

“Sterilized” copy of business letter for a manufacturer, to the attorney for a distributor who exceeded their authority and compromised my client’s business on several levels. Distributor was grievously usurping the authority of the manufacturer. This letter was the second shot fired by the manufacturer. The first was a more polite warning, but the distributor unwisely escalated the dispute to their attorney, who engaged in saber-rattling with the manufacturer. The manufacturer needed to “stare down” the distributor and clip their wings while the entire industry was watching, to set an example of “don’t mess with this manufacturer!”

(Recipient) Law Corporation Attn: (Addressee)
(Address) Street
Prince George, B. C. V2L 2K1 Canada

November 19, (Year)

Mr. (Addressee),

I am in receipt of your letter of November 16th. The behavior of your client, (**Your client**), has caused distress for (My company) on more than one level. An enormous amount of time and money has gone into cultivating a very specific “brand identity”, and the related marketing campaign to maintain (My company) as the #1 product in the market. Because of this investment, any deviation from what we have worked so hard to build represents a very unacceptable situation.

The distributorship agreement binds (Your client) not to circumvent (My company)’s authority to approve marketing and sales materials, and your client circumvented it anyway. In addition to the disrespect, their actions undermined (My company)’s marketing strategy, and then caused a significant problem with another Canadian distributor. This is the main reason their distributorship has been terminated. Other factors that caused the termination include:

1. A promise to come to our facility in person and a promise to furnish a (Vehicle) airframe, neither of which happened, yet your client enjoyed a **\$1,000 discount** on a quantity of our products. As if that was not enough, insult was added to injury when your client insinuated that they might go into partnership with (My company)’s competitor if they weren’t granted a partnership on the (Vehicle) program.
2. Your client also approached department heads within (My company) seeking an exclusive Canadian distributorship, going around me. After I found out and flatly said no to an exclusive, **that’s** when they tried to “pull a fast one” by wording an advertisement to make people think (Your client) is the only official Canadian distributor.
3. At a recent trade show, (Your client) personnel were swarming in and around the (My company) booth, inserting themselves into company business and attempting to create the illusion that they were the Canadian arm of (My company).

4. Seeking an exclusive Canadian distributorship for the sole purpose of using (My company) to help sink their competition, *then* being told they can't do it, *then* going around me to do it in a sneaky way anyway, is the fastest way to be terminated. Simply purchasing (My company) products for resale does not make (Your client) an business partner, nor does it make (My company) their weapon against anyone.
5. (My company) has another distributor in Canada, who also sells a lot of our products. They are justifiably very angry that there is now a perception they are not authorized in Canada to sell (My company) products. I have no doubt that that because of **your clients'** marketing tactic, (My company) will see a decline in sales from that distributor.

At the time that this problem came to a head, I was willing to discuss some sort of **reparations** that would allow us to continue doing business. I felt that the situation demanded some sort of financial redress, even a punitive aspect that would serve as a deterrent against future problems.

I was expecting (Your client) to make an offer of increased advertising with correct information, a repayment of the discounts they enjoyed despite not having kept to their agreements, and at the *very least* upholding their agreement to come to California to see our operation in detail. I would have gladly worked with your clients toward resolving these transgressions. The *most stupid* thing that they could have done was to instead bring an attorney into the problem, and your professional judgment was inappropriate to allow it.

Although I had no intention of being *personally abusive* to your clients on the phone, I make no apologies whatsoever for an aggressive business stance. My use of colorful language (which is shamefully the only cause you can point to for sending an attorney's letter) was because your clients were not listening, and that profane language was in fact a desperate final attempt at communication. When millions are at stake, along with 15 years of hard work, tempers flare and harsh language is not uncommon. A letter from an attorney (over something so minor as profanity) is a disservice to your client, accomplishes nothing, and has resulted in an immediate termination of your client's distributorship.

The reference to the term "amicable" in our distributorship agreement refers to the fact that an immediate lawsuit was *not* filed against them by (My company), or encouraged by (My company) to have been filed by the other Canadian distributor. I am unhappy that it came to this, because the shame of it all is that (Your client) does work very hard and service their customers well.

If your clients wish to sell (My company) products, I recommend that they come here in person as they had previously agreed, at which time they can re-apply for a new distributorship contract. I would also suggest that they accomplish that, and all future communications, without the involvement of an attorney.

Sincerely,

(Sender)
President, (My Company)