

# **PRESS RELEASE**

Dated: December 28, 2006

## **United States Circuit Court of Appeals Affirms \$12.7 Million Judgment Against The Raymond Corporation for its Wrongful Termination of its Minnesota Dealership**

On December 28, 2006, the United States Circuit Court of Appeals rendered a decision affirming a judgment against The Raymond Corporation (a member of the Toyota Industries family of companies) in the amount of \$12,729,767. The appeal arose out of a suit brought by Minnesota Supply Company, claiming that Minnesota Supply had been wrongfully terminated as Raymond's dealer in Minnesota, North and South Dakota, and portions of Wisconsin. The Raymond Corporation is a Greene, New York based manufacturer of specialty forklift trucks used in high density warehouse settings. In 2003, a jury found, and the Eighth Circuit today affirmed, that Raymond had wrongfully terminated its former dealer, Minnesota Supply Company, in violation of a Minnesota statute that, among other things, prohibits a manufacturer from terminating industrial equipment dealers without good cause. The Circuit Court today also remanded the case back to the United States District Court for the District of Minnesota for the recalculation of the total attorneys' fees and expenses that should be awarded to Minnesota Supply as a result of the Circuit Court's decision. Fees and expenses incurred by Minnesota Supply through the end of the trial in 2003, in an amount in excess of \$740,000, had already been awarded by the trial court to Minnesota Supply prior to today's ruling.

According to Gary Leydig, the attorney who tried the case on behalf of Minnesota Supply and argued the case on appeal, many manufacturers who distribute their products to independent dealers are routinely conducting themselves in violation of state dealership laws. "Whether it is an industry-specific statute as exists in Minnesota," says Leydig, "or a more generic franchise protection act, the majority of states have laws on the books that prohibit arbitrary terminations of independent dealers. The manufacturers are very much aware of these laws but continue to impose contracts on their dealers that give the manufacturers complete freedom to terminate the relationship. Unfortunately, most dealers and distributors do not have the legal sophistication or resources to realize these contracts are unenforceable. When they receive the pink slip from the manufacturer, they just assume the manufacturer is acting lawfully. The decision handed down today clarifies several areas of law under the Minnesota statute and reaffirms a dealer's right not to have its valuable dealership terminated unless good cause in fact exists."

The decision of the Eighth Circuit ( *Minnesota Supply Company vs. The Raymond Corporation. Case No. 04-1416* ) can be found in its entirety at:  
<http://www.ca8.uscourts.gov/tmp/041416.html>

Minnesota Supply Company is located in Eden Prairie, Minnesota, a suburb of Minneapolis. The company is employee owned and today carries the full line of Caterpillar lift trucks and related material handling products.

The Raymond Corporation is located in Greene, New York. It was a publicly traded company on the NASDAQ until 1997 when all of the company's stock was acquired by the Swedish concern, BT Industries. In 2000, BT Industries was acquired by and became a subsidiary of Toyota Industries.

Gary W. Leydig is an attorney and is of counsel to the law firm of Riordan, Fulkerson, Hupert & Coleman, in Chicago, Illinois. He specializes in business litigation, with an emphasis on representing distributors and franchisees. For more information regarding Mr. Leydig, please visit: [www.leydiglaw.com](http://www.leydiglaw.com).

The Raymond Corporation was represented at trial by attorney James B. Niehaus of the Cleveland, Ohio law firm of Frantz Ward LLP.

*For additional information please contact: Gary W. Leydig, Riordan, Fulkerson, Hupert & Coleman, 30 North La Salle Street, Suite 2630, Chicago, Illinois 60602, (312) 346-4740. E-mail address: [gleydig@rfsc-law.com](mailto:gleydig@rfsc-law.com).*