

## Western Mass. dealerships try to keep positive attitude in wake of General Motors' reorganization filing

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NORTHAMPTON - Local dealers are saying it's business as usual even as General Motors filed the fourth largest bankruptcy in U.S. history Monday.

"I hate to say it's a sign of the times," said Dana S. Goodfield, owner of Dana Chevrolet in Northampton. "But we've been through these things with a lot of companies."

General Motors filed for federal Chapter 11 bankruptcy protection Monday. The company plans to close nine plants and temporarily shut down three others. It plans to cut 21,000 employees, about a third of its work force and close 2,600 of its 4,000 dealers.

A list of dealerships that will be shuttered has not been made public.



Photo by Mark Avery / Associated Press  
Hummers are seen on a lot at a dealership in Tustin, Calif., Monday. General Motors filed for Chapter 11 bankruptcy protection as part of the Obama administration's plan to restructure the company.

GM will also close a parts distribution facility in Norton near Boston by the end of the year, according to the Associated Press. The parts-depot closure will leave about 66 union workers jobless.

Chrysler filed a Chapter 11 bankruptcy petition just more than a month ago.

"If GM mirrors the Chrysler bankruptcy, they will still be paying us incentive and warranty money," Goodfield said.

The warranties will also be good from brands General Motors plans to discontinue, like Pontiac, Hummer and Saab, said Donald F. Pion, owner of Bob Pion Pontiac-Buick-GMC in Chicopee.

"If you bought a Pontiac from me, continue to bring it to me, or any other GM dealer," Pion said Monday. "But it is a sad day for American business in general, to have an icon fall like this. But now they are in it and

they have to get out of it."

GM points earned by some credit-card holders are also still good, Pion said.

Justin H. Dion, a bankruptcy attorney with Bacon Wilson in Springfield and chairman of the Hampden County Bar Association's Bankruptcy section, said a Chapter 11 bankruptcy filing buys a company time to reorganize its business and its debts.

"They are filing Chapter 11 for the purpose of building the business back up," he said.

Technically, GM could use bankruptcy to get out of obligations, like those credit-card points, Dion said. But it likely won't do that for fear of alienating longtime customers.

Bankruptcy also will give GM a way around state franchise laws that would have kept it from closing some dealerships, Dion said. It will also allow GM to rework deals with its labor unions which were negotiated when the Big Three were dominant.

### **Local dealers react to GM bankruptcy**

"Unfortunately those terms have slowly strangled a lot of these carmakers," Dion said.

Dion said he wouldn't be surprised if some GM suppliers declare bankruptcy themselves in the wake of this filing and continuing production cutbacks.

"That's really part of the reason why the government is stepping in to keep this company viable," he said.

Solutia Inc. makes Saflex, a plastic interlayer that strengthens auto windshields at its plant in the Indian Orchard section of Springfield. But spokesman Daniel B. Jenkins said only 4 to 6 percent of the plant's Saflex production goes to new cars manufactured in the United States. The rest goes overseas, to replacement

windshields or to make windows for buildings.

Solutia has laid off 36 employees this year, bring the total down to 460.

"The real driver of those layoffs is overall market demand as opposed to the status of any one company," he said.