

# Used-car group is recruiting rejected dealerships

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Several former Chrysler executives and dealers are helping recruit rejected Chrysler and General Motors dealerships to establish a used-car chain called AutoStar Superstore.

The plan is to open the first five stores Oct. 1 — one each in Albuquerque, N.M.; Portland, Ore.; Las Vegas; St. George, Utah; and Pittsburg, Texas — says George Lovato Jr., chairman of AutoStar Dealer Network in Albuquerque. Lovato is the founder of Rent Rite Car Rental Systems Inc., the

eighth-largest car rental company in the country.

AutoStar Dealer Network plans to open five stores a month for the first three months and then increase to 10 a month, Lovato says.

"If you look at the disenfranchised dealer — a GM or Chrysler dealer who has a very big footprint" for car sales, service and parts — "that's the guy we're after," he says.

Lovato says AutoStar will offer dealers a nationally branded certified used-car program, floorplan financing, dealer management system soft-

ware, employee training, vehicle warranties, a national Web site for consumers, vehicle procurement and other services.

Dealers who want to join will pay an initial licensing fee ranging from \$6,200 in rural areas up to \$37,500 in metropolitan markets. The metropolitan stores should be ready to sell 100 or more used cars a month, Lovato says.

Art Laws, owner of what was Timberline Chrysler-Jeep-Dodge in Portland, is on the AutoStar board and will operate one of the first five dealer-

ships to open. Timberline was rejected when Chrysler cut 789 dealerships during bankruptcy. "You've got service business; you've got flooring and more opportunity to make a profit on parts than you did before," says Laws, a two-time chairman of the Dodge National Dealer Council.

The AutoStar board also includes Ken Zangara, vice chairman and a former Dodge dealer in Albuquerque; Tom McAlear, former COO of DaimlerChrysler Financial Services; and Mike Yatsko, retired director of dealer operations for Chrysler. **AN**