



Hints for Dealers Seeking Arbitration

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Everyone is asking about the impact of the first arbitration being lost by a Chrysler dealer ([To read the story click Chrysler Wins First Dealer Hearing](#)).

We don't know much about the facts in the case because it is confidential but we continue to be encouraged that dealers can win these cases in the right circumstances.

As far as I know, the Chrysler dealer who lost his case was not represented by an attorney and presented limited evidence. The arbitrator's ruling seemed to focus on the better facility and better location of the neighboring Chrysler dealer who was to receive all Chrysler brands.

It is important for arbitrating dealers, both Chrysler and GM, to have traffic count reports from the state DOT that support your argument that the location of the arbitrating dealer is as good, if not better, than any other dealer in the market. Likewise, evidence should be presented that the arbitrating dealer's facility is as good as others. The use of pictures here is critical.

We don't know what the performance issues were, if any, for this Chrysler dealer but we continue to believe that sales performance will be the number one consideration of the arbitrator. Dealers with below average RSI or MSR have to be able to explain why the circumstances in their market are different to explain the appearance of poor sales performance.

We have our first arbitration hearing beginning today!

Please note, Richard's blog postings are for information purposes only and is not to be construed as legal advice. Questions should be directed to your dealer lawyer.