

Sean Brannigan KC and Alexander Wright successfully act for Michael Tuke in classic car litigation against JD Classics Limited

Sean Brannigan KC and Alexander Wright have successfully acted for Michael Tuke against JD Classics Limited (“JDC”), one of the world’s leading classic car dealers, arising out of a long-standing relationship in which Mr Tuke bought and sold a large number of high value classic cars through the agency of JDC. The judgment on the Pre-Trial Review ([2018] EWHC 531 (QB)) has already attracted significant press interest from inter alia The Daily Telegraph and The Times.

Mr Tuke sold his business Finsbury Orthopaedics Limited in 2009 for a total pre-tax consideration of over £60 million and in December 2009 approached JDC’s Managing Director Derek Hood for advice as to investing the proceeds of the sale into classic cars. Mr Hood offered to advise him on both the buying and selling of such cars and commented that he could “double” Mr Tuke’s money. Mr Tuke immediately purchased four cars for a total price of £5.4 million, including a Bugatti Veyron that had previously been owned by Jenson Button. Through 2010, Mr Hood persuaded Mr Tuke to purchase a further 17 cars for a total of over £14.5 million. From 2011 onwards, Mr Tuke entered into fifteen sales transactions, many involving part exchanges for other cars. The total value of the cars involved in these sales and purchases was estimated to be about £40 million.

Mr Tuke sustained very substantial losses on those cars and commenced four separate actions against JDC and/or Mr Hood involving a number of allegations of misrepresentation and fraud. Mr Tuke also sought delivery up of certain documents and an account of profits on the basis that JDC acted as his agent in connection with these transactions.

In a judgment handed down today ([2018] EWHC 755 (QB)) on the first of those four actions to reach trial, Mr Justice Lavender accepted that JDC acted as Mr Tuke’s agent and that it accordingly owed him fiduciary duties and was obliged to provide him with the relief sought.

The Learned Judge also concluded that Mr Hood had engaged in “deliberate and dishonest conduct” concerning representations made as to the ownership of a Jaguar Lister Knobbly in respect of which Mr Hood had “paint[ed] a false picture” by claiming that it was owned by the potential buyer of a Jaguar XKSS when it was in fact owned by JDC. Mr Hood declined to give evidence at trial but the Learned Judge considered that the reason for his dishonesty was “clear”, namely a desire to sell the Jaguar Lister Knobbly – at what Mr Tuke says was a gross overvalue – by “pretend[ing] that it was being offered in part exchange”. Other similar allegations of fraud are to be resolved in the three ongoing actions.

Sean Brannigan KC and Alexander Wright were instructed by Michael Grenfell of Wilmot & Co Solicitors LLP, one of the country’s leading solicitors in specialist classic car litigation.