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December 19, 1995

Section: BUSINESS

Edition: FINAL

Page: 1C

FACING LAWSUIT, **CLASSIC MOTOR CARRIAGES** AGREES TO CLOSE

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Classic Motor Carriages is closed for business -- and it may take a court hearing, an infusion of capital and a new location for the manufacturer of vintage car kits to reopen.

The company, dogged by unhappy consumers and state officials for its questionable business practices, has agreed before a Dade Circuit Court judge to stop accepting orders for its popular replicars.

Eighteen months ago, the state sued **Classic** after hundreds of customers complained they paid \$9,000 to \$15,000 for car kits that were defective, incomplete or never delivered. At least 1,800 consumers have now filed complaints with the Office of the Attorney General.

As part of that suit, the state requested an emergency temporary injunction to stop **Classic** from operating. Judge Robbie M. Barr approved it last week.

"Our primary concern was that a new class of consumers would be created by new sales until the situation is resolved," said Herbert Stettin, special assistant attorney general. "We don't want them soliciting new orders without the ability to fill them or take care of the obligations they have already incurred."

According to state and **Classic** officials, the company has agreed:

* to no longer advertise or solicit orders unless the state is first given notice and an opportunity to go into court and request that the injunction become permanent.

* to change its answering machine to reflect the company's status.

* to return all checks paid to the company after Oct. 11, when the firm closed.

"We told the judge that we are not in production but that we are attempting to get up and running to make past due deliveries," said **Classic** Attorney Andrew Hall. "We agreed that while we are not in production, we will not sell more cars. It was the right thing to do."

In July 1994, the state sued, charging **Classic** with deceptive trade practices. Customers complained of high-pressure sales tactics and slow delivery of the kits, missing or defective parts, failure to issue refunds and poor customer service.

According to state officials, customers allege they are missing more than \$6 million in "back-ordered parts" which are needed to complete the cars. Other customers say they are missing \$3.5 million in paid-for kits that have yet to be delivered. Another \$662,000 is being requested in deposit refunds.

The company -- now known as **Classic** Auto Replicars Inc. (CARS) -- is also named in a foreclosure lawsuit involving Berkeley Federal Trust. The manufacturer was evicted shortly after Berkeley became the mortgage holder. Berkeley sued for nonpayment of about \$3.4 million in principal, interest and late charges.

About \$1.5 million of **Classic's** inventory was scheduled to be auctioned off this month, but the event was postponed after a private secured lender made a claim against the property.

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