

South Florida Business Journal - May 14, 2009  
[/southflorida/stories/2009/05/11/daily59.html](#)

## South Florida BUSINESS JOURNAL

Thursday, May 14, 2009, 11:50am EDT | Modified: Thursday, May 14, 2009, 2:02pm

# Chrysler seeks to close South Florida dealerships

South Florida Business Journal - by [Paul Brinkmann](#)

Three South Florida **Chrysler** dealerships are among the 789 across the nation facing the chopping block.

Chrysler filed a motion in U.S. Bankruptcy Court of Southern New York to shutter the following locations:

- Maroone Dodge of Miami, 110 S.E. Sixth St., Miami
- Monarch Dodge, 2000 N. State Road 7, Lauderdale Lakes
- Tamiami Chrysler Jeep Dodge, 8250 S.W. Eighth St., Miami



[View Larger](#)

Fort Lauderdale-based **AutoNation** (NYSE: AN), the nation's largest automotive retailer, said it welcomes the consolidation of dealerships.

AutoNation has seven dealerships on the Chrysler closure list, including Maroone Dodge of Miami.

"The AutoNation stores that will be closed by the consolidation plan represented only 1 percent of AutoNation's 2008 operating income," according to a company statement. "AutoNation does not believe that any one-time charges that may be associated with these actions will be material to its continuing operations or debt covenants."

AutoNation Chairman and CEO Mike Jackson said in the statement that Chrysler's consolidation plan is "a difficult, but positive, step" that will improve dealer profitability over the long term.

Alex Kurkin, a Miami attorney who represents auto dealerships, said AutoNation probably welcomes the closures partly because they are happening in the bankruptcy process – which means a competitor cannot revive the franchise contracts for those locations.

Kurkin said objecting to the dealership closings in bankruptcy would be an uphill challenge.

"I have been told by some representatives that there's a combination of factors, including geography and investment in existing facilities, that was behind the decision to close these facilities," he said.

Federal bankruptcy law trumps the state law under which the dealership franchise deals were created.

Chrysler filed Chapter 11 bankruptcy April 30 after an announcement by President Barack Obama.

But, **General Motors** is a different story because it has not yet filed for bankruptcy.

Kurkin expects to file some litigation against GM on behalf of dealerships that are targeted for closure.

He said GM sent letters about closures to dealerships on Thursday, but the automaker's list may not become public immediately.

"I think GM really has to go into the bankruptcy path to deal with all these issues, he said. "There will be litigation, almost certainly. We would have a claim in the bankruptcy, but our ability to recover would be a function of what's in the bankruptcy estate, as an unsecured creditor."

Kurkin said AutoNation reported a few months ago it was writing down the good will value of all domestic stores, which probably means they won't have a rejection claim in the bankruptcy process.

Click [here](#) to read the bankruptcy filing.

*All contents of this site © American City Business Journals Inc. All rights reserved.*