



AUTOMOTIVE ALERT: APPELLATE COURT REJECTS ORAL DEALERSHIP CLAIM

A recent appellate decision rejected claims related to an alleged oral promise to appoint a dealership. See *Dawson v. Ford Motor Co.* (Cal. 2d App. Dist. Sep. 24, 2009). The plaintiff, a former participant in a dealership in which a manufacturer or affiliate had an 82 percent ownership interest, claimed that in connection with a prior termination, the manufacturer orally committed that it would approve him for another dealership and yet failed to do so. The trial court granted summary adjudication on a breach of fiduciary duty claim and granted the manufacturer's motion for a directed verdict on claims of good faith, negligent misrepresentation, libel per se, breach of implied-in-fact contract, and fraud by concealment. The jury returned a defense verdict on the remaining claims (breach of oral contract, promissory fraud, and intentional interference with contractual relations).

On appeal, the California appellate court affirmed, finding that the plaintiff failed to properly present certain claims, among other things. In addition, the court found that the "overwhelming evidence at trial" proved that at most the manufacturer's representative made a commitment to support the plaintiff in attempting to become a dealer, not an unconditional commitment to do so.

Although the manufacturer prevailed in *Dawson*, the case serves as a reminder of the benefits of well-documented written, integrated communications and agreements to help protect against claims based on alleged oral discussions.

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