

*From:*

# Automotive News

[www.autonews.com](http://www.autonews.com)

## Dealers win challenge in Chrysler suit

[Amy Wilson](#)

Automotive News -- March 19, 2012 - 12:01 am ET

Two rejected Chrysler dealerships that won their arbitration cases in 2010 are closer to a trial date in their lawsuit against the automaker.

In a March 9 ruling, U.S. District Court Judge Leonard Wexler denied a Chrysler motion seeking dismissal of the dealerships' complaint. He told the parties to file their pretrial orders.

Leonard Bellavia, lawyer for the dealerships, said the ruling means the trial should be in 60 to 90 days.

Bellavia declined further comment, other than to say he hopes his clients and Chrysler "can come together and work out an amicable solution." He wouldn't say whether there are active settlement discussions.

The dealerships -- Eagle Auto Mall Corp. of Riverhead, N.Y., owned by Mark Calisi; and Terry Chrysler-Jeep of Burnt Hills, N.Y., owned by Charlie Morris -- sued Chrysler in August 2010, alleging that they received "unreasonable and unconscionable" letters of intent to enter into a franchise agreement after their arbitration victories.

The dealerships, which closed in 2009 as part of Chrysler's bankruptcy restructuring, sought reinstatement, compensation for lost income and punitive damages.

Two other dealerships -- Crossroads Superstore of Atoka, Okla., and Westminster Dodge of Dorchester, Mass. -- were part of the original lawsuit but have since settled with Chrysler. Both Chrysler and Bellavia declined to comment on settlement terms. The dealerships did not reopen.

Chrysler's motion seeking the lawsuit's dismissal followed a December court ruling in the company's favor.

In December, the court ruled it did not have jurisdiction to confirm arbitration awards. The court also said the plaintiffs were entitled only to a letter of intent under terms that were "usual and customary" at the time of the offer and not those governing pre-bankruptcy dealership agreements.

Whether the plaintiffs received such an offer "remained an open question," the court said. The plaintiffs say the letters were not customary and put onerous conditions on them, such as having to complete a facility renovation prior to reopening.

Chrysler Group spokesman Mike Palese said the December ruling rejected the dealerships' primary argument that they were entitled to automatic entry into the post-bankruptcy Chrysler's dealer network.

"As we have contended since the beginning of this process, Chrysler Group complied fully with the letter and intent of the law by issuing its customary and usual [letter of intent] to prevailing dealers, which was the only remedy available under the federal dealer arbitration law," Palese wrote in an e-mail.

"Chrysler Group will continue to defend this position vigorously and is confident in our position."



REPRESENTING AUTOMOBILE, MARINE  
AND RELATED DEALERS NATIONWIDE

