

## What Really Happened to John Calicchio & EuroMasters Classic Cars?



It was January 2008, while in retirement; I had a vision of opening a Classic Car Dealership with a Disneyland like environment. My vision was filled with rows of classic cars being displayed on carpet and tile, classical music being piped throughout the facility and high-end service and parts departments bustling.

In June of 2008, EuroMasters Classic Cars, with its 37,000 sq. ft. building on 2-acres of land became a reality; opening its doors to the public. EuroMasters began to flourish despite the recession which had plagued the nation by fall of that year. The business continued growing, doubling its sales annually with sales, service, parts, paint, upholstery, and a special events center. The only problem was that this continued accelerated growth required huge amounts of working capital, which I funded personally until my cash reserves ran out. I wasn't too concerned since I had a substantial line of credit with my bank. Unfortunately I was wrong. It was now 2011 and the recession had drastically changed the bank's lending rules.

I applied at many banks and lending institutions and even though my credit score was excellent, they all came back with the same answer; "Sorry, were hardly lending especially to car dealerships which are constantly closing down".

In July 2011, as a quick cash-raising effort, we sent flyers out to local car businesses to see if they wanted to purchase our excess slow-moving inventory. Within a day or two, the Fountain Valley detectives appeared at our doorstep with a search-warrant to confiscate our computers and records. It seemed a customer owed money to by Euromasters saw the flyer, got over-excited and called the police department to have us investigated saying "it looks like they're liquidating and leaving town". Prior to this, in an effort to save EuroMasters, I worked out a partnership agreement with (7) interested parties, (2) of which signed contracts with me and the remaining (5) put forth letters of intent. Interestingly enough, one of them was Winston Chung, the famous electric car battery manufacturer who took a liking to my electric Porsche Speedster project and agreed to purchase EuroMasters for \$3m (as was reported in the Orange County Business Journal). We shook hands on the deal, but before the final contract was signed, disaster struck; it was announced that Mr. Chung was unable to remove funds from China which negated our agreement. I went back to the other interested parties, but by then, they had either moved on or were no longer interested because of bad press and wide-spread rumors of the business possibly closing. Although I had received (6) complete classic Porsche restoration orders valued at \$300,000 and booked over \$250,000 in special events for the 4<sup>th</sup> Qtr of 2011, I was unable to sustain the daily expenses any longer. EuroMasters was forced to permanently close its doors on September 15, 2011; a sad day for our loyal supporters, friends & customers.

**The Captain Goes Down With the Ship.** It seemed there was a brewing lynch-mob consisting of eight affluent customers pressing for criminal charges against me personally for their losses at EuroMasters totaling \$154,000. I had conversations with all of those customers including emails, letters and Promissory Notes from me assuring these folks that I would personally pay them when I got back on my feet. As a matter of fact, I paid several of those customers before EuroMasters closed. Despite this, without warning or questioning, in late October 2012, I was arrested at my home on charges of embezzlement by fiduciary responsibility, *not able to pay customers for their consignments within 15-days after the sale (which was true)* and money-laundering, *suspicion that monies were moved from one bank account to another in order to hide their existence (which was un-true)*. The fact is that monies were regularly moved from one account to another as a normal practice in order to support the business. If this weren't enough, *grand-theft charges were also added because the same customers' losses exceeded \$950*. Apparently if found guilty of these charges, I could serve up to 17 years behind bars! After a forensic study conducted by the District Attorney, it turned out that **I never personally received any money as the DA originally presumed**. Rather than dropping the case, the DA recommended to the judge that I instead serve 16-months of home confinement if I would agree to a Plea-Bargain; (this meant I had to agree to lesser charges even though they were not true). Not trusting the justice system, I accepted the terms rather than risking going to prison for something I didn't do.

In Conclusion: **"If It Bleeds It Reads"** a direct quotation from a friend of mine who works for the LA Times. Newspapers would have you believe that I was ripping people off when in fact I was rarely involved in the day-to-day accounting transactions; busily running the business and trying to raise needed working capital. "I do however take full responsibility for all actions of Euromasters since it was my company". It should be mentioned that over 200 classic cars were delivered to satisfied customers along with service, parts and great memories from our Special Events Center. The fact of the matter is that the District Attorney needs to win cases and the media needs to sell newspapers. Unfortunately, because of today's online search engines such as Google, Bing & Yahoo, this news remains permanent.

*John Calicchio*