

Automotive Dealership

Legal Counsel for Automotive Dealerships

The retail motor vehicle dealership industry is heavily regulated and highly competitive where legal, operational, and business issues overlap. Automotive, powersports, and RV dealership owners and operators are managing far more than vehicle sales. They are navigating manufacturer and vendor relationships, consumer disputes, employment matters, economic pressure, recalls, data and technology issues, and evolving federal and state regulations that affect every part of the business.

Fennemore helps automotive, powersports, and RV dealerships, dealership owner groups, and dealer principals address these challenges with legal counsel grounded in a practical understanding of dealership operations. Our multidisciplinary team has substantial experience advising clients on the day-to-day issues and long-term decisions that impact their businesses, including compliance, transactions, litigation, employment, real estate, tax, estate planning, and succession issues. We understand the legal issues encountered by motor vehicle dealerships and their owners in their professional and individual capacity.

LEADERSHIP



BUSINESS &
FINANCE

REAL ESTATE

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DEALER LICENSING, INVESTIGATIONS & ADMINISTRATIVE PROCEEDINGS

We help dealerships navigate licensing issues, governmental investigations, and enforcement actions. With a deep understanding of the administrative process as it impacts dealers and dealership operations and the necessary contacts with administrative agencies, we advise our

clients on how to respond to regulatory issues, manage risk, and keep their businesses moving forward.

DEALERSHIP COMPLIANCE COUNSELING & REGULATORY COUNSELING

Dealerships are among the most highly regulated businesses in the United States. To assist clients with their ever-expanding obligations, we conduct compliance audits, form reviews, deal jacket audits, and training sessions for personnel to ensure dealerships are compliant with the complex, and oftentimes confusing, federal and state regulations, such as:

Federal Trade Commission (FTC) regulations including:

- FTC Privacy Rule, Safeguards Rule

- FTC Used Car Rule

State and federal advertising compliance

Red Flags Rule/identity theft prevention

Truth-In-Lending Act, Fair Credit Reporting Act

Data Privacy and related concerns

Federal and state regulatory promulgations impacting the operations of a motor vehicle dealership

State and federal statutory obligations

CORPORATE/MERGERS & ACQUISITIONS/BUSINESS TRANSACTIONS

Fennemore attorneys have decades of experience in assisting dealers in the acquisition and sale of dealerships, ranging from single point dealerships to large multi-point dealership groups consisting of multiple dealerships located in different states, and understand the nuances of dealership M&A transactions. Clients choose Fennemore for practical business-focused advice, efficient deal execution and a coordinated approach across disciplines that supports complex transactions from start to finish. Our dealership M&A attorneys bring decades of experience advising on sophisticated transactions, including deals in the hundreds of millions of dollars. In addition to mergers and acquisitions involving dealerships, our Fennemore dealership attorneys have significant experience in assisting dealers with internal corporate transactions, including offering ownership opportunities and incentive equity to select employees, corporate structuring, tax planning, succession planning, and executive compensation issues.

DATA PRIVACY AND INTELLECTUAL PROPERTY ISSUES

The ownership and control of data is one of the most crucial issues facing business owners today and constitutes a significant asset for all businesses. Fennemore attorneys are well-versed in data privacy and intellectual property issues facing dealers. Members of our team have been deeply involved in the drafting and passing of dealer data privacy legislation in the States of Arizona and Utah and played an integral role in the successful defense of Arizona's dealer data privacy statutes in the United States Court of Appeals for the Ninth Circuit. From trademarks and tradenames to the ever-increasing role of technology and artificial intelligence in dealership operations, Fennemore has the personnel and experience to guide dealers through this ever-changing area.

LABOR & EMPLOYMENT

With offices in Arizona, California, Colorado, Idaho, Nevada, Texas, and Washington, and with attorneys located across the country, Fennemore provides strong labor and employment

counsel to our clients. We defend dealerships and other businesses in employment litigation. We also help dealerships be properly structured and have the proper handbooks, policies, and procedures in place in order to comply with state and federal obligations.

LITIGATION

Our goal is to provide preventative counseling to help dealership clients avoid disputes. However, when a dealership or owner faces consumer or class action complaints, state and federal regulatory investigations, manufacturer or vendor disputes, real estate, employment, or other litigation matters, our full-service team has the experience to assist either through alternative dispute resolution or an aggressive litigation strategy.

Fennemore stands out in high-stakes litigation, particularly when complex business or commercial matters intersect with the unique attributes of the motor vehicle dealership industry, such as:

Consumer protection and fraud

Franchise disputes

Labor & employment

Regulatory and advertising enforcement

We combine deep industry knowledge with the litigation strength and bandwidth required for serious disputes.

MANUFACTURER RELATIONS AND DISPUTES

The dynamics of the manufacturer – dealer relationship are unique and ever-changing. Fennemore attorneys have substantial experience in advising clients with regard to their interactions with their respective manufacturers including, without limitation,

Dealer sales and service agreements

Customer satisfaction index and related performance related disputes

Flooring lines and disputes

Facility improvements

Recalls

Warranty disputes

Site control issues

Incentive and warranty audits and other issues relating to dealership operations

OPERATIONAL ISSUES

Operating a motor vehicle dealership means managing several different businesses under one roof, including a retail business selling vehicles and parts, a service business repairing and servicing vehicles, and a financial institution assisting customers making large purchases. Fennemore helps dealers and dealerships address the day-to-day legal and business issues that arise across these operations, providing practice legal guidance to help them manage risk, resolve problems prior to litigation, and navigate regulatory and statutory structures they operate under.

REAL ESTATE

Fennemore offers a deep, experienced bench of real estate lawyers who can advise dealer clients in issues involving:

Real estate financing

The acquisition or sale of real property

Site control options

City, county, and state code compliance

Zoning matters

Environmental issues

In addition, our team also has significant experience and routinely advises dealership clients with regard to their lending relationships, including real estate, working capital and flooring lines.

TAX AND ESTATE PLANNING

As business owners, dealers often encounter tax issues. Such issues often involve sales or use tax issues, sales to Native Americans, or out-of-state sales, real or personal property taxes, or income taxes for the dealership or the dealer principal. Fennemore's tax lawyers have the experience and knowledge that clients look for to guide them through complex tax issues that arise.

Fennemore also has a strong estate planning practice to assist high-net worth clients minimize taxes and preserve wealth for the benefit of future generations. Our team is deeply familiar with the unique issues facing dealers, their dealerships and related businesses, such as reinsurance companies and assisting dealers in structuring and implementing succession plans in accordance with manufacturer guidelines and the dealers' unique needs and desires.

HOW WE HELP DEALERSHIPS

In addition to representing dealerships and owners, we often serve as outside general counsel to dealership groups and trade associations. Our lawyers are often involved in the drafting and/or revision of state motor vehicle franchise statutes, which gives them perspective not held by many lawyers. Our Automotive lawyers are also actively involved in the National Association of Dealer Counsel, an organization of attorneys representing motor vehicle dealers focusing on educating its membership on the legal issues affecting motor vehicle dealers while facilitating a forum for dealer attorneys to share best practices from across the country.