

Avilon Sues Mercedes-Benz Rus Over Dealer Contract

By [The Moscow Times](#)

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Car dealer Avilon filed a lawsuit with the Moscow Arbitration Court to require Mercedes-Benz Rus to implement its contract with the dealer, Vedomosti reported Tuesday.

Mercedes-Benz Rus is the official distributor of Mercedes-Benz vehicles in Russia.

Avilon seeks to find Mercedes-Benz Rus' refusal to execute the contract illegal and to annul a supplementary agreement allowing Mercedes-Benz to cancel the contract at any time without stating a reason.

Avilon's dealer agreement with Mercedes-Benz Rus, signed on Jan. 1, 2007, was set to expire in November 2012. One year before that date, Mercedes-Benz Rus notified the dealer of its intention to terminate the agreement.

A former employee told Vedomosti that Mercedes-Benz Rus was not interested in canceling

the deal, saying that the initiative came from the company's parent company, Germany's Daimler.

Legal experts say the move was prompted by the results of a U.S. anti-corruption probe that revealed that Daimler bribed officials in 22 countries including Russia.

The investigators said that in 2000 to 2005 Daimler, through its local dealers, paid at least 5 million euros (\$6.55 million) to Russian officials responsible for the procurement of official vehicles for the Interior Ministry, the Federal Guard Service and other state agencies.

Neither the U.S. Justice Department, nor the Russian law enforcement agencies, nor Daimler have filed any claims against the company's dealers in Russia, Vedomosti said.

Avilon, which in 2010 was the biggest Mercedes-Benz dealer in Russia with about a quarter of the overall sales, was forced to shut down its dealership and lay off personnel as a result of the dealer agreement's suspension by Daimler, the company said in its claim.

But on Dec. 13, 2012, a court prohibited Mercedes-Benz Rus from "taking any action that interferes with the claimant's normal operations as a Mercedes-Benz dealer." The court ordered Mercedes-Benz Rus to restore Avilon's full access to the company's electronic and service systems.

On Thursday, the Ninth Arbitration Court of Appeals rejected Mercedes-Benz's complaint against an earlier ruling, Vedomosti said.

Avilon is listed on the official Mercedes-Benz website as an official dealer. Avilon said it was still fully cooperating with Mercedes-Benz, and its dealership was successfully functioning.

Mercedes-Benz Rus refused to comment on the current case or its relationships with Avilon, while a representative of the dealer promised to comment after the court makes a decision, Vedomosti reported.

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