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Bellavia's Chrysler lawsuit to proceed

By JOHN CALLEGARI

The auto industry's bailout may have been put in reverse after a judge ruled that 75 terminated Chrysler dealers have the right to sue the United States Treasury for violating their Fifth Amendment rights.

The dealers, all represented by Leonard Bellavia of Bay Shore-based Bellavia Gentile & Associates, had their property seized as part of a \$12.5 billion federal bailout between 2008 and 2009. The government ordered Chrysler to terminate 789 franchises as part of the government-led bankruptcy.

Bellavia said since the government ordered the taking, it should be classified as an eminent domain issue and the

dealers should be compensated accordingly. The 75 dealers are seeking more than \$200 million in restitution.

"Simply because the government arranged to have this seizure of private property carried out by a third party – Chrysler – it is no less a 'taking' under long standing principles of constitutional law," Bellavia said.

Judge Robert Hodges Jr. ruled Monday that the Chrysler dealers could bring a lawsuit against the U.S. Treasury. As a result, Bellavia and other involved attorneys may now seek the depositions of Timothy Geithner, Steven Rattner, and other high-ranking officials of the U.S. Treasury and the

Obama administration.

"We fully intend to prove at trial that President Obama's Automotive Task Force conditioned the bailout of Chrysler on a requirement that it close 25 percent of its dealerships nationwide," Bellavia said.

"The president and his task force believed that a Chrysler liquidation would destroy the U.S. economy and terminated these dealers on the belief that this had to be done for the public good. My clients, however, lost their entire life's work without just compensation."

Now that the judge has ruled against the government, Bellavia said he expects more of the 789 terminated Chrysler dealerships to join the lawsuit.