

Chrysler, Dodge, Jeep Dealer Alert

Chrysler Group LLC (“Chrysler”) is demanding that dealers sign a “Software License, Data Exchange and Electronic Commerce Agreement” (“Agreement”). The Agreement has been characterized by Chrysler as a framework for allowing dealers to electronically order vehicles and parts instead of using traditional paper orders. Chrysler is putting significant pressure on some dealers to sign without providing an explanation of the vast scope of this Agreement.

What Chrysler has neglected to explain to its dealers is that **Section 3 of this Agreement would provide Chrysler unfettered access to all confidential dealership business information as well as customer information.** This requested access goes far beyond what Chrysler is currently entitled to obtain under its sales and service agreement. The Agreement also provides Chrysler the authority to disseminate dealership business and customer information to third parties as it sees fit, with very little restriction, including the sharing of your customer information with a competitor dealer.

Florida’s motor vehicle franchise law protections do not specifically address data access or the sharing of confidential dealership or customer information. Thus, once signed, this Agreement will be binding and enforceable. Moreover, the Agreement purports to be both perpetual and irrevocable, meaning that it only terminates when the dealer agreement terminates. Thus, **a dealer who signs the Agreement could be stuck with its consequences for the duration of its Chrysler dealership operations.**

Dealers who wish to better understand the potential negative impact of the new Agreement should reply to Chrysler seeking an explanation as to why the Agreement is necessary. Though there are other provisions that are concerning, Section 3 of the Agreement is totally unnecessary for the facilitation of electronic vehicle and parts ordering as alleged by Chrysler. Why does Chrysler need total access to your DMS? ***There should be an extremely compelling reason to allow the fox into the proverbial henhouse and the Agreement does not spell out any such reasons.***

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