

Calvert County car dealership awarded \$5.7 million against Ford Motor Company in contract dispute

Rachel Konieczny//September 5, 2024//



A Calvert County car dealership has obtained a multimillion-dollar jury verdict against Ford Motor Company in a contract dispute over the purchase of a Ford dealership.

Charles Winegardner and Winegardner Ford LLC were awarded \$5.7 million in total for Ford Motor Company exercising a right of first refusal, or the right to be the first to make an offer on an asset, to take away the dealership's

contract to purchase a Ford dealership and give the dealership to another dealer, according to court documents.

Tuesday's award from a jury in the Charles County Circuit Court will not be reduced, said Winegardner's lawyer, Timothy Maloney.

"Ford Motor Company should have never interfered with the Winegardners' contract," Maloney said, referencing the dealership run by Winegardner and his brother, Thomas. "Since 2009, the Maryland legislature has prohibited auto manufacturers from enforcing rights of first refusal in dealer contracts."

Maloney said in a phone call Thursday that the Winegardners "would have been very successful" had they been allowed to execute their contract and purchase the Ford dealership.

A spokesperson for Ford Motor Company declined to comment.

In early August 2019, Winegardner and the Hunt Ford dealership entered into an agreement that provided Hunt Ford would sell its acquired assets and dealership property to Winegardner. According to the complaint, this would have meant that Winegardner would have acquired all new motor vehicles, and all new Ford parts and accessories, among other supplies and items.

Later that month, Ford Motor Company sent a letter to Hunt Ford and Winegardner, contending that it was exercising a right of first refusal.

Ford Motor Company claimed that it has a right of first refusal as to any proposed sale by Hunt Ford of its principal assets and that it has the right to assign the right of first refusal. In particular, Ford Motor Company argued that the 2009 Maryland legislation was enacted several years after the company and Hunt Ford entered into an agreement, meaning the statute does not apply to the agreement or to Ford Motor Company's right of first refusal under that agreement.

While Maloney said he's pleased with the outcome, he noted one caveat.

“The jury verdict is no substitute for what the Winegardeners ultimately could have done if their contract had not been interfered with,” Maloney said. “They could have really made something of this Hunt Ford dealership and they knew it.”