

Mack loses bid to cut distributor

Board rules company has no grounds to pull Ohio franchise.

By Kurt Blumenau
Of The Morning Call

A distributor of Mack's trucks successfully blocked the Allentown truckmaker's attempt to take away its franchise, according to records from Ohio.

The state's Motor Vehicle Dealers Board ruled last Friday in favor of Toledo Mack Sales & Service Inc., an Ohio distributor that sells Mack trucks nationwide.

Toledo Mack has been a Mack Trucks affiliate for more than 20 years, according to its attorney, Wayne Mack of Duane Morris LLP in Philadelphia.

Mack Trucks spokesman John Walsh said the company "obviously does not agree" with the decision and is considering next steps "to protect our rights as we see them."

Mack Trucks tried to withdraw the Toledo company's distributorship in March 2003, according to the ruling by Hearing Examiner Linda Lawrence.

After hearings in February and March, Lawrence ruled that Mack Trucks failed to prove nine possible causes for termination.

For instance, Mack Trucks did not prove that Toledo Mack lacked the money or facilities to be an effective

dealer or that it did not comply with the terms of its franchise.

Toledo Mack officials admitted they missed company sales quotas for trucks from 1998 through 2001. But, they said, other franchises that posted

to block it from selling outside its immediate territory.

Toledo Mack also accuses Mack Trucks of price discrimination, or selling it trucks and parts at higher rates than it charged other dealers.



Monica Cabrera Morning Call file photo

MACK'S bulldog mascot guards the company's Allentown headquarters on Mack Boulevard.

even poorer sales records were not cut off.

The distributor met company sales quotas for parts from 1998 through 2002, according to testimony at the hearings.

The dispute in Ohio is over, but Toledo Mack and Mack Trucks continue to clash in federal court in Philadelphia.

Toledo Mack filed an antitrust suit against Mack Trucks two years ago, claiming Mack Trucks illegally tried

Toledo Mack officials claim Mack Trucks tried to withdraw its franchise in retaliation for that lawsuit, Wayne Mack said. A court date is pending, he added.

Mack Trucks is a subsidiary of Volvo of Sweden.

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