Unhappy Endings

Ever wondered what happens when the rich can't make their yacht payments? Jeffrey Barthalet went to Florida to find out.

By Jeffrey Barthalet
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June 12 — It’s a beautiful morning to nab a $1.5 million motor yacht. The predawn mercury is topping 70 degrees, there’s a balmy breeze and we’re speeding along in an inflatable, hard-bottomed tow boat toward a marina in North Palm Beach, Fla. It won’t be long before the sun brings out other sailors and dockhands. But by then, if all goes according to plan, our six-man crew will have motored off with a 58-foot Viking sports-fishing boat, replete with Global Positioning System, four TVs, DVD player, fax machine and a freezer stocked with bacon and Häagen-Dazs.
THE RAIDING PARTY INCLUDES some old salts, like Capt. Dag Bildback, a 55-year-old Swede who has skippered ships from the North Atlantic to the South China Sea. "I just drive the boats," Bildback says as we glide through the darkness en route to the marina. "I let the other guys do the nasty stuff."

What that means, precisely, is not clear to me at this point. What I do know is that this is not your usual boat heist; it's what bankers gingerly call a "self-help" repossession—meaning that no U.S. marshals or other law-enforcement people are involved. Typically in such cases, the owner of the boat missed his or her payments for three or more months, and the bank decided to seize its collateral. The bank then turns to specialists, in this case National Liquidators of Fort Lauderdale, to grab the boat. The crew along for today's operation knows its business: In addition to Capt. Bildback and another freelance boat captain, Robert Norling, we've got a licensed repo man aboard—with the requisite bank papers showing that we're authorized to "recover" the vessel in question.

No national agency monitors the yacht repossession business, so reliable statistics are impossible to come by. But as the economy weakens, businesses that specialize in repossession of luxury toys like boats and planes seem to be enjoying good times. "I can't say I'm complaining," says Robert Toney, owner and president of National Liquidators. In the first quarter of this year, Toney says, National Liquidators repossessed 171 boats worth a total of $7.86 million. That is up from 143 boats worth $2.86 million in the first quarter of 2000, and 85 boats worth $1.92 million in the first quarter of 1999.

As we approach the Viking, it seems increasingly likely that this year's second-quarter earnings will enjoy a spike. The rules of the raid boil down to this: the repo men cannot "breach the peace." If someone is on the boat or dock and tells us to beat it, we have to obey. On the other hand, if the Viking is already off the dock when the first protest is shouted, the rules get a little gray.

So our goal is to get the boat out of its slip as quickly as possible. Every crew member has a job. Capt. Norling's task is to walk down the dock and stall anyone who might approach. Everyone else jumps aboard and gets to work. The licensed repo man checks the hull number—to be sure that we're not grabbing the wrong vessel—then bangs on the cabin door to awaken anyone who might be sleeping aboard. (On a previous predawn raid with a different crew in New England, another repo man told me of how he once towed a boat off the dock, only to face a sleepy passenger armed with a flare gun. The repo team retreated, but the boat was seized again later anyway.)

On this occasion, not a soul is around. We cast off from the pilings, and throw a line to the tow boat, which pulls the Viking from its slip and away from the marina. Some of the team have tools to break into the cabin, but that's not necessary: it only takes a few frantic minutes to find the keys stashed in an outside drawer. Ten minutes later, after a check of the engine room, Capt. Bildback hits the ignition switch. "All right, gentleman," he proclaims. "We have steering, and we have engines." Some of the team climb back into the tow boat for a short ride back to shore; the rest of us enjoy a three-hour ride to National Liquidators' docks in Fort Lauderdale.

The trip allows some time to inventory the boat. Personal belongings, including clothes, three fishing rods and a photo album, will eventually be returned. But at this moment, the owner of the Viking doesn't even know that her prized possession is gone. The repo captains, steering the vessel over the five-foot swells along the Florida coast, are merely pleased that the job went off without any nastiness.

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