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TEXAS DEPARTMENT OF MOTOR VEHICLES
CASE NO. 15-0003 CAF

SHERI LONNES and
STEVE LONNES,
 Complainants

v.

AMERICAN HONDA MOTOR CO.,
INC.,
 Respondent

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BEFORE THE OFFICE

OF

ADMINISTRATIVE HEARINGS

DECISION AND ORDER

Sheri Lonnes and Steve Lonnes seek repurchase relief pursuant to Texas Occupations Code §§ 2301.601-.613 (Lemon Law) for alleged defects in their 2014 Honda Odyssey. The Lonnes argue that the vehicle's transmission is defective. American Honda Motor Co., Inc. (Honda) asserts that no defect exists, and that the vehicle's transmission is operating as designed. The hearings examiner concludes that the evidence does not establish the existence of a warrantable defect in the vehicle. Accordingly, the Complainants are not eligible for repurchase relief under the Texas Lemon Law.

I. PROCEDURAL HISTORY, NOTICE AND JURISDICTION

Matters of notice and jurisdiction were not contested. These matters are discussed only in the Findings of Fact and Conclusions of Law.

The hearing on the merits in this case convened and closed on December 9, 2014 in Houston, Texas, with Hearings Examiner Anne K. Perez presiding. Sheri Lonnes and Steve Lonnes appeared and represented themselves. Honda was represented by attorney Abigail A. Mathews.

II. DISCUSSION

A. Undisputed Facts

1. Purchase Information and Mileage

On April 29, 2014, Mr. and Mrs. Lonnes purchased a new 2014 Honda Odyssey (the vehicle) from Sterling McCall Honda (Sterling McCall) of Kingwood, Texas, with mileage of 30 at the time of delivery.¹ On the date of hearing, the vehicle's mileage was 11,919.

¹ Complainant Ex. 1, Buyer's Order for the vehicle.

2. Warranty Coverage

Honda manufactured the vehicle. On April 29, 2014, Honda issued an express limited warranty for the vehicle covering defects in factory-supplied materials and workmanship for 36 months or 36,000 miles, whichever comes first. Honda also issued a powertrain warranty covering defects in the vehicle's engine, transmission, and drive train for 60 months or 60,000 miles, whichever comes first.² On the date of hearing, both types of warranty coverage were in place.

3. Lemon Law Complaint and Notice to Manufacturer

On September 2, 2014, the Lonnes provided written notice to Honda of alleged defects in the vehicle:

Within a couple of weeks of [purchase], I noticed that the transmission would jerk violently on an intermittent basis when accelerating between 1st and 2nd gear. It seemed to happen most when the vehicle was warm and the temperature outside was warm. The intermittent jerking is getting more frequent over time.³

On September 4, 2014, the couple filed a petition for Lemon Law relief with the Texas Department of Motor Vehicles (Department). The complaint's description of the vehicle's alleged defects is consistent with the above-referenced quote.⁴

B. Legal Standards

The Lemon Law provides administrative remedies for a consumer whose vehicle cannot be made to conform to an applicable express warranty. Texas Occupations Code § 2301.604(a) provides that:

- (a) A manufacturer . . . that is unable to conform a motor vehicle to an applicable express warranty by repairing or correcting a defect or condition that creates a serious safety hazard or substantially impairs the use or market value of the motor vehicle after a reasonable number of attempts shall reimburse the owner for reasonable incidental costs resulting from loss of use of the motor vehicle because of the nonconformity or defect and:
 - (1) replace the motor vehicle with a comparable motor vehicle; or
 - (2) accept return of the vehicle from the owner and refund to the owner the full purchase price, less a reasonable allowance for the owner's

² Respondent Ex. 1, 2014 Honda Warranties.

³ Complainant Ex. 7.

⁴ Complainant Ex. 5.

use of the vehicle, and any other allowances or refunds payable to the owner.

“Impairment of market value” means a substantial loss in market value caused by a nonconformity in the vehicle, and “serious safety hazard” means a life-threatening malfunction or defect that significantly impedes a person’s ability to control or operate a vehicle for ordinary use or intended purposes.⁵

C. The Lonnes’ Evidence⁶

Steve Lonnes testified that the couple have owned a variety of cars over the years, including five different Honda models. Their most recent vehicle, a GMC Safari, suffered transmission failure when it was only 50 miles outside of warranty, and they had to pay for a large portion of the required repairs. The Safari’s transmission failure was preceded by the same pattern of jerking currently exhibited by their Honda Odyssey.⁷ The experience of transmission failure without warranty coverage is not one they want to repeat, hence their decision to file the complaint.

Sheri Lonnes testified that she is the primary driver of the vehicle, and more often than not she is accompanied by the couple’s teenagers, Dominique Lonnes and Noah Lonnes. She affirmed that within a few weeks of purchase, she noticed that the vehicle’s transmission intermittently “jerked” as she accelerated between first and second gear.

She first reported the problem to Sterling McCall on June 24, 2014, when she brought the vehicle in for an oil change. Two days later, on June 26, 2014, she complied with service writer Matt Swint’s request to come in for a test drive to demonstrate the condition. The experience was very frustrating. First, she noticed that the vehicle’s mileage had not increased since she left it at the dealership, *i.e.*, service technicians had not bothered to drive the vehicle before calling her. Second, because the transmission jerk occurs intermittently, usually when the engine is warm and the weather outside is warm, she was unable to demonstrate the problem during the short test drive. She took the vehicle home.

She continued to notice the transmission jerk. Because Sterling McCall personnel had been less than helpful, in early July 2014 she took the vehicle in for service at Honda of Spring (Honda Spring),

⁵ Tex. Occ. Code § 2301.601(1) and (4).

⁶ The following summary of Sheri and Steve Lonnes’ testimony was supplemented by their written account (admitted as Complainant Ex. 7).

⁷ Mr. Lonnes testified that he holds a Ph.D. in mechanical engineering. He also studied internal combustion engines in graduate school. Based on general principles of physics, he believes that the vehicle’s transmission “jerk” is a precursor of transmission failure. He explained the matter as follows. The transmission is a conversion device, through which the engine’s torque (force) is delivered to the vehicle (mass). The rapid application of torque (impulse load) to the vehicle results in instant movement. However, the presence of slack (recognizable as a “jerk” in this case) in the conversion device (transmission) delays the rapid delivery of force (impulse load) to the vehicle (mass), and the impulse load is instead absorbed by the conversion device (other moving parts in the transmission). Mr. Lonnes concluded that the absorption of impulse load (caused by the intermittent jerk) will, over time, result in damage to the transmission.

another Houston-area dealer. She related her experience with Sterling McCall to Honda Spring's service writer Louis Seville. Mr. Seville accompanied her on a test drive of the vehicle but the transmission jerk did not occur. Although he was receptive to her concerns, Mr. Seville recommended that she keep the vehicle and come back when the jerking between first and second gear was actually occurring. He emphasized that service technicians had to observe the problem before solving it.

More frustration followed. Ms. Lonnes left Honda Spring, and the vehicle's transmission jerked on the way home. A few days later she was near the dealership when the problem reoccurred. She immediately called Mr. Seville and while he joined her for a test drive, nothing happened. Then the transmission jerk occurred repeatedly during the trip to her home. Another test-drive with Mr. Seville on July 5, 2014 failed to reproduce the problem, perhaps because it was rainy and cool that day. Ms. Lonnes indicated she was fed-up with waiting. On July 7, 2014, she dropped the vehicle off at Honda Spring and asked for a diagnosis of the transmission problem. Four days later, Mr. Seville called to say that technicians were unable to duplicate the complained-of jerk.

The Lonnes brought the vehicle in for service at Sterling McCall two days later, on July 12, 2014, and they completed a test drive with service writer Steve Dean. No symptoms occurred for about 30 minutes. Finally, Mr. Lonnes was able to demonstrate the transmission jerk as he accelerated between first and second gear while making a U-turn. Mr. Dean verbally acknowledged the jerk and, according to Mr. Lonnes, the service writer said it was "was not normal." When the couple retrieved the vehicle on July 17, 2014, they noticed that the mileage was increased by 100, yet an ignition coil replacement was the sole repair performed.

Mr. Lonnes testified that replacement of the vehicle's faulty ignition coil did not relieve the transmission jerk between first and second gear. However, the Lonnes were busy moving their residence throughout the rest of July and most of August 2014. Ms. Lonnes brought the vehicle in for service at Sterling McCall on August 21, 2014. On this occasion, service manager Daryl Tucker joined her for a test drive. Within the first five minutes the vehicle's transmission jerked twice. According to Ms. Lonnes, Mr. Tucker stated, "I thought this was what you were talking about. I need to contact 'Honda Technical' to see if there is a software update to correct the problem."⁸ She drove the vehicle home, and then brought it back to the dealer for service on August 25, 2014.

On August 27, 2014, another service writer ("Jesse") called and told Ms. Lonnes that the dealer had found no problem with the vehicle's transmission. Diagnostic testing had not uncovered any transmission-related error codes. In addition, "Honda Technical" (the manufacturer's staff of master technicians) had reviewed the vehicle's "snapshots" (readings from the data stream produced by internal vehicle sensors) but offered no solution. Jesse also related that service personnel had tested three other

⁸ Complainant Ex. 7 at 12.

brand-new Honda Odysseys on the lot, and each one exhibited the same transmission jerk when accelerating between first and second gear

In a subsequent telephone call with Daryl Tucker, Ms. Lonnes made clear her belief that Sterling McCall's handling of the vehicle's transmission problems demonstrated a lack of good faith. She asked Mr. Tucker to recall their joint test drive of the vehicle on August 21, 2014, as well as his statements at the time: that he felt the transmission jerk between first and second gear; that he was unable to say the jerking was normal;⁹ that resolution of the problem might involve a software update; and that he would, with the assistance of Honda Technical, resolve the complained-of transmission jerk. However, six days later Mr. Tucker (and Sterling McCall) did an about-face: the same transmission jerk was present in all the new Honda Odysseys, thus the condition was normal and there was no problem. The dealer's new position was expedient, and given the Lonnes' previous experience with transmission problems the explanation lacked credibility.

The repair orders for the vehicle prepared by Sterling McCall and Honda of Spring reflect the following information:¹⁰

Date In-Out/ Dealer Name	Mileage In/Out	Reported Concern	Dealer's Findings and Actions
6-24-14 to 6-26-14 Sterling McCall	In 5,928 Out 5,928	Vehicle jerks extremely hard when coming to a stop, kind of like rolling through a stop sign, then accelerating again; says it happens nearly every time	Technician could not duplicate concern at this time; [Customer] will come back when vehicle starts to act up again
7-7-2014 to 7-10-14 Honda of Spring	In 6,695 Out 6,745	Intermittently when slowing down & not stopping completely & then re-accelerating the vehicle lunges and surges badly, then it will cruise ok; the condition happens only after driving from 40-45 mph & then slowing down but not quite stopping & then re-accelerating; it is happening more frequently	Check & report; Unable to verify complaint at this time; Test-drove vehicle on multiple occasions and vehicle drove fine; Checked computer & found no codes stored & no updates for software exist at this time; Customer was advised that if problem persists to return to service department for further inspection

⁹ Both Dominique Lonnes, age 16, and Noah Lonnes, age 15, testified that they were in the vehicle's back seat during the August 21, 2014 test drive. Both teenagers testified that Mr. Tucker indicated he would seek a repair solution for the transmission jerk.

¹⁰ The repair orders were admitted as Complainants Exs. 3-7. The table reflects invoice information relevant to the Lonnes' transmission concerns. Routine maintenance and unrelated repairs (including the right front brake caliper replacement) are not summarized in the table.

7-12-2014 to 7-17-14 Sterling McCall	In 6,821 Out 6,922	The vehicle when driving is jerking very bad; customer drove the vehicle from Spring to Houston before it began to happen; it jerks when accelerating from a red light after vehicle is warm & the outside temperature is hot	Could not duplicate last visit, [customer] is dropping off so we can try to find the problem; Steve Dean drove with customer & felt the issue a little bit; Found Number 5 Ignition Coil defective; Replaced Ignition Coil
8-25-2014 to 8-28-14 Sterling McCall	In 9,448 Out 9,481		Mr. Tucker duplicated [concern]; We need to get a couple of snapshots, sent to Techline; contacted Techline, reviewed snapshots, nothing abnormal at this time; compared this vehicle to another 2014 same model vehicle & found same characteristics, normal operation at this time; also drained and inspected transmission fluid, no contamination found; At this time, Honda considers condition a normal characteristic of vehicle design

D. Inspection and Test Drive of Vehicle at Hearing

On the date of hearing, mileage was at 11,919 when Ms. Lonnes, Mr. Holt, Ms. Mathews, and the hearings examiner inspected the vehicle and completed a 40-mile test-drive. For approximately 45 minutes, Ms. Lonnes drove the vehicle on the highway at speeds up to 60-65 miles per hour (mph). She also completed multiple “stop” and “go” maneuvers on residential streets to demonstrate the transmission “jerk” that occurs when accelerating between first and second gear.

E. Honda’s Evidence

Honda offered the testimony of Peter Holt, the District Parts and Service Manager (DPSM) of Honda’s Houston region. Mr. Holt stated that he has been working in the automotive industry since age 15, when he served as a gas station attendant. He was subsequently employed by an automotive dealership in positions ranging from service technician to manager of parts and services. He has been a Honda DPSM for the past 12 years. His current job duties include performing vehicle diagnostic inspections, assisting dealer service technicians with diagnostic problems, and resolving warranty and customer satisfaction issues.

Mr. Holt said he has authorized the replacement of both transmissions and engines in Honda vehicles pursuant to the manufacturer's standard powertrain warranty. He has also approved the repurchase and replacement of Honda vehicles due to defects in factory-supplied materials or workmanship. He explained that customer satisfaction is the core of Honda's business model. As a result, the company encourages its franchised dealers to correctly diagnose customer concerns and perform all necessary warrantable repairs. He indicated that in some cases, Honda's commitment to customer satisfaction extends beyond its warrantable obligations. Thus, DPSMs have discretionary authority to approve "goodwill" repairs, *i.e.*, non-warrantable repairs performed at no cost to Honda's customer.

Mr. Holt testified that on September 17, 2014, he visited Sterling McCall to address the Lonnes' concerns about their vehicle. He reviewed the vehicle's repair history¹¹ and spoke with service manager Daryl Tucker. When Ms. Lonnes arrived the two men accompanied her on a test drive of the vehicle, which was still "hot." According to Mr. Holt, the vehicle's transmission appeared to be operating normally during the test drive; had Ms. Lonnes not pointed out a "slight hesitation" as the transmission shifted between first and second gear on acceleration, he would never have noticed it.

Regarding the test drive at hearing, Mr. Holt acknowledged that the vehicle's transmission exhibited a "slightly more abrupt shift-point change" between first and second gear, in comparison with shift-point changes between other, higher gears. He said the difference likely stems from a combination of engineering technologies in the vehicle that optimize fuel economy and reduce emissions. More specifically, the late-model Honda Odyssey is equipped with a six-speed automatic transmission that works in tandem with "Variable Cylinder Management" (VCM) technology. VCM is a component of "ECO mode," another engineering system. Various sensors in the vehicle are keyed to the driver's application of throttle, which changes based on traffic, speed, road conditions, and other factors. Output from these sensors (measuring temperature, fuel injection, etc.) are read by the VCM system. When the data output shows that the vehicle is cruising or coasting, VCM technology automatically disables a series of engine cylinders (first No. 6, then No. 4, and lastly No. 3), placing the vehicle into fuel-saving ECO mode and decreasing emissions. Increased throttle pressure from the driver reverses this process, *i.e.*, the vehicle slips out of ECO mode, the disabled cylinders are fired-up, etc.

Mr. Holt noted that the complained-of shift-point change occurs when the Lonnes' vehicle is accelerating from a very low speed (5 to 10 mph); as the shift between first and second gear occurs, the reengagement of disabled engine cylinders contributes to the harshness of the shift point. According to Mr. Holt, the perception of shift-point change is a drivability issue, or a "ride" characteristic of the vehicle, *i.e.*, some drivers will find the trait objectionable, while others will take no notice. In any event, the Honda Odyssey's "slightly abrupt shift-point change" early in the gear cycle is not the result of a defect, or a problem with the vehicle's materials or workmanship. The issue does not impede the

¹¹ Mr. Holt testified that the vehicle's faulty ignition coil replaced on July 12, 2014, could result in a jerking sensation while shifting gears.

use or value of the vehicle, it does not present a safety hazard, and it does not cause damage to the transmission. It is simply a characteristic of the 2014 Honda Odyssey and the 2015 model, as well.

F. Analysis

In order to prevail in their request for repurchase relief, the Lonnes must show by a preponderance of the evidence that Honda has not conformed their vehicle to an applicable express warranty because it cannot repair a defect in the vehicle. In addition, the couple is required to show that the nonconformity creates a serious safety hazard, or substantially impairs the use or market value of the vehicle. Neither of these statutory elements were established by the required standard of proof.

Both Sheri and Steve Lonnes credibly testified that the vehicle's transmission intermittently "jerks" while accelerating between first and second gear. The complained-of condition was duplicated on August 25, 2014, when Sterling McCall's service manager Daryl Tucker joined them for a test drive of the vehicle. The slight transmission jerk (or, in Mr. Holt's words, the "slightly abrupt shift-point change") was further observed during the test drive at hearing.

Duplication of the transmission's complained-of symptom is not the problem in this case. What is lacking is evidence establishing that the condition constitutes a transmission defect. Mr. Lonnes' testimony that the strain of a misdirected, recurring impulse load (*i.e.*, the rapid application of torque) on the vehicle's transmission will necessarily cause damage to the transmission's moving parts over time, is both speculative and conclusory. His theory may be consistent with general principles of physics, but it does not account for the complex interaction between engineering technologies (VCM, ECO mode) and the vehicle's transmission. Admittedly, Mr. Holt's testimony concerning the transmission's slightly harsh "shift-point change" when accelerating from first to second gear leaves some questions unanswered.¹² Nonetheless, on balance his explanation of the vehicle's transmission operation was fully-realized and credible.

The Lonnes' concerns about the vehicle's transmission are not implausible. They recently owned a GMC Safari, and prior to the Safari's transmission failure they observed the same pattern of jerking currently exhibited by their 2014 Honda Odyssey. Due to expired warranty coverage they were responsible for most of the expensive transmission repairs. That they would be fearful of the same scenario happening with their Honda Odyssey is understandable. But the evidence indicates that their apprehension is unfounded.

¹² For example, given that the VCM system is directly tied to throttle response, Mr. Holt did not adequately explain why the shift-point change between first and second gear would be harsher than the shift-point change between other, higher gears.

Both Sheri and Steve Lonnes emphasized that on August 25, 2014, Mr. Tucker observed the vehicle transmission's slight jerk, characterized the trait as abnormal, and stated that he would seek a repair solution (probably a software update) through "Honda Technical." When it turned out that no repair was available, the dealer made a "180-degree turn,"¹³ and said the transmission jerk was a normal characteristic of the vehicle. The dealer's sudden about-face was made without explanation. That a transmission jerk could be normal was also inconsistent with Lonnes' prior experience, and they concluded that the dealer was being dishonest. It seems more likely, however, that Mr. Tucker's comments about "normal" transmission symptomology were uninformed. The results of diagnostic testing performed on the vehicle's transmission, as well as the findings of Honda's master technicians who reviewed the vehicle's "snapshots," supports this conclusion.

In summary, a preponderance of the evidence does not demonstrate that a warrantable defect in the vehicle's transmission exists. Rather, the evidence supports the conclusion that the vehicle is operating as designed, that no repairs are needed, and that no safety concerns are present.

III. FINDINGS OF FACT

1. On April 29, 2014, Sheri Lonnes and Steve Lonnes (the Lonnes) purchased a new 2014 Honda Odyssey (the vehicle) from Sterling McCall Honda (Sterling McCall) of Kingwood, Texas, with mileage of 30 at the time of delivery.
2. The manufacturer of the vehicle, American Honda Motor Co., Inc. (Honda), issued an express limited warranty for the vehicle covering defects in factory-supplied materials and workmanship for 36 months or 36,000 miles, whichever comes first. Honda also issued a powertrain warranty for the vehicle covering defects in the vehicle's engine, transmission, and drive train for 60 months or 60,000 miles, whichever comes first.
3. Sterling McCall is a franchised dealer of Honda.
4. The vehicle's mileage on the date of hearing was 11,919.
5. At the time of hearing, the vehicle was covered by Honda's basic limited warranty and its powertrain warranty.
6. Within a few weeks of purchase, the Lonnes noticed that the vehicle's transmission intermittently "jerked" when accelerating between first and second gears. The issue occurred most frequently when the vehicle was warm and the temperature outside was warm.

¹³ Complainant Ex. 7 at 13.

7. The vehicle's transmission was serviced for "jerking" when accelerating between first and second gears by Sterling McCall on the following dates:
 - a. June 24, 2014, at 5,928 miles;
 - b. July 12, 2014, at 6,821 miles; and
 - c. August 25, 2014, at 9,448 miles.
8. During the June 24, 2014 service visit, Sterling McCall service technicians were unable to duplicate the vehicle's reported "jerking" when accelerating between first and second gears.
9. During the August 25, 2014 service visit, Sterling McCall's service manager duplicated the vehicle's reported "jerking" when accelerating between first and second gears.
10. Despite duplication of the Lonnes' concern on August 25, 2014, diagnostic testing performed on the vehicle revealed no transmission abnormalities. In addition, the vehicle's transmission fluid was drained and inspected but no contamination was present.
11. On August 25, 2014, Sterling McCall service technicians tested three other brand-new Honda Odysseys on the dealer's lot, and each one exhibited the complained-of transmission jerk when accelerating between first and second gear.
12. On July 7, 2014, at mileage of 6,695, the vehicle's transmission was serviced for "jerking" on acceleration between first and second gears by Honda of Spring in Houston, Texas.
13. Honda of Spring is a franchised dealer of Honda.
14. Despite multiple test-drives of the vehicle, Honda of Spring's service writer and service technicians were unable to duplicate the complained-of transmission jerk.
15. The vehicle is equipped with a six-speed automatic transmission that works in tandem with "variable cylinder management" (VCM) technology, which is itself a component of a system known as "ECO mode." Based on output from various internal sensors, the vehicle's engineering technology is programmed to maximize fuel economy and decrease fuel emissions.
16. When the vehicle is cruising or coasting, the VCM system automatically disables a series of engine cylinders, placing the vehicle into fuel-saving ECO driving mode and decreasing emissions. Steady throttle pressure from the driver reverses this process, *i.e.*, the vehicle slips out of ECO mode, the disabled cylinders fire-up, etc.

17. The complained-of jerking, or "shift-point change" occurs when the vehicle is traveling at low speed (5 to 10 miles per hour) and begins to accelerate; as the shift between first and second gear occurs, the reengagement of disabled engine cylinders contributes to the harshness of the shift point.
18. The vehicle's slightly abrupt shift-point change between first and second gear is a drivability issue, that is, some drivers will find the trait objectionable, while others will take no notice.
19. The slightly abrupt shift-point change between first and second gear is a trait present in all 2014 and 2015 Honda Odyssey models.
20. The trait described in Finding of Fact No. 19 is not the result of a defect in factory materials or workmanship, but is a normal characteristic of the late-model Honda Odyssey's design.
21. The trait described in Finding of Fact No. 19 does not impair the use or market value of the vehicle, nor does it cause damage to the vehicle's transmission.
22. The trait described in Finding of Fact No. 19 is present in the Lonnes' vehicle but does not present a safety hazard.
23. On September 2, 2014, The Lonnes provided written notice to Honda of the alleged defects in the vehicle.
24. On September 4, 2014, The Lonnes filed a Lemon Law complaint with the Texas Department of Motor Vehicles (Department). Their complaint describes the vehicle's alleged defects as, "transmission jerking intermittently between 1st and 2nd gear. It happens more frequently when the vehicle is warm and the temperature outside is hot."
25. On October 20, 2014, the Department's Office of Administrative Hearings issued a notice of hearing directed to The Lonnes and Honda, giving all parties not less than 10 days' notice of hearing and their rights under the applicable rules and statutes. The notice stated the time, place and nature of the hearing; the legal authority and jurisdiction under which the hearing was to be held; particular sections of the statutes and rules involved; and the matters asserted.
26. The hearing on the merits convened and closed on December 9, 2014 in Houston, Texas, with Hearings Examiner Anne K. Perez presiding. The Lonnes appeared and represented themselves. Attorney Abigail A. Mathews represented Honda.

IV. CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter. Tex. Occ. Code §§ 2301.601-.613 (Lemon Law).
2. A hearings examiner of the Department's Office of Administrative Hearings has jurisdiction over all matters related to conducting a hearing in this proceeding, including the preparation of a decision with findings of fact and conclusions of law, and the issuance of a final order. Tex. Occ. Code § 2301.704.
3. The Lonnes timely filed a complaint with the Department. Tex. Occ. Code § 2301.204; 43 Tex. Admin. Code § 215.202.
4. The parties received proper notice of the hearing. Tex. Gov't Code §§ 2001.051, 2001.052; 43 Tex. Admin. Code § 215.206(2).
5. The Lonnes failed to prove by a preponderance of the evidence that the vehicle has a verifiable defect or condition that presents a serious safety hazard or substantially impairs the use or market value of the vehicle. Tex. Occ. Code § 2301.604.
6. The Lonnes' vehicle does not qualify for replacement or repurchase. Tex. Occ. Code § 2301.604.

ORDER

Based on the foregoing Findings of Fact and Conclusions of Law, it is **ORDERED** that the Lonnes' petition for repurchase relief pursuant to Texas Occupations Code §§ 2301.601-.613 is hereby **DISMISSED**.

SIGNED February 4, 2015.



**EDWARD SANDOVAL
CHIEF HEARINGS EXAMINER
OFFICE OF ADMINISTRATIVE HEARINGS
TEXAS DEPARTMENT OF MOTOR VEHICLES**