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BLOGS

Terminations

Market Forces Alone Not Sufficient Basis for Coercion Under Alabama Motor Vehicle Franchise Act

In *Long-Lewis Sterling Western Star Of Bessemer v. Sterling Truck Corporation*, 2012 U.S. App. LEXIS 3130 (Feb. 17 2012), an auto dealer sued a distributor and manufacturer under the Alabama Motor Vehicle Franchise Act, claiming that the dealer had been coerced to participate in a program that conditioned the purchase of 2008 model year vehicles upon the purchase of the 2007 model. In affirming the lower court's grant of summary judgment in favor of the manufacturer, the Eleventh Circuit panel first found that a 2010 amendment to the Act modifying the definition of "coerce" did not apply to the case because the amendment post-dated the program at issue. Using instead what it termed the "ordinary" definition of coercion, and referencing Black's Law Dictionary, the court found that the distributor's "buy-one-to-get-one" program was not coercive. The dealer presented no evidence that it was compelled by force or threat to purchase vehicles under the program and it admitted that it had voluntarily participated. Market forces allegedly compelling the dealer to participate did not constitute coercion for purposes of the Act.