Texas Department of Motor Vehicles
Case No. 17-0178407 CAF

Julia Terrell, Complainant § Before the Office
v. § §
DS Corp d/b/a Crossroads RV, § Respondent § §

§ § Administrative Hearings

Decision and Order

Julia Terrell (Complainant) filed a complaint with the Texas Department of Motor Vehicles (Department) seeking relief pursuant to Texas Occupations Code §§ 2301.601-2301.613 (Lemon Law) for alleged warrantable defects in her recreational vehicle (RV) manufactured by DS Corp d/b/a Crossroads RV (Respondent). A preponderance of the evidence shows that the subject vehicle has a warrantable defect that qualifies for repurchase.

I. Procedural History, Notice and Jurisdiction

Matters of notice of hearing¹ 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 December 5, 2017, in Lake Jackson, Texas, before Hearings Examiner Andrew Kang, and the record closed on the same day. The Complainant, represented and testified for herself. The Complainant's fiancé, Dennis Wendland, testified for the Complainant. Brent Giggy, Product Team Lead, represented and testified for the Respondent.

II. Discussion

A. Applicable Law

1. Repurchase/Replacement Relief

A vehicle qualifies for repurchase or replacement if the manufacturer cannot “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.” In other words, (1) the vehicle must have a defect covered by an applicable warranty (warrantable defect); (2) the defect must either (a) create a serious safety hazard or (b) substantially impair the use or market value of the vehicle; and (3) the defect must continue to exist after a “reasonable number of attempts” at repair. In addition, the Lemon Law imposes other requirements for repurchase/replacement relief, including (1) a mailed written notice of the defect to the manufacturer, (2) an opportunity to repair by the manufacturer, and (3) a deadline for filing a Lemon Law complaint.

a. Serious Safety Hazard

The Lemon Law defines “serious safety hazard” as a life threatening malfunction or nonconformity that: (1) substantially impedes a person’s ability to control or operate a vehicle for ordinary use or intended purposes, or (2) creates a substantial risk of fire or explosion.

b. Substantial Impairment of Use or Value

i. Impairment of Use

In determining substantial impairment of use, the Department considers “whether a defect or nonconformity hampers the intended normal operation of the vehicle.” For instance, “while a vehicle with a non-functioning air conditioner would be available for use and transporting passengers, its intended normal use would be substantially impaired.”

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2 TEX. OCC. CODE § 2301.604(a).
3 TEX. OCC. CODE § 2301.604(a).
4 TEX. OCC. CODE § 2301.601(4).
5 Dutchmen Manufacturing, Inc. v. Texas Department of Transportation, Motor Vehicle Division, 383 S.W.3d 217, 228 (Tex. App.—Austin 2012).
ii. Impairment of Value

The Department applies a reasonable purchaser standard for determining whether a defect substantially impairs the value of a vehicle. The reasonable purchaser standard “does not require an owner to present an expert witness or any technical or market-based evidence to show decreased value.” Instead, under this standard, “factfinders should put themselves in the position of a reasonable prospective purchaser of the subject vehicle and determine (based on the evidence presented) if the current condition of the vehicle would deter them from buying the vehicle or substantially negatively affect how much they would be willing to pay for the vehicle.”

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c. Reasonable Number of Repair Attempts

Generally, a rebuttable presumption is established that the vehicle had a reasonable number of repair attempts if:

[T]he same nonconformity continues to exist after being subject to repair four or more times by the manufacturer, converter, or distributor or an authorized agent or franchised dealer of a manufacturer, converter, or distributor and the attempts were made before the earlier of: (A) the date the express warranty expires; or (B) 24 months or 24,000 miles, whichever occurs first, following the date of original delivery of the motor vehicle to the owner.

Alternatively, for serious safety hazards, a rebuttable presumption is established that the vehicle had a reasonable number of repair attempts if:

[T]he same nonconformity creates a serious safety hazard and continues to exist after causing the vehicle to have been subject to repair two or more times by the manufacturer, converter, or distributor or an authorized agent or franchised dealer of a manufacturer, converter, or distributor and the attempts were made before the earlier of: (A) the date the express warranty expires; or (B) 24 months or 24,000 miles, whichever occurs first, following the date of original delivery of the motor vehicle to the owner.

Additionally, for vehicles out of service at least 30 days, a rebuttable presumption may be established that the vehicle had a reasonable number of repair attempts if:

6 Dutchmen Manufacturing, Inc. v. Texas Department of Transportation, Motor Vehicle Division, 383 S.W.3d 217, 228 (Tex. App.—Austin 2012) (“[T]he Division’s interpretation that expert testimony or technical or market-based evidence is not required to show diminished value or use is consistent with the statute’s goal of mitigating manufacturers’ economic advantages in warranty-related disputes.”).

7 TEX. OCC. CODE § 2301.605(a)(1)(A) and (B).

8 TEX. OCC. CODE § 2301.605(a)(2).
[A] nonconformity still exists that substantially impairs the vehicle's use or market value, the vehicle is out of service for repair for a cumulative total of 30 or more days, and the attempts were made before the earlier of: (A) the date the express warranty expires; or (B) 24 months or 24,000 miles, whichever occurs first, following the date of original delivery of the motor vehicle to the owner.9

The 30 days described above does not include any period when the owner has a comparable loaner vehicle provided while the dealer repairs the subject vehicle.10

The existence of a statutory rebuttable presumption does not preclude otherwise finding a reasonable number of attempts to repair the vehicle based on different circumstances and fewer attempts.11 Furthermore, the Department adopted a decision indicating that if a consumer presents the vehicle to a dealer for repair and the dealer fails to repair the vehicle, then that visit would constitute a repair attempt unless the consumer was at fault for the failure to repair the vehicle.12

d. Other Requirements

Even if a vehicle satisfies the preceding requirements for repurchase/replacement relief, the Lemon Law prohibits repurchase or replacement unless: (1) the owner, someone on behalf of the owner, or the Department provided written notice of the alleged defect or nonconformity to the manufacturer;13 (2) the manufacturer was given an opportunity to cure the defect or nonconformity;14 and (3) the Lemon Law complaint was filed within six months after the earliest

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9 TEX. OCC. CODE § 2301.605(a)(3).
10 TEX. OCC. CODE § 2301.605(c).
11 Ford Motor Company v. Texas Department of Transportation, 936 S.W.2d 427, 432 (Tex. App.—Austin 1996, no writ) ("[T]he existence of statutory presumptions does not forbid the agency from finding that different circumstances or fewer attempts meet the requisite ‘reasonable number of attempts.’").
12 DaimlerChrysler Corporation v. Williams, No. 03-99-00822-CV (Tex. App.—Austin, June 22, 2000, no writ) (not designated for publication) (Repair attempts include "those occasions when the fault for failing to repair the vehicle rests with the dealership." Conversely, "those occasions when failure to repair the vehicle was the fault of the consumer would not be considered a repair attempt under the statute.").
13 TEX. OCC. CODE § 2301.606(c)(1).
14 TEX. OCC. CODE § 2301.606(c)(2). A repair visit to a dealer can satisfy the "opportunity to cure" requirement if the manufacturer authorized repairs by the dealer after written notice to the manufacturer, i.e., the manufacturer essentially authorized the dealer to attempt the final repair on the manufacturer's behalf. See Dutchmen Manufacturing, Inc. v. Texas Department of Transportation, Motor Vehicle Division, 383 S.W.3d 217, 226 (Tex. App.—Austin 2012).
of the warranty’s expiration date or the dates on which 24 months or 24,000 miles had passed since the date of original delivery of the motor vehicle to an owner.¹⁵

2. **Warranty Repair Relief**

   Even if repurchase or replacement relief does not apply, a vehicle may still qualify for warranty repair if the vehicle has a “defect . . . that is covered by a manufacturer’s, converter’s, or distributor’s . . . warranty agreement applicable to the vehicle” and the vehicle owner notified the manufacturer, converter, distributor, or its authorized agent of the defect.¹⁶ The manufacturer, converter, or distributor has an obligation to “make repairs necessary to conform a new motor vehicle to an applicable . . . express warranty.”¹⁷

3. **Burden of Proof**

   The law places the burden of proof on the Complainant.¹⁸ The Complainant must prove all facts required for relief by a preponderance, that is, the Complainant must present sufficient evidence to show that each required fact is more likely than not true.¹⁹ If any required fact appears equally likely or unlikely, then the Complainant has not met the burden of proof.

4. **The Complaint Identifies the Issues in this Proceeding**

   The complaint identifies the issues to be addressed in this proceeding.²⁰ The complaint should state “sufficient facts to enable the department and the party complained against to know the nature of the complaint and the specific problems or circumstances which form the basis of the claim for relief under the lemon law.”²¹ However, the parties may expressly or impliedly consent

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¹⁵ TEX. OCC. CODE § 2301.606(d)(2).

¹⁶ TEX. OCC. CODE § 2301.204; 43 TEX. ADMIN. CODE § 215.202(b)(3).

¹⁷ TEX. OCC. CODE § 2301.603(a).

¹⁸ 43 TEX. ADMIN. CODE § 215.66(d).


²⁰ “In a contested case, each party is entitled to an opportunity . . . for hearing after reasonable notice of not less than 10 days.” TEX. GOV’T CODE §§ 2001.051; “Notice of a hearing in a contested case must include . . . a short, plain statement of the factual matters asserted.” TEX. GOV’T CODE § 2001.052. See TEX. OCC. CODE § 2301.204(b) (“The complaint must be made in writing to the applicable dealer, manufacturer, converter, or distributor and must specify each defect in the vehicle that is covered by the warranty.”); TEX. OCC. CODE § 2301.204(d) (“A hearing may be scheduled on any complaint made under this section that is not privately resolved between the owner and the dealer, manufacturer, converter, or distributor.”).

to trying issues not included in the pleadings. Implied consent occurs when a party introduces evidence on an unpleaded issue without objection.

A. Complainant’s Evidence and Arguments

On October 19, 2016, the Complainant, purchased a new 2017 Z1 ZR328SB from ExploreUSA RV Supercenter, an authorized dealer of the Respondent, in Alvin, Texas and actually took delivery on November 4, 2016. The vehicle’s limited warranty provides bumper to bumper coverage for one year. On June 29, 2017, the Complainant provided a written notice of defect to the Respondent. On July 26, 2017, the Complainant filed a complaint with the Department alleging that: the awning and slides did not operate; a bathroom door handle fell off; a running light came off; the exterior bathroom door will not close; the roof had a patch; the carbon monoxide (CO) detector alarm/fault will not clear/reset; the refrigerator trips off; the main entry door will not close properly; and the stereo shuts off. The Complainant confirmed that the bathroom door handle, running light, CO detector, and refrigerator issues were successfully resolved. Additionally, the Complainant testified that the awning appeared to be operating adequately but she had only unrolled it a few times. In relevant part, the Complainant took the vehicle to a dealer for repair of the alleged issues as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/10/2016</td>
<td>Slides short circuiting</td>
</tr>
<tr>
<td>11/15/2016</td>
<td></td>
</tr>
<tr>
<td>05/19/2017</td>
<td>CO detector beeping; entry door does not shut properly; light comes</td>
</tr>
<tr>
<td>08/03/2017</td>
<td>through rear (exterior bathroom) door; awning and slides do not</td>
</tr>
<tr>
<td></td>
<td>function remotely; awning switch does not work; bathroom doorknob</td>
</tr>
<tr>
<td></td>
<td>fell off; running light cap missing; roof tape/patch on door-side</td>
</tr>
<tr>
<td></td>
<td>front corner</td>
</tr>
<tr>
<td>08/18/2017</td>
<td>Awning not rolling out properly; refrigerator not cooling; bathroom</td>
</tr>
<tr>
<td>10/23/2017</td>
<td>door does not close flush; slide grinding;</td>
</tr>
<tr>
<td>09/05/2017</td>
<td>Replace Lippert control board; replace breakers; replace slide</td>
</tr>
<tr>
<td>10/23/2017</td>
<td>actuator</td>
</tr>
</tbody>
</table>

The Complainant testified that the awning appeared to be working normally but she only unrolled it a few times and could not tell if it had been successfully repaired. Additionally, the slide would not work intermittently. She noted that rain got in because of the door opening. Also

the stereo will not turn off completely. Mr. Wendland testified that with the RV connected to (shore) power, the CO detectors never shut off, and the RV would not hold a charge or take a charge unless hooked up to a vehicle. The Complainant stated that she did not actually take delivery on the buyer’s order date (October 18, 2016) because of the awning and other issues. Instead, she actually took possession on November 4, 2016. The slide was still not working when she came to pick up the RV. The November 10, 2016, work order was the last work order before taking the RV off the lot. The Complainant testified that the awning would not unroll during the initial walkthrough. Even after repair, the awning would not open during a trip on December 19, 2016. However, since the last repair, the Complainant rolled out the awning, which seemed to be functioning. The slides initially did not work and would short out. The slides also would not open during the December 19th trip. The slide last malfunctioned on November 10, 2017. The slide appeared to have some gears grinding. However, Mr. Wendland noted that the slide was not as bad after repair. The Complainant stated that the exterior bathroom door pops open, pops when closing, has a large gap, and must be locked to stay closed. She last noticed this issue on November 10, 2017. When bringing in for the service shown in the second work order, they discovered that the roof had patches. The refrigerator tripped off during a trip on December 19, 2016, causing the food in the refrigerator to spoil. The breakers were replaced and the refrigerator no longer tripped off. At the pre-delivery inspection, the dealer believed that the main door would not close because of an obstruction in the deadbolt hole. However, while on vacation on the December 19, 2016, the door would not close and needed to be lifted up and dead bolted to remain closed. The dealer noticed that the door would open on its own. The door popped open during rain causing damage to wood. The door opening issue last occurred on September 27, 2017. The slide and bathroom door worked intermittently.

B. Respondent’s Evidence and Arguments

The Respondent objected to consideration of any issues not in the complaint. Mr. Giggy testified that Respondent replaced the exterior rear bathroom door and he could not see a gap. Mr. Giggy explained that the stereo was fixed and confirmed that a separate manufacturer’s warranty applied to the stereo. Mr. Giggy did not know why the roof had a patch. Mr. Giggy stated that the Respondent did not install a patch on the roof. Instead, the manufacture put sealant on the roof, which had a gap according to the dealer. Mr. Giggy explained that a patch was not needed because
of any roof damage and nothing indicated the existence of roof damage. Mr. Giggy noted that he opened and closed the door several times and found it functioned correctly. Mr. Giggy elaborated that the roof patch was a cosmetic issue. Mr. Giggy answered that Lippert manufactured the slide mechanism.

C. Inspection

The awning rolled out and in normally. During the first opening of the living/dining slide, the slide made a squealing when the slide had almost fully extended. However, the voltage was low at that time. The slide did not make any abnormal noise in a subsequent opening/closing. The main entry door would not latch unless slammed shut. Simply pulling on the door handle from the interior would not latch the door. The exterior bathroom door was firm but could be pushed shut from the outside and pulled shut from the inside without having to slam the door.

D. Analysis

1. Warranty Coverage and Lemon Law Applicability

The Lemon Law relief only applies to defects covered by warranty (warrantable defects). The Lemon Law does not require that a manufacturer provide any particular warranty coverage nor does the Lemon Law specify any standards for vehicle characteristics. The Lemon Law only requires the manufacturer to conform its vehicles to whatever coverage the warranty provides. In part, the Respondent’s warranty covers the RV “for a period of one (1) year from the date of purchase by the first retail owner.” The warranty “covers defects in materials and workmanship supplied by and attributable to Keystone’s manufacturing and assembly of the RV when the RV is used for its intended purpose of recreational camping.” Additionally, the warranty specifically excludes, among other things: “Routine maintenance including, without limitation, caulking, re-caulking and waxing of the body of the RV, tightening screws, brake squeak/lock-up/adjustment, latches, locks, combustion systems, changing fuses, or light bulbs, and maintaining the air conditioning and heating systems”; “Adjustments to all doors, drawers, locks, latches, slide outs,

24 TEX. OCC. CODE §§ 2301.603(a), 2301.604(a); TEX. OCC. CODE § 2301.204

25 The sale of a motor vehicle occurs upon payment to the dealer and delivery of the vehicle to the buyer. TEX. BUS. & COM. CODE §§ 2.101-2.725.
awnings and window treatments beyond 90 days after retail sale” and “Equipment, products, components, appliances, or accessories not manufactured by Keystone.”

2. **Issues Successfully Repaired or Not Covered by Warranty**

Most of the complained of issues appear to have been successfully resolved. The Complainant confirmed that the bathroom door handle, running light, CO detector, refrigerator and stereo tripping issues were successfully resolved. The initial problems with the refrigerator and stereo tripping off appeared to result from an underlying problem with the breakers and not the refrigerator or stereo itself. The breaker tripping issue did not recur after replacement of the breakers and appear to have been successfully resolved. The Respondent objected to the current issue of the stereo not turning off because it was not included in the complaint. Furthermore, the stereo is a third party component and issues arising from components manufactured by third parties are not covered under the Respondent’s warranty (as explained above) and therefore do not qualify for Lemon Law relief. The slide appeared to operate normally, except for noise ostensibly associated with low voltage (as opposed to a defect). In any event, issues arising from the slide mechanism itself is not a warrantable issue since a third party (Lippert) manufactured the slide mechanism. Additionally, the awning operated normally at the hearing and when the Complainant operated the awning after repair, it functioned properly. Accordingly, the awning appears to have been successfully repaired. To the extent the awning mechanism itself was the problem, it would not be covered as a third party component. The patch on the roof does not appear to be a warrantable defect as defined by the warranty. Lastly, the exterior bathroom door, though firm, did not appear to function abnormally.

3. **Main Entry Door**

Although Mr. Giggy noted that the force required to shut a door may vary, the main entry door clearly required substantially more effort to close as compared to the exterior bathroom door. As observed during the inspection at the hearing, simply pulling on the door handle from the interior would not latch the door. In comparison, the exterior bathroom door was firm but could be pushed shut from the outside and pulled shut from the inside without having to slam the door. The record also reflects that problems with the door closing led to its opening when raining, in turn causing water damage to the wood inside. Considering the above, the problems with the main
entry door substantially impair the market value of the vehicle under the reasonable prospective purchaser standard.

III. Findings of Fact

1. On October 19, 2016, the Complainant, purchased a new 2017 Z1 ZR328SB from ExploreUSA RV Supercenter, an authorized dealer of the Respondent, in Alvin, Texas and actually took delivery on November 4, 2016.

2. The vehicle’s limited warranty provides bumper to bumper coverage for one year.

3. The Complainant took the vehicle to a dealer for repair as shown below:

<table>
<thead>
<tr>
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</tr>
<tr>
<td></td>
<td>remotely; awning switch does not work; bathroom doorknob fell off;</td>
</tr>
<tr>
<td></td>
<td>running light cap missing; roof tape/patch on door-side front corner</td>
</tr>
<tr>
<td>08/18/2017</td>
<td>Awning not rolling out properly; refrigerator not cooling;</td>
</tr>
<tr>
<td>10/23/2017</td>
<td>bathroom door does not close flush; slide grinding;</td>
</tr>
<tr>
<td>09/05/2017</td>
<td>Replace Lippert control board; replace breakers; replace slide</td>
</tr>
<tr>
<td>10/23/2017</td>
<td>actuator</td>
</tr>
</tbody>
</table>

4. On June 29, 2017, the Complainant provided a written notice of defect to the Respondent.

5. On July 26, 2017, the Complainant filed a complaint with the Department alleging that: the awning and slides did not operate; a bathroom door handle fell off; a running light came off; the exterior bathroom door will not close; the roof had a patch; the carbon monoxide (CO) detector alarm/fault will not clear/reset; the refrigerator trips off; the main entry door will not close properly; and the stereo shuts off. The Complainant confirmed that the bathroom door handle, running light, CO detector, and refrigerator issues were successfully resolved. Additionally, the Complainant testified that the awning appeared to be operating adequately but she had only unrolled it a few times.

6. On September 6, 2017, the Department’s Office of Administrative Hearings issued a notice of hearing directed to all parties, giving them 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 factual matters asserted.

7. The hearing in this case convened on December 5, 2017, in Lake Jackson, Texas, before Hearings Examiner Andrew Kang, and the record closed on the same day. The Complainant, represented and testified for herself. The Complainant’s fiancé, Dennis Wendland, testified for the Complainant. Brent Giggy, Product Team Lead, represented and testified for the Respondent.

8. The warranty expired on November 4, 2017.

9. At the inspection during the hearing, the awning rolled out and in normally. During the first opening of the living/dining slide, the slide made a squealing when the slide had almost fully extended. However, the voltage was low at that time. The slide did not make any abnormal noise in a subsequent opening/closing. The main entry door would not latch unless slammed shut. Simply pulling on the door handle from the interior would not latch the door. The exterior bathroom door was firm but could be pushed shut from the outside and pulled shut from the inside without having to slam the door.

10. The Complainant incurred $604.99 in RV rental charges while the subject vehicle was under repair.

11. The appropriate calculations for repurchase are:

<table>
<thead>
<tr>
<th>Purchase price, including tax, title, license &amp; registration</th>
<th>$25,134.41</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of delivery</td>
<td>11/04/15</td>
</tr>
<tr>
<td>Date of first report of defective condition</td>
<td>11/10/15</td>
</tr>
<tr>
<td>Date of hearing</td>
<td>12/05/17</td>
</tr>
<tr>
<td>Days out of service</td>
<td>116</td>
</tr>
<tr>
<td>Useful life determination</td>
<td>3,650</td>
</tr>
<tr>
<td>Purchase price, including tax, title, license &amp; registration</td>
<td>$25,134.41</td>
</tr>
<tr>
<td>-------------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td><strong>Unimpaired Days:</strong></td>
<td></td>
</tr>
<tr>
<td>Date of first report of defective condition less date of delivery</td>
<td>11/10/16 - 11/04/16 = 6</td>
</tr>
<tr>
<td><strong>Impaired Days:</strong></td>
<td></td>
</tr>
<tr>
<td>Date of hearing less date of first report of defective condition</td>
<td>12/05/17 - 11/10/16 = 390</td>
</tr>
<tr>
<td>Less days out of service for repair</td>
<td>-116</td>
</tr>
<tr>
<td></td>
<td>274</td>
</tr>
<tr>
<td><strong>Reasonable Allowance for Use Calculations:</strong></td>
<td></td>
</tr>
<tr>
<td>Unimpaired days</td>
<td>6 / 3,650 x $25,134.41 = $41.32</td>
</tr>
<tr>
<td>Impaired days</td>
<td>274 / 3,650 x $25,134.41 x 50% = $943.40</td>
</tr>
<tr>
<td><strong>Total reasonable allowance for use deduction</strong></td>
<td>$984.72</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purchase price, including tax, title, license &amp; registration</th>
<th>$25,134.41</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less reasonable allowance for use deduction</td>
<td>-$984.72</td>
</tr>
<tr>
<td>Plus filing fee refund</td>
<td>$35.00</td>
</tr>
<tr>
<td>Plus incidental expenses</td>
<td>$604.99</td>
</tr>
<tr>
<td><strong>TOTAL REPURCHASE AMOUNT</strong></td>
<td>$24,789.68</td>
</tr>
</tbody>
</table>

### IV. Conclusions of Law

1. The Texas Department of Motor Vehicles has jurisdiction over this matter. TEX. OCC. CODE §§ 2301.601-2301.613; TEX. OCC. CODE § 2301.204.

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.


5. The Complainant bears the burden of proof in this matter. 43 TEX. ADMIN. CODE § 206.66(d).
6. The Complainant, a person on behalf of the Complainant, or the Department provided written notice of the alleged defect(s) to the Respondent. TEX. OCC. CODE § 2301.606(c)(1).

7. The Respondent had an opportunity to cure the alleged defect(s). TEX. OCC. CODE § 2301.606(c)(2).

8. The Complainant timely filed the complaint commencing this proceeding. TEX. OCC. CODE § 2301.606(d).

9. The Complainant's vehicle qualifies for replacement or repurchase. A warrantable defect that substantially impairs the market value of the vehicle continues to exist after a reasonable number of repair attempts. TEX. OCC. CODE § 2301.604(a).

V. Order

Based on the foregoing Findings of Fact and Conclusions of Law, it is ORDERED that the Complainant's petition for relief pursuant to Texas Occupations Code §§ 2301.601-2301.613 is GRANTED. It is further ORDERED that the Respondent shall repair the warrantable defect(s) in the reacquired vehicle identified in this Order. IT IS THEREFORE ORDERED that:

1. The Respondent shall accept the return of the vehicle from the Complainant. The Respondent shall have the right to have its representatives inspect the vehicle upon the return by the Complainant. If from the date of the hearing to the date of repurchase the vehicle is substantially damaged or there is an adverse change in its condition beyond ordinary wear and tear, and the parties are unable to agree on an amount of an allowance for such damage or condition, either party may request reconsideration by the Office of Administrative Hearings of the repurchase price contained in the final order;

2. The Respondent shall repurchase the subject vehicle in the amount of $24,789.68. The refund shall be paid to the Complainant and the vehicle lien holder as their interests require. If clear title to the vehicle is delivered to the Respondent, then the full refund shall be paid to the Complainant. At the time of the return, the Respondent or its agent is entitled to receive clear title to the vehicle. If the above noted repurchase amount does not pay all liens in full, the Complainant is responsible for providing the Respondent with clear title to the vehicle;
3. Within 20 days after the date this Order becomes final under Texas Government Code § 2001.144,26 the parties shall complete the return and repurchase of the subject vehicle. However, if the Office of Administrative Hearings determines the failure to complete the repurchase as prescribed is due to the Complainant’s refusal or inability to deliver the vehicle with clear title, the Office of Administrative Hearings may deem the granted relief rejected by the Complainant and the complaint closed pursuant to 43 Texas Administrative Code § 215.210(2);

4. The Respondent, pursuant to 43 Texas Administrative Code § 215.210(4), shall obtain a Texas title for the vehicle prior to resale and issue a disclosure statement provided by or approved by the Department’s Enforcement Division – Lemon Law Section;

5. The Respondent, pursuant to 43 Texas Administrative Code § 215.210(4), shall affix the disclosure label to the reacquired vehicle in a conspicuous place, and upon the first retail sale of the vehicle, the disclosure statement shall be completed and returned to the Department’s Enforcement Division – Lemon Law Section; and

6. The Respondent, pursuant to 43 Texas Administrative Code § 215.210(4), shall provide the Department’s Enforcement Division – Lemon Law Section, in writing, the name, address and telephone number of the transferee (wholesale purchaser or equivalent) of the vehicle within 60 days of the transfer.

SIGNED February 5, 2018

ANDREW KANG
HEARINGS EXAMINER
OFFICE OF ADMINISTRATIVE HEARINGS
TEXAS DEPARTMENT OF MOTOR VEHICLES

26 (1) This Order becomes final if a party does not file a motion for rehearing within 20 days after receiving a copy of this Order, or (2) if a party files a motion for rehearing within 20 days after receiving a copy of this Order, this Order becomes final when: (A) the Department renders an order overruling the motion for rehearing, or (B) the Department has not acted on the motion within 45 days after the party receives a copy of this Order.