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AUTO SHOWCASE

TEST DRIVE

Honda sues Rick Hendrick over bribes

THE ASSOCIATED PRESS

American Honda has joined the legal battle against automobile dealer Rick Hendrick, accusing him and others of bribing Honda executives with money and gifts in exchange for business favors.

American Honda Motor Co. claims 22 dealers, including Hendrick and brother John, and 17 other Honda employees participated in the scheme, according to a lawsuit filed earlier this month in Baltimore federal court.

Rick Hendrick, the country's top automobile dealer, was indicted last month on 13 counts of money laundering and one count each of mail fraud and conspiracy. Federal prosecutors allege he bribed American Honda executives for favorable treatment in the allocation of cars and the awarding of dealerships.

John Hendrick, who also operates three Honda dealerships, faces a single conspiracy charge. The Hendricks, who have pleaded innocent to all charges, have acknowledged making payments to Honda employees but say they received nothing in return.

The lawsuits, which ask for unspecified damages, accuse the dealers of fraud and breach of contract. The Charlotte Observer reported Saturday.

The claims are "consistent with our determination to recover damages from parties who have harmed us," American Honda said in a statement.

Daniel Clodfelter, a lawyer for the Hendricks, said Honda is trying to shift responsibility to other defendants in case it is found liable in the lawsuits.

"It's just good lawyering," he said.

A spokesman for American Honda declined comment beyond its written statement.

Clodfelter said Hendrick Automotive Group - which operates the dealerships - has filed its own cross-claim as it fights the Honda lawsuit. That claim accuses Honda of failing to supervise employees who solicited bribes and allowed an environment where corruption flourished.

Meanwhile, the Hendricks and American Honda are being sued by more than 50 dealers who alleged the brothers and Honda participated in commercial bribery. In addition, more than 800 dealers are seeking to be certified as a class in order to file a class-action lawsuit against Honda, Rick Hendrick and other dealers.

In its lawsuit, American Honda said Rick Hendrick has owned as many as 28 Honda dealerships in North Carolina, South Carolina, Texas, Georgia, Florida, California, Tennessee and Virginia.

Hendrick's business interests control 89 automobile and truck dealerships, with annual revenue of \$2.2 billion.



1997 Mercedes-Benz C280 Sport

Mercedes-Benz gives C-Class a does of fun



Winfred
B.
Cross

Those looking for a sporty Mercedes-Benz were once restricted to the glorious, but high-priced SL roadsters. How high? Eighty-thousand dollars was entry level.

Mercedes took care of that last year by introducing Sport versions of its sedans. All of them, including the entry-level C-Class, received tweaks to

make them more special than they already are.

How special? Well, it's amazing how a few suspension pieces, subtle body work and livelier interior can make a solid sedan approach greatness. The C280 is the model that gets the goodies. The 194-horsepower sedan already boasts impressive numbers. Its handling and road manners put it near, if not at the top, of its class.

As a Sport model, it just may be the best in its class.

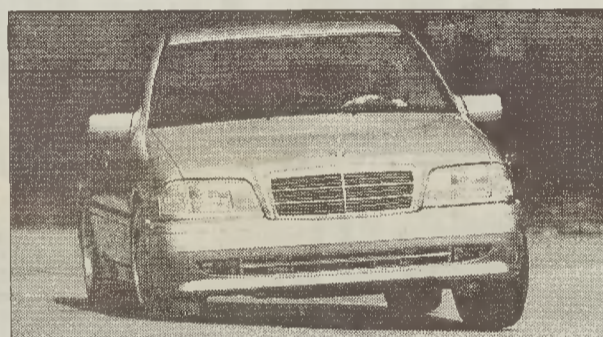
Distinguishing the Sport from a regular 280 can be done easily. The 15 inch by 7 inch monoblock alloy wheels replace the standard eight-hole wheels. This gives the car a massive look similar to the S-Class models. Other differ-

ences include body color molding, matte black door handles, anodized B-pillar trim and Pirelli P6000 performance tires.

The interior of the Sport is treated with subtle refinements. The seats come

straight from the high-powered C36. It's a higher quality leather, of course and is very comfortable. Carbon optic trim rests on the dash. A telescoping steering column is also included.

Most of the refinements are



Toyota plans to use mostly local workers at truck plant

THE ASSOCIATED PRESS

OWENSBORO, Ky. - The president of the new Toyota pickup truck plant in southwestern Indiana said preference will be given to job applicants living closest to the site, mostly in Gibson County, Ind.

Seizo Okamoto made the comments during a business dinner Thursday night at the Owensboro-Daviess County Chamber of Commerce. His comments appeared to confirm worries by potential employees in Kentucky and Illinois that they will take a back seat to Hoosiers when Toyota begins hiring.

Okamoto said Toyota will give priority when hiring its 1,300-member work force from "nearby, especially Gibson County." But he added that the company also will draw some employees from a larger region and hire "at least some from Owensboro."

The state of Indiana structured its economic incentives package so that Toyota will receive tax credits for every Indiana resident who's hired. State officials defended the plan, saying Indiana was paying for infrastructure improvements around the site.

But that worried residents in nearby western Kentucky and southeastern Illinois, especially unemployed coal miners across the region who lost their high-paying jobs during their industry's recent cutbacks.

In his remarks in Owensboro, Okamoto promised that the economic impact of the Toyota plant will be widespread, but added: "Don't expect too much, too soon."

Toyota already has about 400 regular suppliers in the United States, including 30 in Indiana and 40 in Kentucky, he said.

"They are quite capable of serving the Princeton plant from their present locations rather than setting up new plants," Okamoto said.

"Some, no doubt, will move nearby, but not overnight. We'll just have to wait and see. Please be very patient."

Okamoto already has moved from Michigan to Gibson County, where construction of the 1.5 million-square-foot assembly plant is on schedule for production to start in late 1998.

About 350 construction workers are on the site now, Okamoto said. That number will grow to a peak of 1,200 in the spring.

Okamoto, who has been with Toyota since 1965 and assigned to North American operations since 1983, said he and his wife appreciate the warm welcome they have received in Gibson County.

"I'm amazed how often complete strangers come up to me in stores or restaurants and ask if I am with Toyota," Okamoto said. "They always tell me how happy they are to have us here."



Ford, Mazda to share computer design

By Yuri Kageyama
THE ASSOCIATED PRESS

TOKYO - Mazda Motor Corp. will merge its new computerized system for car design and production with a similar one at Ford Motor Co., Mazda President Henry Wallace said Tuesday.

The digital partnership is one of the many ways the two automakers are expected to work more closely since Ford raised its ownership of Mazda last year to 33.4 percent from 25 percent, gaining control over Mazda.

All automakers have been working on computer systems to develop, design and engineer new products. But Mazda's system spans the entire process from research through production, said Tadahiko Takiguchi, a Mazda executive in charge of product development.

The computer systems at Mazda and Ford are different now, but they eventually plan to make it the same system, said Wallace, the former head of Ford's Venezuelan operation who became Mazda president last June.

Mazda Digital Innovation, which will start for all models this spring, can simulate layouts of cars, as well as create "a virtual plant" that can test out quality maintenance and job arrangements.

It will allow Mazda to speed up its development of new cars from the current 18 months to 15 months.

"I think that we will be the leading edge here," Wallace said of Mazda's computer system compared to Ford's.

Wallace also said talks with Ford on sharing platforms - the basic part that cars are built on - were continuing this year, but would not give the specifics or how Ford models would be affected.

In another sign of how Mazda is moving away from its old ways under Ford, Wallace said the pickup truck assembly plant in Thailand, a joint venture between Ford and Mazda, started with a "clean sheet" on picking parts-makers, instead of relying on the old Mazda network.

Such networks of Japanese companies called "keiretsu" have tended to rigidly define the way automakers here do business, although they have been fraying over time.

The Thai plant is scheduled to be up and running by mid-1998. The plant is being built so that it can easily expand production to other models, including sedans.

Wallace has scored some success in engineering a gradual turnaround at Mazda, which has suffered plunging sales over the last several years.

Production, peaking at 1.4 million in 1990, stood at 774,000 last year, unchanged from 1995. But Mazda, Japan's fifth largest automaker, has a hit in the Demio, a small hatchback that went on sale last August.

Sales of the Demio, also sold as the Ford Festiva Mini-wagon, total 50,000 so far, and they're still going strong. Besides Japan, the Demio is sold in Hong Kong, Macao, Australia and New Zealand. There are no plans for U.S. sales.

Faulty Ford belts prompt a recall

THE ASSOCIATED PRESS

DETROIT - Ford Motor Co. is recalling more than 340,000 pickups, vans and sport utility vehicles in the United States and Canada to correct safety-related problems.

Ford said Thursday that about 148,000 1997 F-150 pickups are being recalled because they may have loose or missing bolts that are supposed to hold down the seat-belt assemblies. A loose or missing bolt could result in the belt's failure to restrain properly in the event of a crash, Ford said in a news release.

The other recalls are for:

- About 134,800 1996 Ford Explorer sport utility vehicles, Ranger pickups, Aerostar minivans and 1996-97 F-series pickups with labels that list incorrect rear tire-inflation pressures. Explorers and Ranger compact pickups are assembled in Louisville.

- About 57,900 1996 Econoline and Club Wagon vans that may have improperly adjusted parking brakes. The parking brakes may not meet the "hill hold" requirements of U.S. and Canadian regulations.

- About 27,900 1997 F-150 pickups equipped

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