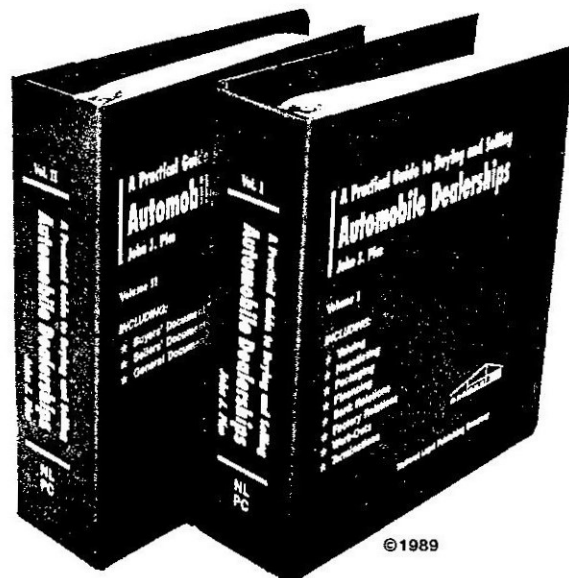
Now, he has turned that unique track record into a two-volume compendium of do's and don'ts of ownership changes, and the pitfalls which lie in the path of both the buyers and sellers, and others involved in negotiations and the mechanics of conveying not only the dealership but also the physical and human assets which are involved.

This is a major new publication. Volume I, which is the narrative portion, is over 400 pages of text. Volume II contains hundreds of pages of tailor-made forms and checklists.

The total cost is \$495 for both volumes. A loose-leaf format is utilized, because it is anticipated that update packages will be made available from time to time to keep the books current in a fast-changing industry.

Highlights of the Contents

- QUESTIONS TO ANSWER BEFORE SHOPPING FOR A DEALERSHIP
- THE PURCHASER'S DUE DILIGENCE
- ASSET vs. STOCK PURCHASE
- VALUATION OF DEALERSHIPS
- PACKAGING AN OFFER
- QUESTIONS TO ANSWER BEFORE SELLING
- ASSET vs. STOCK SALE
- PREPARING THE PACKAGE
- PACKAGING THE DEALERSHIP
- SHOPPING FOR AN OFFER
- INVESTIGATING A POTENTIAL PURCHASER
- NEGOTIATING THE CONTRACT
- CREATIVE FINANCING
- DEALING WITH THE FINANCE COMPANIES
- DEALING WITH THE FACTORY
- ITEMS TO BE COMPLETED AND/OR DELIVERED PRIOR TO CLOSE
- PAYING CREDITORS—BULK SALES
- THE CLOSING
- BANKRUPTCY
- IS IT REALLY DONE
- OUT OF TRUST AND WORKOUTS
- THE CONSEQUENCES OF BEING OUT OF TRUST—LEGAL ACTIONS AND DEFENSES
- FACTORY PRESSURES
- FACTORY TERMINATIONS
- RIGHTS UPON TERMINATION OR NONRENEWAL
- RICO CLAIMS
- GENERAL RELEASES
- MISCELLANEOUS CASE OF INTEREST
- GOING PUBLIC
- THE FUTURE OF AMERICAN DEALERSHIPS



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