

Chrysler Dealers File Brief Opposing Government's Takings Appeal

Nearly 150 former Chrysler dealers whose franchises were terminated as part of the Government's TARP restructuring of Chrysler today filed their brief opposing the Government's interlocutory appeal of their taking case in the Federal Circuit Court of Appeals. At issue is whether the trial court was correct when it denied the Government's motion to dismiss their case—an issue the court then certified for interlocutory appeal.

In their brief, the Dealers argue that:

Congress adopted and funded a program to save Chrysler jobs, an economic contribution for a public purpose and, in carrying out this program, decided that 25% of Chrysler's dealerships must be terminated to achieve economic stability in the country. The Government's forced sacrifice of these dealerships constitutes the takings alleged in the Dealers' complaint.

These Chrysler dealers are about a quarter of Chrysler's dealerships that the Government required Chrysler to terminate as part of its TARP restructuring of Chrysler in 2009. Many of the dealerships had supported families for generations. Chrysler did not plan to terminate them, and was prohibited from doing so without cause by dealer protection statutes in virtually every state. But the Government believed that the terminations were best for the company and required Chrysler to use an obscure bankruptcy proceeding to avoid the state-law prohibition.

The appeal, along with a companion class action by GM dealers, will be heard later this year. The Dealers' brief is available [here](#) and the Government's brief is available [here](#).

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