Old Storage

Don't Let The Time (Or The Car) Slip By

Last month, we explored potential risks of storing your collector car on another's property. In the case discussed, the collector nearly lost his vehicle by not taking steps promptly when he learned that the property was being foreclosed upon.

This month, we explore a somewhat-related issue: whether one who stores another's car on his or her property can recover the value of that storage in the absence of a contract or other agreement specifically providing for such compensation. Here again, delay in asserting your rights can risk adverse consequences.

One such case regarding the estate of Levetta M. Hosler, decided on April 13, 1999, by the Nebraska Court of Appeals, involved a claim by Jim Gleason for 16 years of storage of the late Ms. Hosler's 1941 Cadillac.

According to the Court, in 1981, one of Hosler's employees asked Gleason to store Hosler's Cadillac in Gleason's body shop. Hosler later that year asked Gleason if the shop was heated and insured, then requested that her automobile be kept there. She did not indicate how long the Cadillac would remain but stated that, at some point, she might have the car restored. They next spoke in 1987 when Hosler came to inspect the car after a fire in Gleason's building. Hosler seemed to be satisfied with the condition of the car and did not say anything about removing it or what she wanted to do with it. They had no further conversations concerning the Cadillac.

After Hosler's death, someone took the car while Gleason was away. Gleason stated he would have charged a storage fee had he been present.

Gleason admitted that he did not have a written agreement with Hosler. He also acknowledged that he had never billed Hosler for the storage or spoken with her regarding a storage fee.

In 1998, Gleason filed a $9,600 claim against the estate for 16 years of storing the Cadillac at $50 per month. The estate refused to pay. Gleason petitioned the county court to allow his claim. Finding that the car was at Gleason's shop for restoration, not for storage, the trial court disallowed his claim. Gleason appealed, arguing that he was entitled to the value of his services based on the theory of "quantum meruit" ("as much as he deserves").

The Court of Appeals affirmed the order of the county court. It observed: "quantum meruit is a contract implied in law...based on the equitable doctrine that one will not be allowed to profit or enrich oneself unjustly at the expense of another....Where benefits have been received and retained under such circumstances that it would be inequitable and unconscionable to permit the party receiving them to avoid payment, therefor, the law requires the party receiving and retaining the benefits to pay their reasonable value....When services are furnished to a party and knowingly accepted, the law implies a promise by the person knowingly accepting the services to pay the reasonable value of the services."

"However, the services must be rendered under such circumstances as to indicate that the person rendering them expected to be paid therefor, and that the recipient expected, or should have expected, to pay for them....Equitable relief is not available where plaintiff did not contemplate a fee at the time the services were rendered, or defendant could not have reasonably believed that plaintiff expected a fee."

"In determining whether quantum meruit applies, the initial determination which must be made is whether Gleason has conferred a benefit on Hosler. The only benefit which Hosler could have derived from the situation is the preservation of her automobile at Gleason's shop. However, Hosler had heated, indoor storage available at her own home and...carried insurance on the vehicle from at least 1989 until the time of her death. We believe a reasonable inference is that the car's presence at Gleason's shop provided no particular benefit to Hosler not available at her own home and that as the trial court found, the reason the car was at Gleason's shop was for restoration at some point in time convenient to Gleason."

"Moreover, the evidence shows that Gleason did not once during the 16 years he stored the vehicle ask for payment from Hosler, nor did he ever present her with a bill for any storage. He was not paid for any portion of the storage. In fact, Gleason testified that he never mentioned to Hosler that the charge for storing her vehicle would be $50 per month and admitted that he did not have a written storage agreement with her. Based upon these facts, it would be difficult to conclude that Hosler knowingly accepted or, for that matter, even understood that Gleason was providing services to her by 'storing' her Cadillac."

Having determined that the trial court properly disallowed Gleason's entire claim, the Court of Appeals did not address the estate's argument that part of Gleason's claim was barred by the statute of limitations.

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