

FOX COLLISION CEASES OPERATIONS

Todd Fox, president of Fox Collision Centers, announced that he has made the decision to close all 18 locations of Fox Collision Centers. In an open letter to the industry explaining the difficult decision, the 43 year old Fox writes, "Though ALL of our shops are busy with work and in good standing with all concession-based and non-concession-based DRP programs, I am sad to announce that today I will close all 18 of our locations. Hundreds of people will lose their jobs. I am so sorry, sad, and discouraged."

The Tulsa, Oklahoma based business, started by his parents and purchased by Fox in 1989, had grown to 18 locations throughout Arkansas, Kansas and Oklahoma with annual revenue of \$28 million.

Fox blames the closure on the growing pressure from insurers to cut costs at the expense of quality and safety. In his letter, Fox says, "during the last two years, I have seen my dream turn into a nightmare. Insurance carriers have leveraged their economy of scale to implement concession-based DRP contracts, and forced collision repair businesses to offer the cheapest and quickest repair possible, many times sacrificing quality, safe repairs."

Fox continued, "...when I refer to concessions I don't mean only labor discounts, part discounts, paint caps, and 0 mark-ups on sublet items, but also and more importantly, I refer to concessions on the quality, integrity, and safety of repairs. These contracts, which we used to call agreements, are far from agreements. We, who repair the cars, have never agreed to do business like this."