

Held up without a gun

This could happen to you.

You've picked out your new collectible muscle car. It could be, say, a 1969 Dodge Super Bee; 440, four-speed, all the right stuff. You buy it, after checking it over. Invest some money in making it more presentable. Drive it once in a while, even. Then, all of a sudden, the authorities show up at your door and tow it away. All that money you spent to buy and restore it? Kiss it goodbye.

What you've just read is what can happen—indeed, has happened—when you buy a collector car with a compromised title. The car may have been the proceeds of illicit activity, the seller may have unloaded it to cut his losses in a divorce proceeding, or there may be something else afoot

that is less than on the up-and-up. There is a way to prevent it, a simple policy that researches the title of the vehicle to make sure it's unsullied and free of liens; yet, to the best of our knowledge, nobody in the collector-car insurance marketplace offers this sort of protection.

We became aware of this shortcoming during some conversations we had not long ago with Bridgeton, New Jersey's Ted Ritter, who, in addition to being a longtime collector and restorer of Corvettes and other good things, is a practicing attorney. We first introduced Ted to these pages in our "Don't Get Ripped Off!" article in issue #11. Regular

readers will remember that he's the guy who represented the client who was stuck, no pun intended, with a five-figure Dodge Viper with "front-end" damage after it was bazooka-blasted into an overpass abutment on the Cross Bronx Expressway at 140 mph during a police chase.

During our conversations, we went off on a tangent, and Ted bemoaned the absence in the insurance marketplace of title insurance for collector cars. It wouldn't have helped the guy who bought the Viper, who ultimately recovered the purchase price after Ted litigated the case on his behalf. It would, however, have been beneficial to another one of his clients, who very nearly lost a pristine 1957 Chevrolet several years after he'd bought it.

What happened was, the FBI arrested a conspirator who had been involved in a commercial auto-theft ring based in Florida that specialized in stealing and parting out collector cars, since, as we all know, some of these cars are worth more as parts inventories than as rolling vehicles. In true Law Enforcement 101 fashion, the FBI managed to "develop" the suspect as an informant, and then the dam broke, as the cretin told everything he knew about the disposition of the ring's stolen cars and parts. He directed them to the '57 owned

by Ted's friend and client, who lived outside Atlantic City. The FBI obtained a warrant authorizing them to seize the car, and then directed the New Jersey State Police to take physical possession of it.

"I'd known him 30 years. He was a bank vice president; an usher at nine o'clock Mass," Ted said. "He's not the kind of guy who would buy jewelry out of the back of the truck. He called me one day and told me the state police had just contacted him and said he'd have to give them the car, and he was just shattered. He had \$30,000 in the car, and then some."

This story, fortunately, has a happy ending. Ted's client had purchased the '57 through a classified ad in a Philadelphia newspaper, and Ted managed to prove that the car's body tag had been altered, and didn't match another serial number that Chevrolet had stamped on the frames of its cars in 1957. The owner got his car back. The FBI's informant had, by all indications, been lying when he said the car was stolen.

Title insurance would have protected Ted's client in this instance. Like many attorneys, Ted performs realty and estate work as a major portion of his practice. Title insurance is standard in any real-estate transaction, with good reason: You wouldn't want to pay \$500,000 for a house, only to learn that the property had had a lien placed against it by the IRS, or that the supposed owner actually had several lawsuits filed against him by former partners, who alleged he did not have clear title to the land.

If title insurance existed for collector cars, you'd be off the hook if you blundered into this sort of transaction. For very reasonable money, a title-insurance firm would research the car's title to learn who actually held it, and whether any legal actions had been filed against the vehicle or its owner, or seller. The last distinction is important. Ted successfully

pursued legal action against a dealer who sold one of his clients a 1965 Pontiac GTO that had been consigned to the dealership—the consignor lived out of state, and the dealer held no legal title to the car. The dealer was captured by authorities and jailed after faking his own murder. Otherwise, Ted's client would have lost both the GTO and his money. Had title insurance been in effect, the insurance firm would have repaid Ted's client what he paid for the car, then pursued the seller in court.

Once more: Title insurance is standard practice when realty changes hands. Ted said he contacted both the AACA and a prominent firm specializing in collector-car insurance about the need for title coverage, with no result. Hard to understand, because it's very cheap: In New Jersey, title insurance generally costs \$5.25 for each \$1,000 of property valuation being insured. That's the ability to buy a great deal of emotional solace for next to nothing.

"This is just another way to get ripped off," Ted said. "The real-estate industry would be a natural to offer this, and title insurance is good for as long as you offer the car or the property. I've had two independent insurance agents in

South Jersey tell me they would sell this if it was available. Nobody ever told me this was a stupid idea, or that it wouldn't work."

So when is the collector-car insurance industry going to offer this important product? 🐻

