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Group 1 and Prestige settle Fla. buy-sell dispute

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A dispute between Prestige Motor Car Imports and Group 1 Automotive Inc. over a buy-sell deal in Florida gone wrong is settled and the deal is back on -- for now, both sides said.

"An amicable and mutually beneficial settlement agreement has been reached where the litigation over the purchase and sale of the Prestige Audi franchise portion of the Prestige Imports Motor Group business has been resolved on terms satisfactory to all parties," a media statement from Group 1 said Wednesday.

A lawyer for Prestige confirmed the news, and declined to comment further. A spokesman for Group 1 also declined to comment. Group 1's lawyer did not return two phone calls.

In June of last year, Group 1 sued Prestige because Prestige called off a deal to sell its Audi store in North Miami Beach to Group 1. Group 1 believed it had a done deal to buy the store for \$72 million. But Prestige said, "there is a major mistake to the purchase price, even though they signed the purchase agreement," said Abbey Kaplan, senior partner with Kluger, Kaplan, Silverman, Katzen & Levine, in Miami in a June interview. He represents Group 1.

Prestige sells Lamborghini, Lotus and Pagani brands, in addition to Audi.

At that time, Kaplan said that Prestige called off the deal, claiming "there was a mutual mistake" over the value of the store's earnings before interest, taxes, depreciation and amortization.

Also at the time, Prestige's attorney, Robert Zarco, said the parties never agreed on the "material and essential terms" of two important contracts: the real estate contract and lease agreement. Therefore, Prestige's CEO Brett David did not plan to complete the due diligence work that Group 1 was asking for in the purchase agreement.

He said there was no contract and Group 1 pressured David to sign the purchase agreement, "probably because they noticed there was a mistake on the price."

But all is well, that ends well.

In a phone call today with Automotive News, Zarco said: "Because the parties agreed to confidentiality, I am not free to say anything beyond the fact that both parties are very happy and have reached an agreement that is of mutually beneficial terms."

Group 1's statement said completion of the sale of the Audi store remains subject to Audi's approval and customary contractual conditions to closing.

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