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**Sixty Defunct Chrysler Dealerships File Suit,
Seeking Damages for Alleged Taking of Their Property Rights**

WASHINGTON, DC – Sixty now-defunct Chrysler dealerships filed a lawsuit today in the United States Court of Federal Claims, seeking \$130 million in compensation from the U.S. Government, for the alleged taking of their franchise business. (*Alley's of Kingsport, Inc. v. United States*, No. 11-100L). The suit alleges that the Government failed to justly compensate the dealerships for the taking of their respective property rights in franchise agreements they had with Chrysler. The takings claims arise from the U.S. Department of the Treasury's requirement that Chrysler terminate 790 of its dealers—or 25% of its dealers—as a condition of obtaining funding under the federal Troubled Assets Relief Program (“TARP”). Without TARP funding, Chrysler would have been forced to liquidate and cease operations.

“The Government’s requirement that Chrysler throw its dealers under the bus in order to obtain TARP funding was incredibly wrong-headed,” explained Nancie Marzulla, an attorney representing the auto dealers in the takings litigation. “Chrysler’s only customers are its dealers—the auto maker does not sell new cars directly to the public. So by requiring the dealers to shut down, Chrysler lost 15% of its annual revenue, and the country lost 40,000 to 50,000 jobs. And these dealers lost a business that many of them had invested often millions of dollars in building up.”

2009 was the worst year for the automotive industry since the Great Depression. Even so, the federal Government required that Chrysler terminate the franchises of 60 Chrysler dealers who had invested often millions of dollars in their showrooms, employee training, and advertising. These Chrysler dealer franchises are private property, allegedly taken for a public use: economic recovery. The U.S. Constitution requires that the government pay just compensation to any owner for property taken for a public use.

Nancie G. Marzulla and Roger J. Marzulla are based in Washington, D.C. They help business owners get paid just compensation when the federal government takes their commercial property through inverse condemnation. Nancie Marzulla and Roger Marzulla have been selected by their peers to be included on the list of Best Lawyers in America. For more information, visit <http://www.marzullalaw.com> or call 202-822-6760. Follow Nancie Marzulla at <http://www.twitter.com/takingslawyer>.

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