

Breaking News from The Globe and Mail

Biggest U.S. Chevy dealer closes dealerships

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COLUMBUS, Ga. — Bill Heard Enterprises Inc., the biggest Chevrolet dealer in the country, said Wednesday it is closing its 13 remaining dealerships, unable to survive in a weak economy with high gas prices and an inventory heavy on trucks and SUVs.

The Columbus-based company said in a statement it tried to avoid the closures, which will affect about 2,700 employees.

“However, the conditions necessary to sustain the business through the current challenges were not present,” the statement said.

The difficult sales environment was made worse by the ongoing banking and financial crisis, it said. GMAC Financial Services last month discontinued credit for new inventory for some of the company’s dealerships.

Phone calls to several Bill Heard dealerships Wednesday afternoon went unanswered.

One employee at a Bill Heard dealership in Memphis, Tenn., said, “We’re closing, that’s all I can tell you,” before abruptly hanging up. At another Bill Heard dealership, commotion could be heard in the background as an employee said managers would not come to the phone.

The Heard operation was the single largest chain of Chevrolet dealerships in the country, said GM spokeswoman Susan Garontakos.

GM will honour all Chevrolet warranties at other nearby dealerships, which can be found on the Chevrolet Web site, she said. She would not comment on reasons for the chain closing other than to say it was an independent business with GM franchise agreements.

“GM dealers are responsible for managing and financing dealerships,” she said.

GM will work with the Heard chain and do research to decide if any of the dealers will reopen, she said.

The automaker is trying to reduce its dealership ranks as its U.S. market share has declined, and Ms. Garontakos said the closure opens an opportunity to look into whether any of the Heard outlets can be consolidated into nearby dealerships.

“Wherever it makes sense to keep a point open, and it’s attractive enough for other dealers to take a look at it and keep it operating, we’ll be doing that,” she said.

The company had five dealerships in Georgia and eight in five other states — Alabama, Florida, Nevada, Tennessee and Texas. A dealership in Scottsdale, Ariz. closed on Sept. 12.

Late last month, the Governor’s Office of Consumer Affairs said in a court filing in Georgia’s Fulton County that the company has participated in deceptive and misleading business practices. The company denied those allegations.

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