

Austin lawyer brings Hungary automaker here

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Austinite Stacy Zoern (left) and Istvan Kissaroslaki of Hungary plan to open a plant in Pflugerville that will make electric cars for people in wheelchairs.

Austin lawyer **Stacy Zoern** called a struggling Hungarian company last year simply to buy a wheelchair-accessible electric car. Now she's running the business, relocating it here and raising the capital so it can open an assembly plant in Pflugerville north of Austin.

Earlier this month, Hungary-based Kenguru Services KFT merged with Zoern's Community Cars Inc., which has infused the project with \$250,000 to ramp up production of a tiny, bright yellow vehicle called the Kenguru.

Smaller than the two-seat Smart car, the electric-powered Kenguru enables wheelchair users to roll into the vehicle and drive it without leaving the wheelchair. With a top speed of about 25 mph, it's not designed for freeways. But it's street legal and enables users to get around urban areas without assistance, said Zoern, an associate at the intellectual property law firm Daffer McDaniel LLP.

Kengurus, which have models operated with joy sticks as well as handle bars, sell for about \$20,000. The company already has orders for 700 in Europe, but it needs to sell about 1,200 to break even, Zoern said.

Estimates of wheelchair use vary, but most agree the number of users is about 3 million nationally.

Modified vans for wheelchair users can cost \$50,000 to \$60,000. The Kenguru would provide a more affordable option to those seeking a measure of independence, said **Chase Bearden**, director of advocacy for the Coalition of Texans With Disabilities.

“Not everyone with disabilities would drive them,” he said. “But it’s a cost-effective way to get access.”

Community Cars plans to raise \$700,000 in addition to the \$250,000 already raised to fill its supply chain inventory. Natural demand would take care of the remaining marketing of the vehicle, said investor and Community Cars Chairman **Chad Huston**, who is also a lawyer at Daffer McDaniel.

“Orders are not our problem,” he said.

The launch of Community Cars would have good timing because of the developments in electric-powered vehicles nationally combined with the targeting of alternative energy companies by Pflugerville officials. In December, developers of a planned \$200 million Pflugerville solar farm — the largest of its kind in Texas — broke ground. It’s expected to create about 350 jobs during the next two to three years.

Community Cars expects to have 15-40 employees when it ramps up its assembly plant later this year. Zoern and her Hungarian partner, Istvan Kissaroslaki, have already hired a chief financial officer and technical director.

Charles Simon, executive director of the Pflugerville Community Development Corp., said the city hasn’t reached any agreement with Community Cars.

But Pflugerville CDC President **David Clay** said clean-technology companies such as Community Cars could be housed at a business park that is scheduled to be ready for tenants by midyear.

“I believe clean energy is definitely a viable industry that would be good for our city,” he said.

The Kenguru’s initial version was developed in about 2000 by Rehab Ltd. in Hungary, but it never progressed beyond the prototype stage. Then in 2003, Kissaroslaki, who was Rehab’s vice president of international operations, kept receiving emails from prospective Kenguru customers.

He latched onto the concept and spent the next two years developing the vehicles via the company called Kenguru Services KFT, at the same time lining up Asian suppliers. But Kenguru’s parent company went through some turmoil resulting from a family divorce, so he sought some bank financing, which was just about to be finalized before the global recession hit in late 2008. Kissaroslaki — now Community Cars’ chief operating officer — then used his own capital, coupled with family investments, to finance the development. But that was running out when Zoern called him last year.

“I was about \$2 million short,” he said, “so I said, ‘Call me when you get the money.’”

Zoern did more than that. She showed enough interest in the vehicle that eight weeks later, in July 2010, Kissaroslaki decided to visit Austin to investigate a possible partnership.

“I came over here and was overwhelmed by her,” he said. “I said, ‘Let’s give it a try.’”

The two subsequently finalized a business model and now project to reach profitability within two years.

Angel investor **Michael Doherty**, a retired Wall Street commodities trader living in Austin, decided to back Community Cars because he thinks it’s a good play, socially and financially.

“It fills a gap where most other car companies won’t go,” he said. “It will definitely meet the needs of people who can’t get around. It gives freedom and mobility to people who don’t have it.”

Courtesy of JB Goodwin