

## Dude, You're Getting a Dealership! When?

**M**ichael Dell of Dell Computers is a car dealer – almost.

He has the company, the money and the CEO.

Now all he needs are dealerships.

Dell's private investment firm, MSD Capital, L.P., with \$12 billion in capital, has wanted to get into the automotive retail business for the last five years. Last month, it announced the creation of MSD Automotive Partners LLC.

Jeffrey Rachor, who resigned as Pep Boys chief executive in late April, now will serve as MSD Automotive's chief executive officer. Prior to his one-year stint at PepBoys, Rachor was with the Charlotte, NC-based Sonic Automotive Group for 10

years, serving as its president from 2004 to 2007.

"It was a stroke of genius bringing Rachor on board," says Sheldon Sandler, founder and partner of Bel Air Partners, a firm that helps dealers buy and sell dealerships.

"He has hands-on experience at a large dealer group and has manufacturer experience," Sandler says of Rachor. "He also understands dealership valuations, having handled numerous acquisitions for Sonic."

Establishing a dealer group without having dealerships is a change in strategy



Jeffrey Rachor.

for MSD. Two years ago, MSD reportedly was close to acquiring the Asbury Automotive Group dealership chain. That deal fell through.

Rachor believes MSD is the kind of company auto makers want to work with. "It's a family-run investment company," he tells Ward's. "There's no pressure to have to meet certain numbers or to sell in a few

years. We really believe in the long-term strength of automotive retail."

He adds: "We're just getting started." ■

– By Cliff Banks