

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 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, opening its doors to the public, EuroMasters Classic Cars, with its 37,000 sq. ft. building on 2-acres of land became a reality. 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, exceeding expectations from car 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 an 820 FICO score and a \$750k line of credit with my bank. In 2011, the recession had drastically changed the bank's lending rules, and they closed my credit line. I asked why? answer; "Sorry, we're hardly lending to

anyone, especially car dealerships, which are now continually closing down". Huntington Beach Ford was one of them.

As an immediate cash-raising effort, EuroMasters sent flyers out to local car dealers and customers offering to sell its excess, slow-moving inventory. Within a day or two, without forewarning or discussions, the Fountain Valley police detectives appeared at our doorstep, wanting 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, we worked out a partnership agreement with (4) interested parties, (2) of which we signed contracts, and the remaining (2) 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 part of EuroMasters for the sum of \$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 obtain funds from China, which negated our agreement. We 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 we had received (8) complete classic Porsche restoration orders valued at \$300,000, and additional booking over \$250,000 in special events for the 4th Qtr of 2011, we were 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.

Delayed Payments to Customers Owed for the Sale of their Classic Cars. Despite attempts to pay customers for their sold cars in a timely manner, (7) customers were owed for the sale of their cars, (3) were paid before EuroMasters closed, and the remaining were paid from insurance company settlements.

The Captain Goes Down with the Ship. As there were no investors, and since John owned the company outright, he took full responsibility for the customer's temporary losses. "I take responsibility as owner of the corporation and pity the District Attorney's office for bringing forth fake charges" John was arrested, and despite having no trial in lieu of plea-bargaining, was immediately booked & released, and never served any jail time; before or after.

What Brought Forth Criminal Charges? The arresting officer said "John, I know you didn't commit any crime, but one of your clients was an attorney and twisted the District Attorney's arm to press charges to make certain that he would get paid for the sale of his classic car"

District Attorney -The District Attorney's office soon after underwent further scrutiny, and was found to be perpetrating cases with devious conduct. Sited articles OC Business Journal...

Things Aren't Always as They Appear. Other than being booked and released, I never spent a day or night in jail, as the news media would have you believe otherwise. "**If It Bleeds It Reads**" a direct quotation from a friend of mine who works for the LA Times. To up their ratings, newspapers sensationalize the news even with lies, rather than to just tell the truth. Did the newspapers ever mention that over 200 classic cars were delivered to satisfied customers? The plain fact is that the media needs to sell newspapers. Unfortunately, because of the internet, bad news remains permanent; a real tragedy to those who are innocent.