

STATEMENT: JIM TARBOX,
OWNER, TARBOX MOTORS
HOUSE COMMITTEE ON JUDICIARY

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Good morning, Mr. Chairman and esteemed members of the committee.

My name is Jim Tarbox and I am a former Chrysler new car dealer from North Kingstown, Rhode Island. I thank you for the opportunity to testify before you here today on legislation that could change the course of my life and the lives of many other dealers across the nation.

I introduced myself as a former Chrysler dealer because, just over a month ago, my two dealerships were taken from me. I was stripped of my right to operate under this carmaker. Despite my franchise agreement, I was told there would be no more new cars to sell. No more parts to ship. No more inventory to keep, or sales goals to meet and beat.

I was told I was closing. I was not given any justification for my selection and best of all, I had less than a month to make it happen.

All I worked for. All I had built. All I had achieved was gone within the few seconds it took me to open a letter from the Chrysler home office.

When I read this letter my first thoughts were not about the property I would lose, the cars still on my lot or the hundreds of thousands in machines I had purchased for car repairs... all that came later. My first thoughts, and those that plague me as I sit here today, were about my employees, their families and as you might expect, my family.

How do you tell your employees they're headed for the unemployment line? And how do you tell your wife all you've worked for may be gone? Especially when your success was well-known?

I'll tell you: It's not easy.

I am 42 years old and my wife, Kim – who is here with me today – and I have three young girls. If my dealership is not restored, we will lose everything -- including college savings for my children and my home.

I am at a loss as to how a small businessperson like me found himself in this position. If it weren't for some damaging testimony at the Chrysler bankruptcy hearing, we might never know. But, during that hearing, a witness had to read out loud some email exchanges....

Chrysler executives said in an email discussing closures that I was a “belligerent” and “combative dealer.”

Why would they say this?

They said this because I opposed, and was able to stop, the allowance of another Jeep dealership within miles of my facility.

I knew after seeing this, that Chrysler targeted me for closure.

To give you some background: due to my success, Chrysler had urged me to purchase a dealership in neighboring Mass. They made promises of getting me Dodge and were negotiating site control.

Once I closed, they attempted to use their promises as leverage. They tried to put another Jeep franchise in my market in RI.

I protested under state franchise laws. They withdrew their intent and went bankrupt.

They chose to reject BOTH my dealerships because of the protest.

This protest put me in their line of fire for closure.

Chrysler executives wrote in the email: 'This is going to be a tough one-His dealerships are performing fine with good scorecards.'

And the reply from Phil Scroggins – the northeast business center director? "He's a belligerent, combative dealer who litigates & protests any new Jeep franchise in the Providence, RI area... Management made decision to cut him-He has not operated in good faith."

There is NO data driven criteria here.

This email makes it quite evident that the selection process was arbitrary. It is arbitrary, unfair and inappropriate. I was targeted and I am sure many others were randomly selected as well.

Everything I have worked for, all my success, my businesses and my rights – gone in seconds. And even worse – given to my competitors on a silver platter.

And despite their claim I was closed because I was a stand alone Jeep dealer, 44 stand alone Jeep dealers and more than 100 stand alone Chrysler dealers remain in business. There was no criteria and I request that Congress look closely at this issue and work to save our businesses. Restore them and restore our rights.

My family has been in the car business for three generations. My dealership was founded in 1935. And, as is the case with many dealers, my family name, Tarbox, is well-known and respected in my home state and beyond.

This is the industry I grew up in, the industry I know and the industry I love.

I am proud to say, I helped build a well-regarded and high-performing Jeep dealership in Rhode Island. We:

- Are one of the highest volume Jeep dealers in the northeast
- Have maintained a sales volume at 450 percent of planning potential
- Have sold over 750 new jeeps a year
- and, are in the top 10 percent nationally with Chrysler

My dealership has exceeded sales goals and performed above and beyond any expectations set by Chrysler.

They have indicated they value high performance, top-notch employees and those dedicated to aggressively marketing their product. Including the millions I have spent branding Tarbox with Jeep, we are top in all categories. But Chrysler is refusing to release their specific criteria.

It certainly begs the question, if not for performance, what *was* the criteria for closure?

In fact, it seems closure was decided based on personality and relationships, not performance. This is not a fair or sound business practice. This is not in the best interest of the taxpayer who suddenly has a stake. And this company is playing with our lives.

As you have seen, likely right in your districts, there are dealers – or I should say former dealers -- suffering. Sure there are those dealers who own dozens of dealerships or more and maybe these closures, although having an impact, will not put them out of business.

But let me be clear in saying, for small dealers with one or two dealerships -- the dealers I represent here today -- this action by Chrysler and the Task Force will produce grave consequences.

These closures may result in the bankruptcy of many productive small businesses, foreclosures of their homes, and filling of the unemployment rolls when our country is experiencing the highest unemployment rate in decades. In my state in fact, we boast the second highest rate in the nation at 12.4 percent.

My employee count alone has dwindled from 60 to 15.

In my case, my businesses will go bankrupt and I may have to go bankrupt personally as well. There is no fall back plan – this dealership was my plan. It is my livelihood.

As dealers, our property rights have been violated. Our contractual rights have been violated. And our faith and trust in the system of good business practice and good faith have been violated.

We have invested in everything and they are leaving us with nothing: not even answers to back up their closures.

As entrepreneurs. As successful business operators. As employers. And as Americans. We deserve to retain our protections. And I ask you, on behalf of dealers across the country, and our communities, to support this legislation. Support the restoration of our dealerships and our rights. It WILL change the lives of so many.

Thank you.