

CHAPTER 28 ACTIVITY
Analyzing

Directions: Review the law on disclaimers of implied warranties on pages 344–345 in the Student Edition. Then read the case below, and answer the questions that follow.

The Corvette

Thomas is looking for a sports car and sees a used Corvette Stingray at Karl's Used Cars. After looking over the car, he inquires whether a wavy patch of paint means that the car has been wrecked and repaired. Karl responds that as far as he knows the car has not been wrecked. Karl also tells Thomas that the car is in "top condition" and is therefore priced above the blue book value. Thomas buys the car. At the time of sale, Karl asks Thomas to initial the following statement as part of the sales contract:

"I understand that Karl's does not provide any warranties whatsoever, and the auto is sold as is and with all defects..."

Karl tells Thomas that this provision is to protect him from buyers who punishingly drive high-performance cars like Corvettes and then complain of engine problems.

After driving the car for a week, Thomas notices that it vibrates severely in front and drifts to the right. He complains to Karl, but Karl is unable to fix the problem. After driving the car a few months, Thomas finds that the tires are wearing out very quickly. Finally, after five months, the car breaks down.

When Thomas takes the Corvette in to another mechanic, the mechanic notices that the car's frame had been welded, an indication that the car had been previously wrecked.

Thomas takes the car back to Karl and demands his money back, plus the cost of the repairs he made to the car. Karl points out the provision that Thomas initialed and denies any responsibility.

1. Is the provision a disclaimer?

2. How does it affect Thomas's right to recover from Karl?
