

## **Jayco suit dismissed; dealer's own lawsuit pending**

### **Jayco**

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SOUTH BEND — A U.S. district court has dismissed Jayco's lawsuit against an RV dealership chain for selling motorhomes outside their contracted territory.

A lawsuit the dealership later filed against Jayco claiming fraud and disparaging accusations is still pending.

Middlebury-based Jayco filed its suit against National Indoor RV Centers in U.S. District Court in South Bend in June. The suit, filed after Jayco sent a private investigator to pose as a potential buyer, claimed that National was improperly selling Entegra Coach models from a dealership in Texas.

National responded by moving to dismiss the suit for lack of personal jurisdiction and improper venue, which the court granted Tuesday. District Judge Robert Miller also vacated an Oct. 4 preliminary injunction hearing.

### **Claims of fraud and deception**

National filed its own lawsuit against Jayco in a Texas district court in July, claiming fraud, misrepresentation, breach of contract, warranty violations and business disparagement. A jury trial in that case, in which National is seeking damages of more than \$1 million, will be set sometime after February 2018.

Many of the allegations center around dealerships National opened in Georgia and Arizona to sell Jayco vehicles.

National opened its first location in 2009 in Lewisville, Texas, and

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began discussing selling Jayco RVs in 2012. Between August 2013 and June 2017, National ordered 251 Entegra Coach motor homes from Jayco valued at \$77.2 million, as well as purchasing nearly \$400,000 worth of parts.

National Indoor RV Centers- AZ LLC and National Indoor RV Centers-GA LLC became authorized Jayco dealers in Arizona and Georgia, respectively, in 2016.

National's filing claims that Jayco knew the financial viability of the Arizona dealership depended on being able to sell the Entegra and Jayco brands, and that National's decision to build a \$13.5 million new facility in Georgia was based on being able to sell the Entegra brand in that state, but that Jayco intended to deceive National in both cases. National claims Jayco had no intention of letting the company sell the Entegra brand in Georgia or Arizona on the same terms as other dealers.

**‘No longer tenable’**

National indicates that a rift formed between the companies after Tadd Jenkins, president of Jayco’s Motorized Division, was dismissed from the company in November 2016 and then was named National’s new president in February 2017. It seemed at first that the relationship between the companies would continue, but National says Ken Walters, Jayco vice president of sales and product development, informed National CEO Brett Davis in March the relationship “was no longer tenable” and the hiring of Jenkins was “a nonstarter.”

Walters accused National of colluding with Jenkins to “fraudulently” obtain its Arizona dealership license and claimed other Entegra dealers had been complaining about National’s unfair advantage through hiring Jenkins, the lawsuit claims. It also claims Walters said the dealers were threatening to cancel existing orders if Jayco didn’t end its relationship with National.

Walters “unequivocally” stated Jayco’s intention to cancel the rights of all national dealerships in a May conference call, according to the court filing.

In its response to the lawsuit, Jayco acknowledges a March 16 phone call between Walters and Davis “which included Walters expressing concern about the business practices of (National) and Jenkins, and concern about the impact of those practices on Jayco’s relationship with other dealers,” but denies other allegations. It also acknowledges that in early to mid March, concerns were expressed over National’s business practices and over Jayco’s future dealings with the dealer in light of that concern.

In his own statement included in the response, Walters acknowledges the Arizona and Georgia dealer agreements with National but notes that “There has never been any written dealer agreement executed between Jayco and National Indoor RV Centers, LLC, the organization I understand to be headquartered in Lewisville, Texas.”