

**STATE OF MICHIGAN**  
**COURT OF APPEALS**

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JAMES CRAIGIE and NANCY CRAIGIE,

Plaintiff-Appellants,

v

RAILWAY MOTORS, INC.,

Defendant/Cross-Appellee,

and

UNIVERSAL AUTO RECOVERY,

Defendant/Cross-Plaintiff-Appellee.

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UNPUBLISHED

June 9, 2000

No. 213573

Oakland Circuit Court

LC No. 97-548607

Before: Kelly, P.J., and Doctoroff and Collins, JJ.

KELLY, J. (dissenting).

I respectfully dissent. I do not believe this case should have been decided on motion for summary disposition.

Defendant Railway Motors, Inc. acknowledged that it provided Universal Auto Recovery, Inc. with a forged certificate of title on which it named itself rather than the Money Store as the legal owner. How that certificate could support the repossession of the plaintiff's van is not explained, and the certified records of the Department of Motor Vehicles establish, and Railway freely admits, that it did not file its security interest until six months after repossessing the van.

California is a "full title" state, which means "that a buyer who has no actual knowledge of a defect in title is entitled to rely upon the information reflected on the registration and ownership certificates, without further inquiry." *Louis & Deidrich, Inc v Cambridge European Imports, Inc*, 189 Cal App 3d 1574, 1587; 234 Cal Rptr 889 (1987). The California Vehicle Code provides the exclusive method by which a security interest is perfected in a motor vehicle after registration. The registration and titling information filed with the California DMV named The Money Store as the lien holder, and, as such, it was the legal owner of the vehicle until legal ownership was conveyed to Railway

on August 7, 1997. Plaintiff received a letter dated January 6, 1997, from The Money Store stating that it had financed the purchase. Plaintiff was entitled to rely on this information. Furthermore, Railway admitted that it altered the DMV record to indicate that it was the registered lien holder at the time of the repossession. The forged copy was provided to Universal as proof of Railway's right to repossess. At the very least, this evidence created a question of fact concerning legal ownership of the vehicle.

There is also evidence that Railway failed to complete the financing documents Truth and Lending Disclosure before obtaining the plaintiffs' signatures. The California Automobile Sales Finance Act mandates that a seller shall not obtain the signature of a buyer to a contract when it contains blank spaces to be filled in after it has been signed. Cal Civ Code § 2981.9 (West 1999). Every contract subject to the Act must contain the disclosures required under Regulation Z. Cal Civ Code § 2982 (West 1999). If the seller violates any provision of § 2981.9, or certain provisions of § 2982, the contract is deemed unenforceable. Cal Civ Code § 2983 (West 1999). I believe it is a fact question as to whether or not the financing document was properly completed and, consequently, enforceable.

I would reverse.

/s/ Michael J. Kelly