

McAllister dealership's future in doubt

The Clarion Ledger - Jackson, Miss.

Author: Jeff Ayres; Kevin Richardson

Date: Apr 2, 2009

Start Page: A.1

Section: Main

Text Word Count: 591

Document Text

*Former Saints star has little time to strike deal

By Jeff Ayres

jeff.ayres@jackson.gannett.com

and Kevin Richardson

krichardson@clarionledger.com

Former New Orleans Saints running back Deuce McAllister has temporarily closed most of his south Jackson car dealership to determine the future of the enterprise. And time is short.

"We are trying to work through and figure out what is the best solution for this whole process," McAllister said Wednesday at Deuce McAllister Nissan of Jackson.

Nissan Motor Acceptance Corp., the automaker's financing arm, filed a civil suit in February alleging Deuce McAllister Nissan owes nearly \$7 million - with about \$5.7 million listed as vehicles on the lot, court documents show. The dealership filed for bankruptcy in March to reorganize and halt Nissan's efforts to repossess the vehicles.

Doug Noble, who represents the dealership in bankruptcy proceedings, said McAllister hopes to find a buyer or investor by midnight Friday, when a 30-day cash-collateral order with Nissan Motor Acceptance Corp. expires. If a resolution isn't reached by then, Nissan can seize the dealership's vehicles, Noble said.

"We're still in the back and forth," Noble said Wednesday evening. "If nothing happens by Friday, the dealership likely would cease operations.

"It's not good for anybody to have that dealership close."

Only "management-level" activities are happening now at the dealership, Noble said. The dealership employs about 40 people. A handful was on site Wednesday.

Car sales and servicing are on hold pending the outcome of the dealership's ongoing talks with Nissan, Noble said.

"We're a creditor, just like anyone else. It's still in Chapter 11. Deuce McAllister still holds the franchise," Nissan spokesman Fred Standish said Wednesday.

Service covered under manufacturer's warranties will be honored at any Nissan dealer, he said.

Standish would not discuss Nissan's plans if Deuce McAllister Nissan is shuttered.

The dealership, which opened in May 2006, became a top performer in the region. It is the sole new-car dealership in an area that has seen three dealerships close since 2006.

"The ultimate goal is to remain a Deuce McAllister Nissan franchise, but if it's not in my best interest and not in Nissan's best interest, let's try to keep a presence for Jackson," McAllister said.

Nissan has a reputation of doing everything it can to keep its dealerships open, according to officials at The Quell Group, a Troy, Mich., communications firm.

They say the automaker typically operates larger dealerships that cover greater service areas than other car companies.

"We are in negotiations with individuals," McAllister said. But Noble said no formal proposals have been given to McAllister.

Finding a buyer could be difficult. Investors are cautious because of weak sales figures stemming from the recession, said Paul Melville, a principal at Grant Thornton Corporate Advisory and Restructuring Services.

"At the moment, you see a lot of dealers liquidate or hand back the keys," he said.

About 900 new-car dealerships closed in 2008, according to the National Auto Dealers Association. And the group predicts 1,000 more may close this year.

While stressing they're not familiar with Deuce McAllister Nissan's case, Quell officials say a dealership typically seeks Chapter 11 protection once it's evident reorganization isn't likely.

Noble said Deuce McAllister Nissan sought the protection to keep the vehicles on the lot while trying to "facilitate a transaction."

McAllister, a Lena native, is a former University of Mississippi star who played eight seasons for the Saints but was released from the team on Feb. 17 for financial reasons.

*

To comment on this story, call Jeff Ayres at (601) 961-7050 or call Kevin Richardson at (601) 961-7163.

Reproduced with permission of the copyright owner. Further reproduction or distribution is prohibited without permission.

Abstract (Document Summary)

*Former Saints star has little time to strike deal By Jeff Ayres jeff.ayres@jackson.gannett.com and Kevin Richardson krichardson@clarionledger.com Former New Orleans Saints running back Deuce McAllister has temporarily closed most of his south Jackson car dealership to determine the future of the enterprise. [...] time is short. Nissan Motor Acceptance Corp., the automaker's financing arm, filed a civil suit in February alleging Deuce McAllister Nissan owes nearly \$7 million - with about \$5.7 million listed as vehicles on the lot, court documents show.

Reproduced with permission of the copyright owner. Further reproduction or distribution is prohibited without permission.