

Steering the Course of the OEM/Dealer Relationship

Counsel to OEMs navigating the evolution of the traditional franchise model



As the model for selling automobiles evolves and auto manufacturers explore new avenues for distributing vehicles, it is essential to partner with legal counsel who are familiar with the legal and business dynamics of the OEM/dealer relationship. King & Spalding has in-depth knowledge of the federal and state motor vehicle franchisee protection statutes and regulations. We regularly represent OEMs in litigation, arbitration, and administrative proceedings arising under the dealer protection statutes. We also counsel OEMs managing relationships with dealers, eliminating underperforming dealers, and establishing alternative distribution systems that enhance the OEM's ability to interact directly with its customers.

COUNSEL ON DISTRIBUTION ISSUES

Armed with a deep understanding of the business issues associated with the distribution of motor vehicles, we have significant experience advising OEMs on all aspects of the OEM/dealer relationship, including:

- establishing distribution networks for new automotive products;
- evaluating alternatives to traditional dealer-based distribution platforms, including direct sales to consumers and e-commerce-based hybrid OEM/dealer sales programs;
- navigating motor vehicle franchisee protection statutes in different states;
- performing due diligence on prospective dealers;



*Named Law360
Automotive
Practice Group of
the Year - 2018*

*“No other big national
firm can touch them on
the litigation side”
— 2019
BENCHMARK
LITIGATION*

- drafting form Dealer Sales and Service Agreements and adapting them to conform with varied state laws; and
- obtaining licenses as needed.

RISK MITIGATION AND LITIGATION

We have significant experience working with OEMs when relationships between manufacturers and dealers become adversarial. We counsel OEMs on whether franchisee protection statutes apply to specific products or relationships and advise OEMs regarding the legal risks associated with terminating underperforming dealerships and minimizing the roles of dealers in particular types of transactions. Where dispute resolution mechanisms are necessary, we have extensive experience handling OEM/dealer disputes before administrative agencies, state and federal courts, and in arbitration.

SAMPLE MATTERS

- Represented GM in approximately 80 dealer "fast-track" arbitrations in connection with the reorganization of General Motors.
- Defeated class certification in a putative class action brought by 350 dealers in federal court.
- Successfully litigated claims brought against an OEM by more than 100 dealers from 37 states in both state and federal courts.
- Forced an independent distributor to arbitrate claims against an OEM and then won the arbitration, obtaining an award of attorney's fees and costs for our client.
- Defended claims brought by dealers before various state agencies.
- Handled international arbitrations for OEMs dealing with foreign distributors.

FOR MORE INFORMATION CONTACT



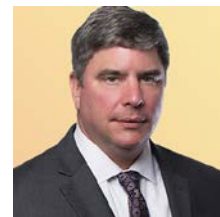
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