

# ST. LOUIS BUSINESS JOURNAL

## St. Louis jury awards \$3.3M to Dr Pepper distributor

GREG EDWARDS  
REPORTER  
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A large Dr Pepper distributor in Imperial, Missouri, has been awarded \$3.3 million by a federal jury in St. Louis for wrongful termination of its 27-year-old contract.

H.L. Paul Distributing Co. Inc. won the verdict against The American Bottling Co., the bottling subsidiary of the Dr Pepper Snapple Group, for terminating the agreement it had since 1990 to distribute soft drinks in northern Jefferson County and South St. Louis County. Dr Pepper contended Paul had failed to perform as the contract required.

Morry Cole of the Gray, Ritter & Graham law firm, which represented owners Mark and Georgia Paul, said their case was boosted by an inconsistency: Dr Pepper contended the Pauls were performing inadequately beginning in mid-2015, yet asked them to take additional customers in 2016.

“In 27 years of distributing, the Pauls significantly grew the sales, sales outlets and customer base,” Cole said. “They were the largest distributor by sales and volume of product in the region.”

For its part, Dr Pepper argued that Paul Distributing provided poor service, citing email complaints. The Business Journal has requested comment from the company.

The Gray Ritter lawyers argued that the problems began in July 2016 when American Bottling began



Morry Cole of Gray, Ritter & Graham, P.C.

delivering inventory to Paul daily instead of the old system whereby Paul kept a stockpile of inventory in its warehouse. “Many of the alleged issues ABC relied on to take away plaintiff’s contract, to the extent they occurred at all, were significant to regular problems that ABC itself created” with the new delivery system, such as late, missing and incorrect deliveries, the suit stated.

After the distribution deal was terminated in 2017, the work went to four other distributors at lower commission rates, Cole said.