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KENNETH E. STAKE and STAKE'S AUTO SALES, INC.,
a Pennsylvania Corporation, Plaintiffs,
v. GARY S. BOGGS and LAURIE F. MASON, Defendants,
C.P. Franklin County Branch, Civil Action A.D. 1997-339

Automobiles — Vehicle Code — Title and Registration

1. The Vehicle Code places the burden of title and registration upon the dealer, and all necessary paperwork must be submitted to PennDOT within twenty days.
2. After an automobile dealer has undertaken the duty to effectuate registration and title transfer after the sale and fails to properly do so within the statutorily prescribed time period, equity does not require the buyer to remit further payments on the original sales contract until the automobile may be legally driven.
3. When a buyer receives notice that the dealer's registration application was defective and thereafter gives notice of the error to the dealer, the dealer remains responsible for completing the registration because it assumed the duty and it is in a better position to deal with PennDOT.

Appearances:

Joseph A. Macaluso, Esq.

Jeffrey S. Evans, Esq.

OPINION

Walker, P.J., February 1, 2001

Procedural History

Plaintiffs Kenneth E. Stake and Stake's Auto Sales, Inc., initiated this action by complaint on August 19, 1996, alleging breach of contract against Defendants Gary S. Boggs and Laura F. Mason for non-payment on a 1991 Ford F150 XLT (hereinafter "truck") purchased from plaintiffs on March 31, 1995. After preliminary objections were filed by defendants and argued before this court, plaintiffs filed an amended complaint on December 23, 1996. Consequently, on January 24, 1997, defendants filed their answer with five counterclaims, asserting plaintiffs were liable for (1) breach of warranty of title, (2) violations of the Pennsylvania Unfair Trade Practices and Consumer Protection Law, (3) violations of the Pennsylvania Unfair Trade Practices and Consumer Protection Law - Debt Collection Trade Practices, (4) violation of the Federal Fair Debt Collection Practices Act and (5) fraud. Plaintiffs filed preliminary objections to defendants' counterclaims on February 14, 1997, and accordingly filed their reply to the counterclaims on June 3, 1997.

The matter eventually went before an arbitration panel on January 3, 2000, which awarded \$10,322.70 to plaintiffs with no attorney's fees on the breach of contract claim and awarded \$4,000 to defendants on their second counterclaim. Defendants accordingly filed an appeal to this court on June 14, 2000, a pre-trial conference was held on October 26, 2000, and the matter was tried in a one-day trial before this court on December 15, 2000. Plaintiffs and defendants have since submitted letter briefs to the court in lieu of closing arguments.

Findings of Fact

1. Defendants purchased a 1991 Ford F150 XLT from plaintiffs on March 31, 1995, for a purchase price of \$11,000.
2. Defendants agreed, pursuant to the Motor Vehicle Installment Contract signed on the date of purchase, to pay sixty (60) payments of \$266.48, beginning May 15, 1995.
3. Defendants made eleven (11) consecutive payments toward the truck, beginning on or about May 15, 1995, and ending in March 1996.
4. Defendants maintained auto insurance on the truck from approximately June 1995 to November 1998, making a payment of \$215 every six months.
5. After purchase, defendants' truck was capable of being legally driven with temporary registration tags until May 31, 1995.
6. Plaintiffs attempted to register the truck and transfer title for defendants by application(s) received by the Pennsylvania Department of Transportation (hereinafter "PennDOT") on May 16, 1995.
 - a. Plaintiffs did not include a weight on the application, thus the truck was unregistered and title was not transferred.
 - b. Plaintiffs included a \$39 fee which covered the costs for registration for a one-year period.
7. Shortly after it received the May 1995 application(s) for registration and title transfer of the truck, PennDOT mailed a letter to defendants which informed them that their paperwork was defective because the weight was omitted from the registration application.
8. Between May 1995 and March 1996, Laura F. Mason consistently contacted plaintiffs regarding the flawed paperwork and forwarded them her correspondence from PennDOT.
9. In April 1996, the defendants again signed documents for registration and title transfer at Stake's Auto Sales because plaintiffs had misplaced the original documents.

- a. The second application for registration included the weight omitted from the first application in May 1995.

- b. Defendants' names were on the truck's title on May 23, 1996, but the registration card finally issued was outdated because no fee was included by the dealer for the new registration period.

10. Defendants were not forwarded an original or copy of the outdated registration card issued on May 23, 1996, and sent back to plaintiffs via bonded messenger.

11. PennDOT did not send defendants a notice to renew their truck's expired registration, although it is their policy to dispatch such a notice on titles vehicles, regardless of whether they are already expired.

12. Defendants' truck was finally registered on November 16, 1998, after the registration fee was remitted.

Discussion

The factual findings in this dispute ultimately reveal that one side bought a truck from the other side but, due to error in registration, could not legally drive it until almost four (4) years later. Both parties, by way of their pleadings, have made efforts to make more out of the instant matter than what should be readily apparent given the facts. But instead of meandering off into issues concerning promissory notes and federal and state consumer protection laws, the real issue this controversy presents to the court for determination is whether plaintiffs or defendants bear the responsibility for failing to properly register the truck.

When an automobile is purchased from a dealer, the Vehicle Code appears to unambiguously place the burden of title and registration upon the **dealer**. See 75 Pa.C.S.A. §1103.1(d). The necessary paperwork must be delivered to PennDOT **by the dealer** within twenty (20) days of the purchase date, and, if not, the dealer will be found guilty of a summary offense. *Id.* Instantly, Plaintiff Stake's Auto Sales was and is a dealer, therefore the statutory provision is applicable, at least as to title transfer. As defendants purchased the truck on March 31, 1995, plaintiffs had twenty (20) days into April 1995 to submit the paperwork to PennDOT. However, in addition to the first application's impairment, it was received by PennDOT on May 16, 1995.

Regardless of whether §1103.1(d) solely applies to title transfer or to both title transfer and registration, plaintiffs here also undertook the obligation to properly register the truck by (1) charging defendants the requisite \$39 to register the truck on the date of sale and (2) assuming the

duty by thereafter submitting the application to PennDOT. Plainly, plaintiffs bore the duty to register and title the truck and did not fulfill both until November 16, 1998.

But the analysis must not end there, for although plaintiffs did not fulfill their duty to properly and timely submit the application(s) to PennDOT, it is now asserted that the burden should then have shifted back to defendants because PennDOT notified them of the error instead of defendants. Plaintiffs' argument is unconvincing on several grounds. First, the statute does not address such a shift of the burden. Second, the dealer is in a much better position and ostensibly has the requisite superior knowledge to deal with the vast bureaucracy that is PennDOT. Automobile dealers have an ongoing relationship with the agency, and they thus have an obligation to hold the hands of purchasers unfamiliar with the process. Third, plaintiffs had notice of the problem. Though PennDOT notified defendants of the problem with the first application, defendants then relayed this information on to plaintiffs continuously from May 1995 until March 1996.

Ergo, not only were defendants in a better position to facilitate the truck's registration, they had notice of the problem and did not take any steps to rectify it until April 1996. Meanwhile, defendants continued to make payments until March 1996. The court cannot conclude that equity compelled defendants to continue making payments under such circumstances. While it is of note that defendants probably should have simply delivered the truck to plaintiffs when they stopped payments, their failure to do so is not fatal. Indeed, their continued payments on the truck and the insurance payments evidence their credibility and good faith in this dispute. Finally, while title was finally transferred from plaintiffs to defendants on May 23, 1996, it is of no practical consequence, as defendants still had no realistic **use** of the truck until November 16, 1998, due to plaintiffs' possession of the expired registration card.

In sum, the court finds that plaintiffs did not fulfill their duty to properly register the truck, and, as a result, defendants could not drive their truck from June 1, 1995, until November 16, 1998. Hence, plaintiffs are only entitled to receive the remaining eighteen (18) payments due on the sales contract, totaling \$4,796.64. Defendants are entitled to the equitable relief of \$11,192.16, the amount due for the first forty-two (42) payments on the sales contract for the period between June 1, 1995, and November 16, 1998. Further, defendants are awarded an additional \$1,505, the amount defendants paid on the first seven payments to insure the truck with General Accident Insurance throughout this period. Defendants' request for treble damages and attorney's fees is denied.

ORDER OF COURT

February 1, 2001, the court having considered the evidence presented at the December 15, 2000, trial of this matter, it is hereby ordered that defendants are awarded \$12,697.16, the amount due on the sales contract and insurance for the truck between June 1, 1995, and November 16, 1998. Plaintiffs are entitled to receive \$4,796.64, the total of the eighteen (18) payments due from defendants on the sales contract after November 16, 1998.