

The Converted Camaro

Nice Try, But No Cigar

by Lawrence Savell

A prudent collector car purchaser has to do his or her homework. He or she has to determine (perhaps with the assistance of an expert) the true condition of the vehicle, and then the true value of a model in that condition. But, even more importantly, a purchaser has to determine that the seller has the legal right to transfer ownership of the car. Such efforts include requesting and verifying proof that the seller has valid and sufficient title.

This issue was addressed in *Ryan vs. Patterson and Son Motors*, decided on May 29, 1998 by the Court of Civil Appeals of Alabama.

According to the court, Gwendolyn V. Ryan purchased a 1968 Camaro in 1988 for \$6,000. In the spring of 1995, Ryan's son Chad and Ernie Duckett towed the automobile to Duckett's shop to perform restorative work on the vehicle. Gwendolyn testified that they towed the Camaro there with her knowledge and consent. Both Chad and Duckett said that they had an agreement that Duckett would assist Chad with the restoration of the automobile in exchange for Chad's assistance with repairs and renovations to Duckett's shop. Duckett rented the shop premises from Patterson and Son Motors and Joe Patterson (collectively referred to as "Patterson"). After several months, Duckett left Patterson's premises. At

that time, he moved the vehicles stored there, including the Camaro, to property owned by his uncle. Chad testified that he repeatedly asked Duckett about returning the Camaro, but he said that Duckett kept putting him off. Duckett testified that he repeatedly asked Chad to pick up the automobile, but that Chad kept delaying. The Camaro remained in Duckett's possession until June 1996.

In June 1996, Duckett attempted to sell the Camaro pursuant to the Alabama Abandoned Motor Vehicle Act. He published notice of the sale on June 13 and June 20, but never notified Gwendolyn personally or by certified mail, nor attempted to find her address. On June 24, Duckett sold the vehicle to himself for \$1,500, the amount he said it had cost him to store the Camaro. Duckett's uncle testified, however, that he did not charge Duckett any storage fees; nonetheless, Duckett said that he still owed storage fees to his uncle. Duckett then sold the Camaro to Patterson for \$4,000.

When Gwendolyn learned that her automobile had been sold, she sued Duckett and Patterson, seeking the return of the Camaro and damages for "conversion" (unauthorized exercise of possession and control) and wrongful detention of her property. After a nonjury (judge-only) trial, the trial court ruled that Duckett had not complied with the

provisions of the Act and that he had "converted" Gwendolyn Ryan's automobile. The court entered a judgment against Duckett for \$6,000. It also held (1) that Duckett had voidable (preliminarily valid but could subsequently be declared void) title to the Camaro, (2) that Patterson was a "good faith purchaser" (one who buys without notice of circumstances which would alert a prudent purchaser as to a problem with the seller's title) of the automobile, and (3) that Patterson was entitled to retain possession of the Camaro.


Gwendolyn appealed only from the aspect of the judgment allowing Patterson to retain possession of the Camaro. She contended that her delivery of the automobile to Duckett was not a transaction of purchase and that he was merely a bailee (a temporary possessor) and had no title to the Camaro. Therefore, he could not transfer title to Patterson, even though Patterson was a good faith purchaser for value.

The Court of Civil Appeals began its analysis by noting that "[a] transaction of purchase occurs when there is a delivery of possession from a seller to a buyer with the intent that the buyer become the owner...In [a prior case] this court held that a good faith purchaser of a stolen automobile did not acquire good title because the owner did not consent to the transfer of the automobile to the seller. [A] person with voidable title has power to transfer a good title to a good faith purchaser for value. Voidable title can only arise from a voluntary transfer, and the rightful owner must assent to the transfer. 'A possessor of goods does not have voidable title unless the true owner has consented to the transfer of title to him.' ...In this case the rightful owner did not consent or assent to the transfer of the automobile. Appellants obtained no title."

The court also cited another case which "stated that the owner's intent was critical in determining whether a transaction of purchase had taken place that would have allowed a seller to obtain a voidable title. The court stated that if the seller had converted goods to his own use, he did

not have voidable title, but instead, had void title, and could not transfer good title even to a good faith purchaser for value."

Turning to the facts here, it observed: "There is no evidence in this case that Gwendolyn Ryan intended to transfer ownership of her automobile to Duckett. Although Chad Ryan physically delivered his mother's Camaro to Duckett's shop, he did so only for the purpose of working on the automobile *with* Duckett. We conclude that Gwendolyn Ryan's delivery of her automobile to Duckett for restoration work did not constitute a transaction of purchase, and, therefore, that Duckett obtained no title to the Camaro. It follows that Duckett could not transfer title to Patterson, even though Patterson was a good faith purchaser for value. Patterson's title was void. 'One who, though acting in good faith, purchases a chattel [item of property] from a person in possession, but without title or authority or indicia [evidence] of authority, from the true owner to sell, acquires as against the true owner, no title, and the latter may maintain trover [a legal action] for its conversion.'...Because Patterson obtained no title to the Camaro upon its sale to him, Gwendolyn Ryan is entitled to possession of her automobile."

Therefore, the court reversed the trial court's awarding possession of the Camaro to Patterson. It remanded (sent the case back) with instructions for the trial court to enter a judgment awarding possession of the Camaro to Gwendolyn. 

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