

On The Level

ALTHOUGH TERMS AND DEFINITIONS

will vary depending on whom you ask, four levels of automobile restoration are often identified.

The highest level is Concours, where cars are professionally restored show candidates at or near the top of the 100-point judging scale. Level-one vehicles are usually found in museums or private collections and are generally rarely driven.

The second level is Show, wherein cars are also professionally restored, scoring in the approximately 90-95-point range and having no major flaws.

Next is Street Show, with vehicles rated in the approximately 80-89 point range, in full working condition and with all major cosmetic problems repaired and necessary bodywork done, perhaps showing some slight wear.

Finally there's the Driver, reflecting a less-costly and shorter-duration restoration, with the vehicle returned to operating condition if needed, and with any necessary parts replacement and minor cosmetic adjustments done.

Since this is a legal column, you may be asking yourself: Has there been litigation about whether a classic car's restoration attained a particular level? The answer—and the answer to basically any question about whether there has been litigation involving any other aspect of life—is, of course, yes.

And so we turn to this month's case, *Karacsonyi v. Mostly Mustangs, Inc.*, decided on September 14, 2012, by the Superior Court of Connecticut.

According to the court, plaintiff Alexander Karacsonyi owns a 1965 Mustang fastback. Mostly Mustang (MM) is in the business of restoring such vehicles to their original condition. Karacsonyi claimed he turned his Mustang over to MM under an agreement that they would restore the car to what was referred to as a "Level 2 Restoration Driven Vehicle." He further claimed that he paid MM \$64,735.78 for the restoration, and that they failed to restore the Mustang to the agreed level, and that Karacsonyi would have to spend more money to restore the car to that level.

Karacsonyi sued MM for breach of contract, among other claims. MM admitted that Karacsonyi paid it the money, but denied the remaining allegations. MM

further claimed that any defects in the Mustang were caused by Karacsonyi after the car was returned to him; that the car was removed by Karacsonyi from MM's premises prior to final examination and safety checks, causing damage to the vehicle; and that Karacsonyi failed to act reasonably and prudently under the circumstances.

The case went to trial before the court (the judge, with no jury). The court ruled in favor of Karacsonyi on his breach of contract claim, noting that Karacsonyi purchased the Mustang in 1977, when it was in very poor condition. He turned the car over to MM on March 30, 2007; MM had agreed to restore the car to a "Level 2 Restoration Driven Vehicle." There was no agreement on the total price for the restoration, but MM had advised Karacsonyi that the restoration cost would probably exceed the value of the vehicle. There was also no agreement as to when the restoration would be finished, but Karacsonyi had advised MM that the vehicle was to be a surprise gift to his son upon his graduation from the U.S. Naval Academy in May of 2009.

MM offered no evidence in support of its argument that Karacsonyi caused some of the "damages" by removing the vehicle from MM's control before the company was able to conduct a final examination or do safety checks. In fact, MM claimed that the vehicle was completed and restored to a Level 2 condition when it was returned to Karacsonyi, and that any defects in the restoration were caused by either abuse or faulty work performed on the vehicle after it left MM's workplace.

Karacsonyi got the Mustang back on July 9, 2009, after his attorney sent a letter to MM demanding that MM cease working on the vehicle and return it. Karacsonyi paid MM's total bill of \$64,735.78 for the work done on the car.

Karacsonyi then brought the car to two inspectors/appraisers. Larry Boardman of Classic Wheels LLC, said the vehicle had a fair market value of \$32,000, that it had not been restored to a Level 2 condition because of many visible defects, and that if it were restored to a Level 2 condition, the value would be increased by approximately \$7,000-\$9,000. Boardman did not estimate the cost to restore the vehicle to Level 2.

The vehicle was next inspected

by Brian Chaffee of E-Muscle LLC, who services and restores classic and muscle cars. He has extensive qualifications in the vintage car restoration business and has restored more than a dozen vintage Mustangs. Chaffee testified that the vehicle he inspected on December 6, 2010, was not in Level 2 condition because the "quality of workmanship is just not there." He supported Karacsonyi's claim that the vehicle needed considerable repairs and refinishing to reach Level 2 status.

MM countered that Chaffee did not inspect the vehicle until December 2010, 17 months after MM returned the Mustang, and that Chaffee's report should be disregarded because "anything could have happened to the vehicle during that period." However, the court found that the Mustang was garaged between July 9 and July 22, 2009, and that it was driven for only about 350 miles between July 22, 2009, and December 6, 2010.

MM offered the testimony of friends and employees that they had looked at the vehicle and that it was in Level 2 condition when returned to Karacsonyi.

The court determined that the evidence offered by Karacsonyi concerning the condition of the vehicle after it was returned was much more persuasive than the testimony of MM's witnesses. It noted that MM's witnesses who testified that the vehicle was in Level 2 condition when it was returned did not indicate the extent of, or offer any written notes concerning, their inspection of the vehicle.

Based on its review of the evidence, the court found that MM breached its contract with Karacsonyi when it failed to restore the Mustang to a Level 2 condition. It further found that the cost to restore the vehicle to a Level 2 condition would exceed \$46,422, which was the amount Karacsonyi sought in his breach of contract claim. The court therefore ruled in favor of Karacsonyi on his breach of contract claim against MM and awarded Karacsonyi \$46,220 (it is not clear why that figure differed slightly). The court dismissed Karacsonyi's other claims.

MM made a motion for permission to reargue or have the court reconsider its ruling; Karacsonyi objected to that motion. As of this writing (in mid-December), the court has not ruled on MM's motion. ☞