



Russell P. McRory

PARTNER

Russell focuses his practice on representing automobile dealerships and their principals in all aspects of their business and personal matters.



Industries

Automotive

Education

Fordham University School of Law JD,
1993

Georgetown University's School for
Foreign Service, Soviet and East
European Area Studies, 1989

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Russ represents automobile dealerships in the acquisition and sale of franchises; factory relations and dispute resolution; regulatory compliance.

Client Work

Russ won a precedent setting decision with national implications on behalf of a New York-based dealership group before the New York Court of Appeals on certified questions from the United States Court of Appeals for the Second Circuit. The Second Circuit asked the New York Court of Appeals to interpret two provisions of New York's Franchised Motor Vehicle Dealer Act involving sales performance standards and franchise modifications. *Beck Chevrolet Co., Inc. v General Motors LLC*.

In a case of first impression, Russ litigated a first case under the price discrimination provisions of New York's dealer act, in which the Appellate Division affirmed the trial court's grant of summary judgment in favor of two dealers that certain Audi incentive programs were unlawful. *Audi of Smithtown Inc. v. Volkswagen Group of America, Inc.*

In another case of first impression, Russ defeated a motion to dismiss by the engine and powertrain subsidiary of a heavy truck manufacturer. The court agreed that the subsidiary's attempt to terminate the engine and powertrain franchise could be tantamount to an attempt to terminate the truck franchise and that the truck franchisor could be held liable for the acts of its subsidiary under New York's dealer act.

Russ successfully represented a group of Audi dealers seeking money damages caused by the addition of a new Audi dealership in and near their market areas. Commenced before the New York Legislature passed a relevant market area statute, Russ defeated Audi's motion for summary judgment to dismiss the dealers' breach of contract claims. The Appellate Division affirmed the trial court's decision that the non-exclusive territory provision in the Audi dealer agreement did not preclude the dealers' claims asserting breaches of other

provisions of the dealer agreement and the breach of the implied covenant of good faith and fair dealing. Matter successfully resolved. *Legend Autorama Ltd. v. Audi of America, Inc.*

In the General Motors bankruptcy, Russ represented one of the three dealer-members of the Official Committee of Unsecured Creditors and filed an *amicus curiae* brief on behalf of a major regional automobile dealers association. In addition, he represented one of the handful of General Motors dealers that successfully convinced GM post-bankruptcy to be reinstated prior to Congress' enactment of the arbitration legislation.

In the Chrysler bankruptcy, Russ represented a group of over 23 dealers whose franchise agreements were rejected. He obtained awards of administrative claims for several of those dealers. In addition, Russ successfully resolved a post-bankruptcy dispute between Chrysler Group and a continuing dealer concerning whether "New Chrysler" could cause "Old Chrysler" to reject a market action agreement with that dealer.

In the non-automotive arena, Russ represented the prevailing defendants in one of the seminal RICO opinions issued by the Second Circuit. In *First Capital Asset Management v. Satinwood Inc.*, the Second Circuit affirmed the decision of the District Court dismissing RICO claims asserted against several foreign individuals and entities because the plaintiffs failed to adequately allege fraud-based RICO predicates and plead a pattern of racketeering activity.

Russ also represented a large medical group in its lawsuit against a non-physician concerning the legality of the business arrangements among them. He obtained summary judgment against the non-physician declaring the business arrangements constituted unlawful fee slipping and were unenforceable. The decision was affirmed on appeal.

Previous Work

Before joining Arent Fox, Russ was a partner at a medium-sized New York firm, where he led its automobile franchise and dealership law practice group and was a member of its health care practice group.

Russ is a former lieutenant in the United States Coast Guard Reserve. He was activated in support of Operation Enduring Freedom in 2003. His decorations include the Coast Guard Achievement Medal and the Commandant's Letter of Commendation. In his pro bono practice, Russ successfully represented several members of the Armed Forces in enforcing their rights under the Servicemembers' Civil Relief Act, the United Servicemembers' Employment and Reemployment Rights Act, and New York's Military Law.

Professional Activities

Russ is a member of the National Association of Dealer Counsel and an Allied Member of the Greater New York Automobile Dealers Association.

Publications, Presentations & Recognitions

Organizations

- National Association of Dealer Counsel 2013-present, Member of the Board of Directors, 2011-2012 Top Contributor Award
- Greater New York Automobile Dealers Association, Allied Member; Member Franchise Law Subcommittee

Presentations

- October 2015 Annual Conference, National Association of Dealer Counsel,

"The Factory's Tutorial to Network Actions - What to Anticipate and Prepare for (A Behind the Scenes Guide to Advice from USAI and the Factory Attorney)"

- April 2014 Annual Conference, National Association of Dealer Counsel, "Factory Relations — A Primer in Key Challenges Facing Dealers"
- October 2013, Greater New York Automobile Dealers Association, "New York Franchise Law's Impact on Your Business"
- May 2009, Greater New York Automobile Dealers Association, "Preparing for Bankruptcy/Tough Times"

Articles

- March 2015, *Defender*, National Association of Dealer Counsel, "Volkswagen's and Audi's Most Recent Deceptive Actions"
- November/December 2013, *Defender*, National Association of Dealer Counsel, "Price Discrimination: Don't Make a Federal Case Out Of It/"
- November/December 2011, *Defender*, National Association of Dealer Counsel, "Fiduciary Duty in Franchise Cases: Win Some, Lose Some"
- February 2010, *The Newsletter*, Greater New York Automobile Dealers Association, "Vicarious Liability and Loaner Cars"
- February 2009, *Defender*, National Association of Dealer Counsel, "Exporting an Armored SUV and Other James Bond Stuff"

Named in Article

- May 7, 2015, *Automotive News*, "Dealer wins court battle against GM"
- October 19, 2014, *Automotive News*, "GM used flawed system to yank N.Y. franchise, judge rules"
- February 2013, *The Newsletter*, Greater New York Automobile Dealers Association, "Dealers Win OEM New Point Challenge"
- January 2013, *The Newsletter*, Greater New York Automobile Dealers Association, "Factory Incentive Programs Fail Court Test"
- July 2011, *The Newsletter*, Greater New York Automobile Dealers Association, "Factory Incentive Program Violates Franchise Law"

Bar Admissions

New York

Court Admissions

Supreme Court of the United States

US Tax Court

US District Court, Southern District of New York

US District Court, Eastern District of New York

US Court of Appeals for the Armed Forces

US Court of Federal Claims

US Court of Appeals, 2nd Circuit

US Court of Appeals, Federal Circuit