It’s The Solution That Counts

The handling of complaints about some Tartan and C&C boats in recent years raised quality-control questions, but the two new owners of the boatbuilding company are working hard to change that

By Caroline Ajootian

It’s not uncommon for unforeseen problems to occur with new boats and new products — even among the best and most respected brands. Although no one is ever happy about it, customers and manufacturers understand this does happen. The BoatU.S. Consumer Protection Bureau’s files show that what occurs after the discovery of a problem — how customers are treated, and how well problems are resolved — makes all the difference.

During the past three years, owners of boats made by Tartan Yachts and its sister company, C&C Yachts, reported structural problems with their boats to BoatU.S., claims supported by marine surveyors hired by the boats’ owners. A few owners have even sued the companies. In some cases the boatbuilder disagreed about the severity and cause of damages; in some cases claimed the boat owners themselves were at fault; in some cases denied boat owners’ requests for repair assistance on boats the owners believed should have been covered by the manufacturer’s warranty; and in some cases the builder tried to remedy the problems, despite the boats being well past their warranty periods.

For their part, Tartan and C&C note that before the economic slowdown, they were building as many as 100 boats each year and, on balance, claim they had — and continue to have — far more satisfied owners than ones who’ve expressed dissatisfaction.

Background On The Builder

In the early 1990s, attorney Bill Ross bought the assets of Fairport Yachts, Inc., which built Tartans. In 1997, he added C&C Yachts to the stable. According to U.S. Coast Guard records, Fairport Yachts, Inc., then became Fairport Yachts, Ltd., in 1999; then Novis Marine in 2004. Ross transferred assets again in January 2008 to Grand River Investments, and in 2009 when the company acquired Legacy and Freedom Yachts and it began operating under the name Hanover Marine, LLC.

Tim Jackett, chief designer and company president, explained the reason for the name changes: “The simple answer is that, as we had some additional investment coming into the company, this was a method of protecting investors.” Those new investors wouldn’t be liable for warranties on boats built by, or any pending lawsuits against, the previous holding corporations with whom the new investors hadn’t been involved, he said.

Just before the start of this fall’s boat show season, Jackett sent out a press release announcing that Hanover Marine now had brand-new owners — that he, along with Steve Malbasa, a retired corporate executive and owner of a Tartan 4300, had just bought the assets of Tartan and C&C Yachts from Bill Ross. Jackett told BoatU.S. that Ross is no longer affiliated with Hanover Marine.

In his press release, Jackett wrote, “We are committed to making the Tartan and C&C ownership experience our top priority by ensuring our designers, builders, and sales team understand and appreciate that every yacht we build must be the best yacht we build.” Jackett’s announcement coincides with the 50th anniversary of the launch of the first Tartan, a 27-foot sloop designed by Sparkman and Stephens. The boats have always been built in Ohio, along the shores of Lake Erie east of Cleveland. The company currently employs about 50 people at its new facility in Painesville, Ohio, and during the current economic downturn has been building 20 to 30 boats a year. Production is expected to increase slightly in 2011, Jackett said, when a new 40-foot Tartan model will be added to the seven models currently in production. He also said two new C&C models will be added to the three current ones.

Playing Catch-Up

The new owners of the company have pledged to make “our customer service experience a better one tomorrow than it is today,” Jackett announced. He and Malbasa state they are ready and willing to roll up their sleeves and do what it takes to make this happen going forward. However, they may have some public-relations work ahead of them in order to accomplish that. The BoatU.S. Consumer Protection Bureau’s files contain the following reports involving Tartan and C&C prior to Jackett and Malbasa taking control of the company in 2010. (It’s the policy of BoatU.S. Magazine not to print the names of members filing complaints, but we do require written documentation before following up on complaints. In cases that have been litigated, the court records are public.)
Blue Heron, a 2005 Tartan 3700

In 2009, BoatU.S. Magazine ran a story about a Tartan 3700 that, in December 2006, developed a crack in its hull and came close to sinking in rough seas about 12 miles off the coast of New Jersey, while en route to Annapolis. U.S. Coast Guard vessels equipped with pumps were unable to staunch the flooding. A salvor rescued the boat and brought her to port, where a 28-inch crack was found in the hull parallel with the centerline forward of the keel; the area was also delaminated.

As part of legal proceedings to collect the salvage fees, the salvor hired a marine surveyor who inspected the boat. The surveyor wrote, “It appears the fracture was caused by fatigue from flexing of the hull in an area with no transverse or longitudinal support.” Stringers that run the length and width of the boat are typically used to reinforce hulls to prevent fiberglass panels from bending. The surveyor said the damage did not appear to be caused by impact.

According to the boatbuilder, the boat was returned to the factory and promptly repaired to the owners’ satisfaction. The owners did not respond when contacted by BoatU.S.

Two Messages

In July 2007, Tim Jackett sent a memo addressed to all Tartan and C&C dealers in response, he said, to an Internet blog set up by the owner of another Tartan 3700. This owner’s website contended there were corrosion problems with his boat’s Yanmar sail drive, and also publicized the near-sinking incident of that Tartan 3700 off New Jersey. The boatbuilder threatened legal action against the website, saying accusations by website posters against the company were false. Shortly thereafter, those threads were removed from the Internet. It was the boatbuilder’s position that Tartan was not responsible for the sail-drive problem, because Yanmar had manufactured the unit.

The memo to the Tartan dealers from Jackett stated that problems had been blown out of proportion by a few disgruntled owners who’d posted their complaints online. Of the near-sinking, the memo said, “We may never know the exact cause of the damage,” concluding that it was the result of “several contributing factors, including improper rig tuning.” The memo also stated that “higher speed pounding” while the boat was being towed ashore made the hull crack worse. His memo said that other boats built during the same time frame were inspected and the company “found no evidence that suggests a chronic laminate deficiency that would be reason for concern for other boats.”

The following December, the builder and its then-parent company, Novis Marine, Ltd., sent letters to owners of Tartan 3700s, hulls 58 through 119, inviting them to bring their boats to dealers for inspection. “Over the past few months, there has been a considerable amount of Internet ‘chatter’ regarding the safety of Tartan 3700 hulls,” the letter stated. “This chatter has been exacerbated by the fact that Tartan Yachts and Novis Marine have been slow to respond to the concerns of owners. Quite frankly, we’ve not done a good job of communicating with you,” Jackett wrote to the boat owners, and he acknowledged that the hull of the rescued boat “did not have the proper amount of overlap in a short section forward of the keel stub, as required by the laminate schedule. Over time, the comparative lack of strength in this area allowed it to gradually delaminate, ultimately resulting in the crack … The weak area was located under the floor pan, making it very hard to see.”

---

Now BoatU.S. Members can get $25 off a weekly rental or a FREE single upgrade from Avis. That’s in addition to your savings of up to 25% when you use your Avis Worldwide Discount (AWD) # A637200. Just mention the coupon number of your choice when making your reservation.

$25 Off a Weekly Rental
COUPON # MUGA219

Free Single Upgrade
COUPON # UUGA042

For reservations, visit avis.com/boatus or call 1-800-225-7094.

**BoatU.S. Magazine** DECEMBER 2010

©2010 Avis Rent A Car System, LLC
In addition, the company said it assumed responsibility for the problem, and repaired the boat to its owners’ satisfaction.

Earlier this year, the Tartan 3700 owner with the problematic Yanmar, whose blog launched the company’s memo and letter, was awarded more than $1 million damages in a lawsuit that he filed against Novis Marine. The jury in the Harris County, Texas, District Court trial found that Novis violated the Texas Deceptive Trade Practices Act and engaged in “false, misleading or deceptive” actions, as well as committed fraud for representing that its vessels equipped with Yanmar sail drives were reliable and required little maintenance other than changing zincs, according to court records. An appeal of the verdict is possible.

1997 Tartan 4100 (Hull 24)

In 2005, according to its owner, this boat developed a crack at the centerline at the forward edge of the keel while sailing in moderate seas on Lake Michigan. The boat was two years out of warranty, so the boat owner paid for repairs consisting of grinding out the damaged area of the hull and reinforcing it with additional layers of fiberglass cloth and resin.

“In 2007, during the Chicago to Mackinac Race, approximately 40 miles offshore at night, the hull failed again while sailing upwind in moderate air,” the owner told BoatU.S. “Fortunately we were able to keep up with the intrusion of water.” A naval engineer, a naval architect, and a marine surveyor, all hired by the owner to assess the damage and advise on proper repair methods, were of the opinion that the mast-step area was improperly designed, causing a stress point in the hull. In addition, the experts told the boat owner that the hull laminate where the mast was stepped appeared inadequate, the stringers didn’t extend far enough forward of the mast step to spread the load, and transverse stringers in the same area were cut to accommodate the bilge sump. They also reported that the stringers were not firmly affixed to the hull in places.

The owner contacted Tartan, enlisted Tim Jackett’s help, who, the owner said, “developed a detailed written repair protocol, complete with drawings,” which the owner’s engineer, architect, and surveyor reviewed with the repair technicians before work began. Repairs were made at the owner’s expense.

1997 Tartan 4100 (Hull 12)

“At the time of commissioning in 1997, the boat immediately started taking on water,” this Tartan owner reported to BoatU.S. “The fitting containing the pennant for the centerboard had not been glassed in.” This and a number of other problems the owner identified with the boat were repaired at Tartan’s expense.

In early 2010, however, the owner said he discovered water “seeping through the fiberglass for the entire length of the bilge, in one area so rapidly I could not get it dry.” According to the owner, cracks were found on the hull interior at the keel and along both sides and forward of the keel on the exterior, where the repair technicians found “a large void and deteriorated fiberglass.”

Initially, the boat owner was told that the boatbuilder wouldn’t help because the boat’s warranty had expired, and the problem was “due to normal age.” But then, late this past summer, new owners Malbasa and Jackett offered to pay a portion of the bill.

Discussions were still underway when this issue of BoatU.S. Magazine went to press in late October.
2007 C&C 115 (Hull 64)
The Seattle owner of this C&C 115 says that from the time he took delivery, it always performed differently on the port and starboard tacks in terms of speed and how close to the wind it could point. Tuning the rig was also a problem, he said. “We tried countless initial combinations of tension,” the owner said, “but always wound up with a warped mast.” He says he discovered that the deck was off-center to starboard by 1 1/2 inches, and the measurement from chain plate to mast corner was about 1 1/4 inches different from side to side.

Estimates obtained by the boat owner put repair costs at more than $33,000, so he and his dealer contacted the builder in March 2010, and forwarded photos and diagrams. No response was forthcoming by mid-June, the boat owner said, so he threatened legal action. Jackett responded: “One of the norms of the industry is that no builder guarantees symmetry. Even in strict one-design classes, there are variations and those variations often do result in a boat that the variables all line up to deliver either a better-performing boat or conversely a poorer-performing boat.” The boat owner says the builder asked for more photos and diagrams, but over time the owner eventually lost hope for a prompt resolution and sold the boat.

2002 C&C 121
Shortly after taking delivery, the owner of a new C&C 121 discovered what he believed were manufacturing deficiencies, including an undersized propeller, undersized deck hardware, lack of tabbing for cabin and deck structures, as well as mast and rigging problems. According to the boat owner, there were also problems caused by the dealer, who, as part of the sale arrangement, painted the boat’s white gelcoat dark blue for greater visual impact, and used it as a demo at a boat show. The paint job was flawed, and the boat was damaged by the movers at the end of the show. After it was repainted at the builder’s expense and returned to the owner, the boat owner said he discovered the manufacturing deficiencies, and contends that the builder was unwilling to correct them.

The owner encountered further problems when he sailed the boat. “As longtime racers, we were surprised when the mast pumped violently in the center sections.” The builder maintained that the owner had rigged the mast incorrectly, but nevertheless the builder did provide the boat owner with a replacement mast.

According to the owner, cracks developed in the hull, above and below the waterline, and in the transom, which he documented in photographs. He tried to work with C&C to repair the boat (estimates according to his warranty claims were that this would cost about $20,000) but neither side could reach an agreement. The owner eventually sued C&C Yachts, Novis Marine, and Fairport Yachts, Ltd. In November 2009, he won a default judgment of $332,000 because the companies didn’t defend themselves in court, according to court records. The boat owner is attempting to collect this amount.

1999 C&C 110
During the summer of 2006, the owner of this C&C 110 says he discovered that the core of his boat’s hull was saturated with water. Even though the boat was well past warranty, C&C agreed to make repairs at its own expense and the boat was returned to the Ohio factory in late 2007, where it remained for 12 months. The
owner visited the factory three times while repairs were underway. After the boat was returned to him in late 2008, he said he found a leak where he believed a screw had pierced the hull during the repair process. The boat was hauled out, at which point a two-foot crack was found on the port side and, again, the moisture level of the hull core was high, according to the owner.

The boat owner said C&C acknowledged that the repairs were unsuccessful, was at first willing to make further repairs, but then disagreed with the findings of the surveyor hired by the owner, who concluded, “The failure of the repair conducted at C&C Yachts is essentially catastrophic for this cored hull.” Attempting to repair the boat again, the surveyor said, “will probably cause the vessel owner to lose use of his vessel for another year or so wherein he has already lost it for a full year.” The surveyor recommended that C&C give the boat owner a new boat. C&C disagreed, pointing out that it had already attempted to repair the boat once at its expense despite the fact that it was out of warranty.

When negotiations between boat owner and builder broke down, the matter was reviewed by the “BetterBOAT” dispute-resolution panel, which consists of marine-industry peers. The panel reviewing this case included a representative of the National Marine Manufacturers Association, a Florida boat dealer, and a marine surveyor in Illinois. But members of the panel said that after waiting for two months in 2010, C&C, as represented by Bill Ross did not provide promised documentation and therefore the panel was unable to help both sides reach a resolution. However, the panel did conclude that “the builder is still responsible for properly completing the initial repairs to the boat, i.e, repairing the core material of the hull. We also concluded that the builder is responsible for repairing the cracks in the hull that resulted after stepping of the mast after the initial repairs had been attempted.”

In response to the BetterBOAT panel’s statement, in October 2010, Jackett wrote to BoatU.S.: “We would be interested in taking up a new dialog with [the boat owner].” Subsequently, the owner went to Ohio to discuss, according to Jackett, “some ideas for a satisfactory solution.” Just before press time, the boat owner told BoatU.S. that he’d had several phone calls and a long meeting with Steve Malbasa, and that he and the new owners may be on their way to an “amicable agreement.”

Going Forward
Every builder is bound to have manufacturing and quality-control complaints from time to time, and some, such as the allegations described, can be serious. Given the large number of boats built by Tartan and C&C, there also appear to be many satisfied owners with well-built boats produced by this builder.

Both Steve Malbasa and Tim Jackett say they plan to continue to ramp up their customer-service and quality-control procedures now that they own the boat-building company, but stress that previous claims and judgments against the predecessor companies are “strictly between” those companies and the boat owners.

Going forward, however, Malbasa, who bought a Tartan 4300 shortly before buying the company with Jackett, assured that any complaints will be handled properly. In fact, he said, he hoped such problems may never arise again.

“What we want to do is build a quality boat and have a high level of quality control,” Malbasa said. “There will always be issues. But, if there’s a legitimate warranty claim, we’re going to honor it. It’s our goal to operate our business with a ‘customer first’ focus.”

Help and SOS buttons give access to emergency assistance if needed.

Communicate.
SPOT’s satellite GPS technology lets you communicate your current location and that you are OK with a push of a button.

Summon Help.
Help and SOS buttons give access to emergency assistance if needed.

Track.
Record and share waypoints, photos and stories of the trip with friends, families or others.

SOS

BONUS Adventure Kit
A $50 value! Includes safety gear and a 15% off Basic Service certificate!

Available with purchase of a SPOT Satellite GPS Messenger at participating retailers starting November 2010 for a limited time while supplies last.

SPOT Assist Maritime offers a direct link to North America’s largest 24-hour on-the-water towing service with a push of the Help button. Subscribe to this additional service and link your SPOT today.

findmeSPOT.com

Bonus
Adventure Kit