## TEXAS DEPARTMENT OF MOTOR VEHICLES CASE NO. 17-0081 CAF

KEVIN OBOLSKY,	§	BEFORE THE OFFICE
Complainant	§	
<b>v.</b>	§	
	§	OF
FCA US LLC,	§	•
Respondent	§	
	§	ADMINISTRATIVE HEARINGS

#### **DECISION AND ORDER**

Kevin Obolsky (Complainant) seeks relief pursuant to Texas Occupations Code §§ 2301.601-2301.613 (Lemon Law) for alleged defects in his 2016 Fiat 500X. Complainant asserts that the vehicle stalls or dies when he's driving it and consumes oil excessively. FCA US LLC (Respondent) argued that the vehicle is operating as designed and that no relief is warranted. The hearings examiner concludes that although the vehicle does have a currently existing warrantable defect, Complainant is not eligible for repurchase or replacement relief since he did not meet all of the statutory requirements for such relief under the Lemon Law. However, he is entitled to repair relief.

### I. PROCEDURAL HISTORY, NOTICE AND JURISDICTION

Matters of notice and jurisdiction were not contested and are discussed only in the Findings of Fact and Conclusions of Law. The hearing in this case convened on May 17, 2017, in Austin, Texas before Hearings Examiner Edward Sandoval and the hearing record closed that same day. Complainant represented himself at the hearing. Respondent was represented by Jan Kershaw, Early Resolution Case Specialist. Austin Morin, Service Director for Nyle Maxwell's Fiat Alfa Romeo of Austin, was subpoenaed and testified in the hearing telephonically.

#### II. DISCUSSION

# A. Applicable Law

The Lemon Law provides, in part, that a manufacturer of a motor vehicle must repurchase or replace a vehicle complained of with a comparable vehicle if the following conditions are met. First, the manufacturer is not able to conform the vehicle to an applicable express warranty by repairing or correcting a defect after a reasonable number of attempts. Second, the defect or condition in the vehicle creates a serious safety hazard or substantially impairs the use or market value of the vehicle. Third, the owner must have mailed written notice of the alleged defect or

<sup>&</sup>lt;sup>1</sup> Tex. Occ. Code § 2301.604(a).

 $<sup>^{2}</sup>$  Id.

nonconformity to the manufacturer.<sup>3</sup> Lastly, the manufacturer must have been given an opportunity to cure the defect or nonconformity.<sup>4</sup>

In addition to these conditions, a rebuttable presumption exists that a reasonable number of attempts have been undertaken to conform a motor vehicle to an applicable express warranty if the same nonconformity continues to exist after being subject to repair four or more times and: (1) two of the repair attempts were made in the 12 months or 12,000 miles, whichever comes first, following the date of original delivery to the owner; and (2) the other two repair attempts were made in the 12 months or 12,000 miles, whichever comes first, immediately following the date of the second repair attempt.<sup>5</sup>

If repurchase or repair of a vehicle is not available to a Complainant then he "may make a complaint concerning a defect in a motor vehicle that is covered by a manufacturer's, converter's, or distributor's warranty agreement applicable to the vehicle."<sup>6</sup> The relief available under this section of the Code is repair of the vehicle in question.

### B. Complainant's Evidence and Arguments

Complainant purchased a new 2016 Fiat 500X from Nyle Maxwell Imports, LLC (Maxwell), in Austin, Texas on August 15, 2015.<sup>7</sup> The vehicle's mileage was 16 at the time of delivery.<sup>8</sup> Respondent provided a new vehicle limited warranty for the vehicle, which provides warranty coverage for the vehicle for four (4) years or 50,000 miles from the date of delivery, whichever comes first.<sup>9</sup> On the date of hearing the vehicle's mileage was 24,614. Respondent's warranty was still in effect at the time of hearing.

Complainant testified that his wife is the primary driver of the vehicle. Complainant stated that Ms. Obolsky was driving the vehicle on or about November 15, 2015, when it shut off. She was able to get to the side of the road and restart the vehicle before continuing on her trip. Complainant did not take the vehicle for repair immediately. Ms. Obolsky continued to drive the

<sup>&</sup>lt;sup>3</sup> Tex. Occ. Code § 2301.606(c)(1).

<sup>&</sup>lt;sup>4</sup> Tex. Occ. Code § 2301.606(c)(2).

<sup>&</sup>lt;sup>5</sup> Tex. Occ. Code § 2301.605(a)(1)(A) and (B). Texas Occupations Code § 2301.605(a)(2) and (a)(3) provide alternative methods for a complainant to establish a rebuttable presumption that a reasonable number of attempts have been undertaken to conform a vehicle to an applicable express warranty. However, § 2301.605(a)(2) applies only to a nonconformity that creates a serious safety hazard, and § 2301.605(a)(3) requires that the vehicle be out of service for repair for a total of 30 or more days in the 24 months or 24,000 miles, whichever occurs first, following the date of original delivery to the owner.

<sup>&</sup>lt;sup>6</sup> Occupations Code § 2301,204(a).

<sup>&</sup>lt;sup>7</sup> Complainant Ex. 1, Motor Vehicle Retail Installment Sales Contract dated August 15, 2015.

<sup>&</sup>lt;sup>8</sup> Complainant Ex. 2, Odometer Disclosure Statement dated August 15, 2015.

<sup>&</sup>lt;sup>9</sup> Complainant Ex. 10, 2016 Fiat 500X Warranty Information, p. 1.

vehicle on a daily basis. Complainant stated that the vehicle would die when stopped at a stop sign every few days.

Complainant took the vehicle to Maxwell for repair on December 21, 2015. Complainant indicated to the dealer's service advisor that the vehicle would stall at stop signs and on inclines. The dealer's service technician performed software updates to the vehicle's powertrain control module (PCM), transmission control module (TCM), instrument panel cluster (IPC), electric power steering module (EPS), and evaporator service monitor (ESM). The vehicle's mileage on this occasion was 7,065. The vehicle was in the dealer's possession for the day during this repair visit. Complainant was not provided with a loaner vehicle while his vehicle was being repaired. Complainant testified that he was told by Maxwell's representative that the technicians didn't know why the vehicle was stalling or dying and that they decided to perform all of the software updates. However, the technicians thought that it could be a transmission issue, since the vehicle contained a new type of transmission.

Complainant stated that the vehicle stalled the very next day after he had taken it for repair. In addition, the vehicle's low pressure oil warning light illuminated when the vehicle stalled. Complainant took the vehicle back to Maxwell on December 23, 2015. The dealer's service technician added oil to the vehicle after determining it was three (3) quarts low. The vehicle's mileage when it was taken to the dealership on this occasion was 7,153. Complainant testified that the vehicle was in Maxwell's possession for one (1) day. Complainant was not provided with a loaner vehicle while his vehicle was being repaired. Maxwell's representative asked Complainant to bring the vehicle back to the dealer after it was driven 1,000 miles in order to perform an oil consumption test on it. The dealer's technicians were concerned because the vehicle was three (3) quarts low on oil at the time of the repair visit. They asked Complainant if he had seen any oil leaking out of the vehicle or any evidence of a leak at his home. Complainant informed the technicians that he had not seen any evidence of an oil leak.

Complainant took the vehicle back to Maxwell as requested on January 18, 2016. During the intervening period, the vehicle had not stalled or died. Maxwell's service technician did not find a problem nor did he indicate that the vehicle had consumed oil excessively. The mileage on the vehicle on this occasion was 8,517. The vehicle was in the dealer's possession for one (1)

<sup>&</sup>lt;sup>10</sup> Complainant Ex. 3, Repair Order dated December 21, 2015.

<sup>&</sup>lt;sup>11</sup> Id.

<sup>&</sup>lt;sup>12</sup> Id.

<sup>&</sup>lt;sup>13</sup> Complainant Ex. 4, Repair Order dated December 23, 2015.

<sup>14</sup> Id.

<sup>&</sup>lt;sup>15</sup> *Id.* The repair order indicates that the vehicle was in Maxwell's possession until January 7, 2016, but Complainant disputed that the repair order was correct.

<sup>&</sup>lt;sup>16</sup> Complainant Ex. 5, Repair Order dated January 18, 2016.

<sup>&</sup>lt;sup>17</sup> Id.

day. Complainant was not provided with a rental or loaner vehicle while his vehicle was being repaired.

Complainant testified that the vehicle seemed fine for a while. However, at some point it started to stall and die again. It got to the point where it was an almost daily occurrence. Complainant took the vehicle to Maxwell on May 5, 2016. Maxwell's service technician decided to perform an oil consumption test on the vehicle. The technician changed the vehicle's oil and advised Complainant to drive the vehicle for 2,000 miles and then return it to Maxwell to check the oil consumption. The vehicle's mileage when it was delivered to the dealer on this occasion was 14,752. The vehicle was returned to Complainant the following day. Complainant was provided with a loaner vehicle while his vehicle was being repaired.

Complainant testified that the vehicle worked fine and did not stall or die. He took the vehicle back to Maxwell on May 27, 2016, after having driven the vehicle about 1,700 miles. Maxwell's service technician indicated that the vehicle's oil level was at the correct level.<sup>21</sup> The vehicle's mileage on this occasion was 16,504.<sup>22</sup> The vehicle was in the dealer's possession for about an hour. Complainant was advised to return the vehicle again after driving another 1,000 miles so the technician could check the oil level.<sup>23</sup>

Complainant testified that he did not return the vehicle to Maxwell as instructed. He was dissatisfied with the vehicle and with the dealer's technicians because he was under the impression that they were going to perform another oil consumption test on the vehicle in May of 2016. Complainant stated that he was advised by Maxwell personnel to contact Respondent for resolution for the issue because Maxwell's technicians could not determine what was causing the vehicle to stall and die. Complainant feels that Maxwell's technicians did not make a true effort to diagnose or reproduce the issue since the vehicle's listed mileage on the repair orders never changed to indicate that the technicians had test driven the vehicle.

The vehicle drove okay after the May 27, 2016, repair visit. The vehicle did not stall or die again for a while. Complainant started to put oil in the vehicle's engine regularly. In late summer, Complainant stopped putting oil in the vehicle in order to get it to reproduce the problem for Maxwell's technicians. The vehicle then began to stall and die sometime in October of 2016.

Complainant took the vehicle to Maxwell on October 21, 2016, for repair for the stalling and dying issue. Austin Morin, Maxwell's service advisor, rode along with Complainant in the

<sup>&</sup>lt;sup>18</sup> Complainant Ex. 6, Repair Order dated May 5, 2016.

<sup>&</sup>lt;sup>19</sup> Id.

<sup>&</sup>lt;sup>20</sup> Id.

<sup>&</sup>lt;sup>21</sup> Complainant Ex. 7, Repair Order dated May 27, 2016.

<sup>&</sup>lt;sup>22</sup> Id.

<sup>&</sup>lt;sup>23</sup> Id.

vehicle and observed that it did stall when Complainant was driving it. Mr. Morin indicated that at the time the vehicle stalled, the low oil pressure warning light illuminated.<sup>24</sup> Complainant was upset and informed Mr. Morin that he was going to stay with the vehicle until it was repaired. Complainant did not leave the vehicle for repair on this occasion. The vehicle's mileage was 23,168 on this visit.<sup>25</sup> Maxwell's representatives offered Complainant to have him trade in the vehicle for a new vehicle. Complainant denied the offer as he didn't want another Fiat and he didn't feel that he had been treated properly by the dealer.

Complainant stated that he attempted to work with Respondent to resolve the issues with the vehicle. He recorded videos of the vehicle stalling and posted them on Twitter. He was then contacted by one of Respondent's representatives to attempt to work out the problem. Complainant indicated that he was concerned that the underlying issue of the vehicle stalling and dying when he drove it was not being addressed and that he was being told to keep adding oil to the engine. He wanted the vehicle repaired or repurchased. The representative informed Complainant that a master technician would be sent to Maxwell to inspect the vehicle.

Respondent's representatives picked up the vehicle on November 3, 2016, and towed it to Maxwell since it would not go over 30 mph. Complainant also observed that there were warning messages on the vehicle's dashboard indicating the vehicle was low on oil. Complainant received a call from Maxwell's representative the next day informing him that the vehicle was repaired and to pick it up. Maxwell's technician changed the vehicle's oil and oil filter. In addition, he updated the vehicle's PCM, TCM, body control module (BCM), and anti-lock braking system module (ABS). The vehicle's mileage at the time of the final repair was 23,434. Complainant was not provided with a loaner vehicle while his vehicle was being repaired.

Complainant testified that he has not driven the vehicle very often since the repair in November of 2016. The last time the vehicle died or stalled was on November 3, 2016.

On May 22, 2016, Complainant wrote a letter to Respondent advising them of his dissatisfaction with the vehicle.<sup>29</sup> Complainant filed a Lemon Law complaint to the Texas Department of Motor Vehicles (Department) on November 14, 2016.<sup>30</sup>

<sup>&</sup>lt;sup>24</sup> Complainant Ex. 8, Repair Order dated October 21, 2016.

<sup>25</sup> Id.

<sup>&</sup>lt;sup>26</sup> Complainant Ex. 9, Repair Order dated November 4, 2016.

<sup>&</sup>lt;sup>27</sup> Id.

 $<sup>^{28}</sup>$  Id.

<sup>&</sup>lt;sup>29</sup> Complainant Ex. 11, Letter to FCA US, LLC dated May 22, 2016.

<sup>&</sup>lt;sup>30</sup> Complainant Ex. 13, Lemon Law complaint dated November 14, 2016. Although the complaint was signed by Complainant on October 25, 2016, the complaint was actually received by the Texas Department of Motor Vehicles on November 14, 2016, which is the effective date of the complaint.

Complainant testified that he was never contacted by Respondent requesting a final repair attempt on the vehicle.

During cross-examination, Complainant testified that he did not check the oil level in the vehicle prior to taking it to Maxwell on December 21, 2015, the first repair attempt on the vehicle. The vehicle's oil pressure warning light first illuminated prior to taking the vehicle to Maxwell for repair on December 23, 2015. The light illuminates whenever the vehicle stalls or dies. Complainant also stated that the vehicle's oil change warning light has never illuminated.

### C. Respondent's Evidence and Arguments

### 1. Austin Morin's Testimony

Austin Morin, Maxwell's service director, testified under subpoena. He stated that he took a test drive with Complainant in the vehicle on October 21, 2016. They drove out the back of the dealership's parking lot and drove around the neighborhood. Complainant made an abrupt stop at a stop sign and the vehicle stalled. Mr. Morin informed Complainant that he would take the vehicle back to Maxwell's auto shop and have a technician look at it. When they returned to the dealership, Complainant refused to allow the technician to look at the vehicle. Complainant informed Mr. Morin that he was going to stay with the vehicle and watch everything that was done. Complainant also stated that he would go with the vehicle in to the shop. Mr. Morin felt that he could not allow that. Mr. Morin informed Complainant that if he was not going to allow the technician to look at the vehicle, there was nothing more he could do for him. Mr. Morin then recommended to Complainant that he contact Respondent to inquire into the possibility of a buyback of the vehicle.

Mr. Morin stated that the vehicle has a multi-actuated engine. If the vehicle is low on oil, then the engine can stall or die during an abrupt or panicked stop or when the vehicle is on an incline. He stated that the head on the engine primes the cylinders and if it loses the prime because of low oil it will kill the engine. Mr. Morin indicated that he agreed with Complainant that a new car should not be stalling.

Mr. Morin also stated that there is not a standard break-in period for modern engines. They just advise drivers not to drive at a high RPM for the first 500 miles.

Mr. Morin feels that the vehicle was stalling because it was losing the prime because it was low on oil. He stated that Maxwell's technicians were never able to complete an oil consumption test on the vehicle, since Complainant did not return the vehicle to Maxwell as requested after the May 27, 2016 repair visit. Also, the manufacturer's specifications indicate that the accepted rate

for oil consumption for Respondent's vehicles is a quart of oil for every 2,000 miles up to 50,000 miles. After 50,000 miles, the vehicle should use a quart for every 750 miles.

### 2. Jan Kershaw's Testimony

Jan Kershaw, Early Resolution Case Specialist, testified for Respondent. She stated that she received Complainant's Lemon Law complaint in early December of 2016. On January 4, 2016, Ms. Kershaw sent an email to Complainant informing him that she was handling his complaint. In the email, Ms. Kershaw made a settlement offer to Complainant and she also requested that Respondent be allowed to perform a final repair attempt on the vehicle if he chose not to accept the offer. Ms. Kershaw stated that Complainant declined the offer and refused to allow Respondent an opportunity for a final repair attempt.<sup>31</sup> Ms. Kershaw testified that Respondent has not had an opportunity to inspect the vehicle or make any repairs to it.

## D. Analysis

Under the Lemon Law, Complainant bears the burden of proof to establish by a preponderance of evidence that a defect or condition creates a serious safety hazard or substantially impairs the use or market value of the vehicle. In addition, Complainant must meet the presumption that a reasonable number of attempts have been undertaken to conform the vehicle to an applicable express warranty. Finally, Complainant is required to serve written notice of the nonconformity on Respondent, who must be allowed an opportunity to cure the defect. If each of these requirements is met and Respondent is still unable to conform the vehicle to an express warranty by repairing the defect, Complainant is entitled to have the vehicle repurchased or replaced.

The evidence provided by Complainant at the hearing established that the vehicle has intermittently stalled while being driven. The vehicle has died while being driven in traffic and has stalled at stop signs or when going up inclines. This creates a serious safety hazard as any vehicle that turns off while in traffic can cause a collision due to the sudden loss of speed and the driver's attempt to pull off to the side of the road. In addition, the vehicle stalling at stop signs makes a driver less likely to drive the vehicle, since he would have to be constantly worried about the vehicle not operating properly. Respondent argued that the vehicle was stalling because it was low on oil. This argument doesn't hold water. It's not uncommon for drivers to let vehicles get low on oil and they don't normally stall or die. In addition, Respondent did not provide any evidence to indicate that its customers are informed of the possibility of a vehicle stalling due to its low oil level. As such, the hearings examiner must hold that Complainant has established the vehicle has a defect or condition that creates a serious safety hazard or substantially impairs the use or market value of the vehicle.

<sup>&</sup>lt;sup>31</sup> Respondent Ex. 1, Emails between Jan Kershaw and Kevin Obolsky, p. 2.

Complainant purchased the vehicle on August 15, 2015, and presented the vehicle to Nyle Maxwell Imports, LLC (Maxwell), an authorized dealer of Respondent, due to his concerns with the vehicle stalling on the following dates: December 21, 2015; December 23, 2015; January 18, 2016; May 5, 2016; May 27, 2016; October 21, 2016; and November 4, 2016. Occupations Code § 2301.604(a) requires a showing that Respondent was unable to conform the vehicle to an applicable express warranty "after a reasonable number of attempts." Section 2301.605(a)(1) specifies that a rebuttable presumption that a reasonable number of attempts to repair have been made if "two or more repair attempts were made in the 12 months or 12,000 miles, whichever occurs first, following the date of original delivery to the owner, and two other repair attempts were made in the 12 months or 12,000 miles, whichever occurs first, immediately following the date of the second repair attempt." The evidence presented at the hearing establishes that Complainant has met the requirements of this test. As such, Complainant has established that a reasonable number of attempts to repair the vehicle were made by Respondent.

However, the evidence presented at the hearing also indicates that Complainant did not provide Respondent with a final opportunity to cure the defect with the vehicle. Occupations Code § 2301.606(c) provides that "an order issued under this subchapter [Subchapter M, Lemon Law] may not require a manufacturer, converter, or distributor to make a refund or to replace a motor vehicle unless: (1) the owner or a person on behalf of the owner has mailed written notice of the alleged defect or nonconformity to the manufacturer, converter, or distributor; and (2) the manufacturer, converter, or distributor has been given an opportunity to cure the alleged defect or nonconformity." The evidence shows that after receiving the Lemon Law complaint from the Department, Respondent's representative, Ms. Kershaw, reached out to Complainant to request an opportunity for a final repair attempt. Complainant denied the request for such a final repair attempt.

From the evidence presented, it is apparent that Complainant has not met the requirements for replacement or repurchase relief under the Occupations Code, since he failed to allow Respondent a final opportunity to repair the vehicle. This is required in order to require Respondent to replace or repurchase the vehicle. There does seem to be an issue with the vehicle, since it's not reasonable that a vehicle would stall or die simply because it was low on oil. Respondent's express warranty applicable to Complainant's vehicle provides "bumper to bumper" coverage for four (4) years or 50,000 miles whichever comes first. On the date of hearing, the vehicle's mileage was 14,614 and it remains under this warranty. As such, the Respondent is under an obligation to repair the vehicle under the terms of the express warranty and correct the issue with the vehicle.

Complainant's request for repurchase or replacement relief is denied. However, Respondent will be ordered to repair the defect in the vehicle which is causing it to stall or die. Such repairs must be completed within 20 days from the order becoming final.

#### III. FINDINGS OF FACT

- 1. Kevin Obolsky (Complainant) purchased a new 2016 Fiat 500X on August 15, 2015, from Nyle Maxwell Imports, LLC (Maxwell) in Austin, Texas, with mileage of 16 at the time of delivery.
- 2. The manufacturer of the vehicle, FCA US LLC (Respondent), issued a new vehicle limited warranty which provided coverage for the vehicle for four (4) years or 50,000 miles from the date of delivery to the owner, whichever occurs first.
- 3. The vehicle's mileage on the date of hearing was 24,614.
- 4. At the time of hearing the vehicle's basic warranty was still in effect.
- 5. Complainant's wife is the primary driver of the vehicle.
- 6. A few months after purchasing the vehicle, Complainant's wife began experiencing a problem where the vehicle would intermittently stall or die.
- 7. Complainant took the vehicle to Respondent's authorized dealer, Maxwell, in order to address his concerns with the vehicle stalling, on the following dates:
  - a. December 21, 2015, at 7,065 miles;
  - b. December 23, 2015, at 7,153 miles;
  - c. January 18, 2016, at 8,517 miles;
  - d. May 5, 2016, at 14,752 miles;
  - e. May 27, 2016, at 16,504 miles;
  - f. October 21, 2016, at 23,168 miles; and
  - g. November 4, 2016, at 24,434 miles.
- 8. On December 21, 2015, Maxwell's service technician updated the vehicle's powertrain control module (PCM), transmission control module (TCM), instrument panel cluster (IPC), electric power steering module (EPS), and evaporator service monitor (ESM) in an attempt to resolve the issue.
- 9. On December 23, 2015, Maxwell's service technician added oil to the vehicle after determining it was three (3) quarts low on oil. The technician asked Complainant to return the vehicle to Maxwell after driving it 1,000 miles.
- 10. On January 18, 2016, Complainant returned the vehicle to Maxwell as requested. The

- technician checked the vehicle's oil level, but did not add oil to the vehicle nor did he perform any other repair.
- 11. On May 5, 2016, Maxwell's technician changed the vehicle's oil and advised Complainant to return the vehicle to Maxwell after driving it 2,000 miles.
- 12. On May 27, 2016, Complainant returned the vehicle to Maxwell as requested. The technician checked the vehicle's oil level, determined it was at the correct level, and requested Complainant to return the vehicle to Maxwell after driving another 1,000 miles in it.
- 13. On October 21, 2016, Complainant took a test drive in the vehicle with Austin Morin, Maxwell's service advisor, and showed that the vehicle stalled when driving it.
- 14. During the October 21, 2016 repair visit, Mr. Morin advised Complainant that Maxwell's service technicians would not perform any work on the vehicle since Complainant insisted on accompanying the vehicle into Maxwell's service area.
- 15. On November 4, 2016, Maxwell's service technicians changed the vehicle's oil and filter and updated the vehicle's PCM, TCM, body control module (BCM), and anti-lock braking system module (ABS).
- 16. Complainant provided written notice of the defect to Respondent on May 22, 2016.
- 17. Respondent requested a final opportunity to repair the vehicle; however, Complainant denied the request.
- 18. On November 14, 2016, Complainant filed a Lemon Law complaint with the Texas Department of Motor Vehicles (Department).
- 19. On March 10, 2017, the Department's Office of Administrative Hearings issued a notice of hearing directed to Complainant and Respondent, 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.
- 20. The hearing in this case convened on May 17, 2017, in Austin, Texas before Hearings Examiner Edward Sandoval and the hearing record closed that same day. Complainant represented himself at the hearing. Respondent was represented by Jan Kershaw, Early

Resolution Case Specialist. Austin Morin, Service Director for Nyle Maxwell's Fiat Alfa Romeo of Austin, was subpoenaed and testified in the hearing telephonically.

## IV. CONCLUSIONS OF LAW

- 1. The Texas Department of Motor Vehicles (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. Complainant 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. Complainant bears the burden of proof in this matter.
- 6. Complainant proved 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.
- 7. After a reasonable number of attempts, Respondent has been unable to repair the nonconformity in Complainant's vehicle so that it conforms to the applicable express warranty. Tex. Occ. Code §§ 2301.604(a) and 2301.605.
- 8. Complainant did not provide Respondent with a final opportunity to cure the defect. Tex. Occ. Code § 2301.606(c)(2).
- 9. Respondent remains responsible to address and repair or correct any defects that are covered by Respondent's warranties. Tex. Occ. Code § 2301.204.
- 10. Complainant's 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 Complainant's petition for repurchase relief pursuant to Texas Occupations Code §§ 2301.601.613 is hereby **DISMISSED**. However, Complainant is entitled to repair relief. Therefore, it is further **ORDERED** that within twenty (20) days of this order becoming final. Respondent shall repair the vehicle so that it conforms to Respondent's warranty.

**SIGNED July 14, 2017** 

DWARD SANDOVAL

**CHIEF HEARINGS EXAMINER** 

OFFICE OF ADMINISTRATIVE HEARINGS

TEXAS DEPARTMENT OF MOTOR VEHICLES