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Dealers agree to settle with Reynolds in antitrust suit

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Reynolds & Reynolds

Reynolds and Reynolds and several dealership groups have reached an agreement in principle to settle a federal class-action antitrust lawsuit against the dealership software and services company. The agreement does not include dealership technology company CDK Global, which is also a defendant in the case.

Reynolds and Reynolds Co. and several dealership groups have reached an agreement in principle to settle a **federal class-action antitrust lawsuit** against the dealership software and services company.

A Reynolds spokesman confirmed the settlement late Tuesday. The agreement does not include dealership technology company CDK Global Inc., which is also a defendant in the case.

There are more than 25 dealers acting as plaintiffs in the suit, including early litigants such as Teterboro Automall of Little Ferry, N.J.; Hartley Buick GMC Truck of Jamestown, N.Y.; Hoover Automotive of Summerville, S.C.; and John O'Neil Johnson Toyota of Meridian, Miss.

Terms of the settlement were not available on Wednesday.

Reynolds and the dealership groups filed the initial agreement in principle on Friday in the U.S. District Court for Northern District of Illinois, where antitrust litigation against Reynolds and CDK has been consolidated.

The litigation against Reynolds and CDK alleges the two companies have fixed prices and been in general collusion to reduce competition and control the dealership management system market. Together, the two firms have more than 70 percent of the DMS market.

The proposed settlement between Reynolds and the dealership groups also does not involve other non-dealership plaintiffs that have filed antitrust litigation. Those plaintiffs include competing vendor companies such as Cox Automotive, Authenticom, Motor Vehicle Software Corp. and Autoloop, whose similar cases have been consolidated as part of multidistrict litigation alleging unfair conduct by Reynolds and CDK.

The settlement is subject to execution of a formal agreement and has yet to be approved by the court.

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