Automotive

Our automotive experts are uniquely qualified to address complex economic and finance issues in litigation, arbitration, regulatory investigations, and compliance design and implementation. CRA's insightful analysis has helped clients evaluate financial decisions, improve operations, and determine liability and damages in high-profile matters.

CRA Charles River Associates

CRA's automotive experts provide manufacturers, lenders, suppliers, and dealership groups with the experience and quantitative analysis they need to achieve successful results in regulatory and litigation proceedings, mergers and divestitures, and performance improvement.

Experience

Our automotive experts combine industry-specific knowledge with unparalleled expertise in finance, valuation, fair lending, competition, forensic accounting, and the quantification of economic damages. Clients rely on CRA for our deep knowledge of the issues and analytic methods related to automotive retailing, dealer disputes, indirect and direct financing, product liability, intellectual property valuation, and merger and antitrust related analysis. Our experts:

- Testify in a variety of venues on causation and damage issues related to dealership protests, class action litigation, antitrust issues, intellectual property, and product liability
- Advise on matters of regulatory compliance and investigations, particularly in the areas of fair lending and alleged anti-competitive behavior
- Quantify the economic and financial implications of various events for purposes of improving financial management and reporting, evaluating financial decisions, and determining liability and damages in adversarial proceedings

Our experts have decades of experience working in and consulting to the automotive industry and include academics that have researched and published extensively on this industry. The combination of strong industry knowledge and subject matter expertise makes CRA's automotive experts uniquely qualified to assist industry participants—manufacturers, suppliers, captive and non-captive finance companies, and dealers and distributors—navigate most challenging situations. We have supported our clients facing Federal Trade Commission (FTC) and Department of Justice (DOJ) investigations as well as in front of various state motor vehicle boards.

Capabilities

Automotive finance

- Fair lending practices
- Underwriting
- Pricing and dealer reserve
- Insurance products
- F&I operations
- Dealer floor plan
- Lender liability

Competition/antitrust

- Market definition
- Market power
- Competition and substitution
- Mergers and divestitures

Dealership litigation

- Terminations, failures, and protests
- Adequacy of performance
- Financial condition
- Dealership financing and capitalization
- Product allocation
- Damages

Intellectual property

- Patent infringement
- Diminution of value
- Product liability

Policy and research

- Energy and greenhouse gas
- Consumer protection
- State franchise laws
- Manufacturing employment
- Consumer behavior

Selected case studies

Automotive finance

- In response to a DOJ investigation, statistically evaluated the credit worthiness of retail automotive loans across pricing tier, economic and demographic data, and ethnicity for evidence of discrimination in the approval process; presented to DOJ investigators and their experts why there was no statistical evidence of discrimination
- In the context of multiple, national, class action litigations involving allegations of discriminatory pricing, evaluated the dealer finance charge reserve on retail automotive loans for evidence of a disparate impact on protected classes

Competition/intellectual property

- Served as an expert on behalf of a large Tier 2 supplier and provided expert witness testimony in antitrust counterclaims brought by manufacturers of auto parts in response to patent infringement actions brought against them; issues addressed included market definition, market power, and entry barriers facing Tier 1 and Tier 2 automotive suppliers
- Provided economic and analytical support to US counsel for one of two automotive original equipment manufacturers (OEMs) involved in a proposed merger; assessed the extent to which products of the two firms competed against one another

Dealership litigation

- Served as an expert for a major finance company in litigation against a failed automotive dealership to recover balances due on the floor plan line at the time the dealership failed; analyzed the dealership's capitalization, profitability, and other financial and operational metrics to identify root causes of the failure
- Assisted an OEM in a dispute with a dealership alleging unfair treatment and financial damages resulting from the OEM's vehicle allocation and distribution practices; analyzed vehicle allocation patterns by model and trim for the protesting dealership as well as comparable dealerships
- Assisted an OEM in an add-point dispute by analyzing the permanency of the protesting dealership's investment; considered factors such as financial performance and changes made to the capital structure by the dealer principal
- On behalf of an OEM, served as an expert in hundreds of individual dealership arbitration proceedings filed against it, explaining the economic and financial implications of a network of fewer, but better, dealers, as well as the resulting benefits to the OEM, dealer body, and vehicle-buying public

Product liability

- Provided expert testimony addressing plaintiffs' claims that their vehicles experienced a diminution of value because of alleged defects; analyzed publicly available data to show the implausibility of the plaintiffs' claims

Policy

- For an association, studied the costs and benefits of limits on carbon emissions for the US and Canadian economies, taking into account the trade effects of omitting developing countries from the agreement; examined alternative policy instruments for addressing carbon emissions from the use of motor vehicles

About CRA

CRA is a leading provider of economic and financial expertise and management consulting services. We are the preferred consulting firm for complex assignments with pivotal and high-stakes outcomes and guide corporations through critical business strategy and performance-related issues.

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