### TEXAS DEPARTMENT OF MOTOR VEHICLES CASE NO. 21-0016059 CAF

PRECIOUS AND LAUREL GRAY,	§	<b>BEFORE THE OFFICE</b>
Complainants	§	
	§	
V.	§	OF
	§	
KIA MOTORS AMERICA,	§	
Respondent	§	ADMINISTRATIVE HEARINGS

### **DECISION AND ORDER**

Precious and Laurel Gray (Complainants) filed a petition seeking relief pursuant to Texas Occupations Code §§ 2301.601-2301.613 (Lemon Law) for alleged defects in their new 2021 Kia Rio. Complainants assert that the vehicle drifts when driving at highway speed, and the back-up camera and radio don't work properly. Kia Motors America (Respondent) did not have a representative appear at the hearing on the merits and did not provide any evidence. The hearings examiner concludes that the vehicle does have an existing warrantable defect, and Complainants are eligible for replacement 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 and the record closed on January 5, 2022. The hearing was conducted before Hearings Examiner Edward Sandoval at the Workforce Solutions of Central Texas office located in Temple, Texas. Complainants, Precious and Laurel Gray, were present and testified in the hearing. In addition, Brittnie Bee, a relative, was present at the hearing. Respondent did not have a representative participate in the hearing

### **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.<sup>1</sup> Second, the defect or condition in the vehicle creates a serious safety hazard or substantially impairs the use or market value of the vehicle.<sup>2</sup> Third, the manufacturer has been given a reasonable number of attempts to repair or correct the defect or condition.<sup>3</sup> Fourth, the owner must have provided written notice of

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

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

the alleged defect or nonconformity to the manufacturer.<sup>4</sup> Lastly, the manufacturer must have been given an opportunity to cure the defect or nonconformity.<sup>5</sup>

In addition to these conditions, a rebuttable presumption can be established 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 by the manufacturer, converter, or distributor, or an authorized agent or franchised dealer of a manufacturer, converter, or distributor and the repair 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.<sup>6</sup>

If a vehicle is found to have a nonconformity that creates a serious safety hazard which continues to exist, the rebuttable presumption that a reasonable number of repair attempts have been performed can be established if the vehicle has 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.<sup>7</sup>

"Serious safety hazard" means a life-threatening malfunction or nonconformity that substantially impedes a person's ability to control or operate a vehicle for ordinary use or intended purposes, or creates a substantial risk of fire or explosion.<sup>8</sup>

Finally, a rebuttable presumption can be established 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 that substantially impairs the vehicle's use or market value, the vehicle has been out of service for repair for a cumulative total of 30 or more days, and the repairs 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.<sup>9</sup>

The 30 day out of service requirement described in Section 2301.605(a)(3) does not include any period during which the manufacturer or distributor lends the vehicle owner a comparable motor vehicle while the owner's vehicle is being repaired by a franchised dealer.<sup>10</sup>

<sup>&</sup>lt;sup>4</sup> Tex. Occ. Code § 2301.606(c)(1).

<sup>&</sup>lt;sup>5</sup> Tex. Occ. Code § 2301.606(c)(2).

<sup>&</sup>lt;sup>6</sup> Tex. Occ. Code § 2301.605(a)(1)(A) and (B).

<sup>&</sup>lt;sup>7</sup> Tex. Occ. Code § 2301.605(a)(2)(A) and (B).

<sup>&</sup>lt;sup>8</sup> Tex. Occ. Code § 2301.601(4).

<sup>&</sup>lt;sup>9</sup> Tex. Occ. Code § 2301.605(a)(3)(A) and (B).

<sup>&</sup>lt;sup>10</sup> Tex. Occ. Code § 2301.605(c).

## **B.** Complainants' Evidence and Arguments

Complainants purchased a new 2021 Kia Rio (the vehicle) from Dennis Eakin Kia (Eakin) in Killeen, Texas on May 1, 2021.<sup>11</sup> The vehicle's mileage was 274 at the time of the purchase.<sup>12</sup> Respondent provided a bumper-to-bumper warranty for the vehicle which provides coverage for five (5) years or 60,000 miles, whichever comes first. In addition, Respondent provided a powertrain warranty for the vehicle covering the powertrain for ten (10) years or 100,000 miles. At the time of hearing, the vehicle's mileage was 17,197. Respondent's warranties for the vehicle were still in effect on the hearing date.

Precious Gray testified at the hearing. She stated that she is the primary driver of the vehicle.

Ms. Gray testified that she took a test drive in the vehicle prior to purchase and did not notice any issue with the vehicle. However, after leaving Eakin's location and driving the vehicle approximately 25 miles all of the vehicle's warning lights on the instrument cluster illuminated. Ms. Gray stated that the lights stayed on during the entire drive to Dallas, Texas where Ms. Gray resides. Ms. Gray testified that she also experienced an issue with the vehicle's backup camera during the drive to Dallas. The camera stayed on after she had stopped backing up in the vehicle and started driving forward. It stayed on during the entire drive to Dallas. Ms. Gray took the vehicle to an AutoZone in Dallas to have them determine why the lights illuminated. She stated that she was told by the AutoZone mechanic that the vehicle was not safe to drive with the warning lights illuminated and she should take it to an authorized dealer for repair. On May 6, 2021, Ms. Gray had the vehicle towed to Central Kia of Plano (Central) located in Plano, Texas for repair. Ms. Gray informed Central's service representatives of the issues with the vehicle, *i.e.*, the warning lights illuminating and the backup camera not operating correctly. Central's service technicians replaced the vehicle's anti-lock braking system (ABS) module in order to correct the issue with the warning lights illuminating.<sup>13</sup> In addition, the service representative informed Ms. Gray that they were going to order a new backup camera and radio assembly to address the issue of the backup camera not working properly. She was also informed by the representative that the replacement part was on back order and that someone from the dealership would contact her when the part arrived. The vehicle's mileage at this time was 431.<sup>14</sup> The vehicle was in Central's possession until June 16, 2021.<sup>15</sup> Ms. Gray stated that she did not receive a loaner vehicle when she first took the vehicle for repair, but the dealer provided a loaner during the last two (2) weeks of repair.

<sup>&</sup>lt;sup>11</sup> Complainant Ex. 4, Motor Vehicle Retail Sale Installment Contract dated May 1, 2021.

<sup>&</sup>lt;sup>12</sup> Complainant Ex. 3, Buyer's Order dated May 1, 2021.

<sup>&</sup>lt;sup>13</sup> Complainant Ex. 5, Repair Order dated May 6, 2021.

<sup>&</sup>lt;sup>14</sup> *Id*.

<sup>&</sup>lt;sup>15</sup> Id.

Complainants filed a Lemon Law complaint with the Texas Department of Motor Vehicles (Department) on August 14, 2021.<sup>16</sup> Complainants mailed a notice that they were dissatisfied with the vehicle to Respondent on August 17, 2021.<sup>17</sup>

When Ms. Gray received the vehicle back from Central in June of 2021, the warning lights were no longer illuminated. However, the backup camera continued to malfunction periodically. During the summer of 2021, Ms. Gray noticed that when she was driving at highway speed, the vehicle would drift out its lane in no particular direction. On September 3, 2021, Ms. Gray took the vehicle to Central for an oil change. While she was there, Ms. Gray advised the service representative of the drifting issue and the backup camera still malfunctioning. However, no work was done by Central's service technicians to address the issues. No repairs were listed on the service invoice. When Ms. Gray questioned the service representative about this, she was told that she would not need the information on the invoice as the drifting issue was caused by the wind. The vehicle's mileage on this occasion was 5,053.<sup>18</sup> The vehicle was in Central's possession for the afternoon. Ms. Gray waited for the vehicle at the dealership and did not get a loaner vehicle.

Ms. Gray testified that she continued to have trouble with the vehicle drifting into other lanes when she was driving at highway speed after September of 2021. In addition, the backup camera continued to malfunction, and the radio screen would go black. As a result, Ms. Gray took the vehicle to Eakin for repair on October 28, 2021. Eakin's service technician checked the vehicle's alignment in order to address the drifting issue and determined that it met the manufacturer's specifications.<sup>19</sup> In addition, the service representative informed Ms. Gray that a new backup camera and radio assembly was still on back order, so the issues with the camera and radio could not be addressed at the time. The service representative showed Ms. Gray how to reset the radio if the screen went black. The vehicle's mileage at this time was 10,595.<sup>20</sup> The vehicle was in Eakin's possession for the afternoon. Ms. Gray waited for the vehicle and did not receive a loaner vehicle during this repair visit.

On December 2, 2021, Ms. Gray took the vehicle to Central for an oil change. At the same time, she reiterated to Central's service representative her concerns with the vehicle drifting when driving at highway speed and the problems with the vehicle's backup camera and radio. No repairs were performed for these issues. The vehicle's mileage at the time was 14,630.<sup>21</sup> The vehicle was in Central's possession for a few hours. Ms. Gray did not receive a loaner vehicle as she waited at the dealership for her vehicle.

<sup>&</sup>lt;sup>16</sup> Complainant Ex. 1, Lemon Law Complaint dated August 14, 2021.

<sup>&</sup>lt;sup>17</sup> Complainant Ex. 2, Letter to Kia Motors America dated August 17, 2021.

<sup>&</sup>lt;sup>18</sup> Complainant Ex. 6, Repair Order dated September 3, 2021.

<sup>&</sup>lt;sup>19</sup> Complainant Ex. 7, Repair Order dated October 28, 2021.

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

<sup>&</sup>lt;sup>21</sup> Complainant Ex. 8, Repair Order dated December 2, 2021.

Ms. Gray stated that she was not contacted by Respondent for a final repair attempt on the vehicle. In addition, she has never been contacted by either Central or Eakin about the replacement part for the vehicle's backup camera and radio.

Ms. Gray testified that the vehicle still drifts when driving at highway speed and that this concerns her. She doesn't feel safe when driving on the highway. In addition, the backup camera and radio continue to malfunction. The backup camera will sometimes stay on for her entire trip. She sometimes has to turn the vehicle off and then restart it in order to get the camera to work properly. Ms. Gray stated that the last time she experienced an issue with the backup camera was a few days prior to the hearing. Ms. Gray also stated that she periodically has to reset the vehicle's radio because the screen goes black. This was still occurring at the time of hearing.

## C. Respondent's Evidence and Arguments

Respondent did not present evidence in the hearing as a representative was not present.

# **D.** Analysis

Under the Lemon Law, Complainants bear 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, Complainants must meet the presumption that a reasonable number of attempts have been undertaken to conform the vehicle to an applicable express warranty. Finally, Complainants are 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, Complainants are entitled to have the vehicle repurchased or replaced.

# 1. Drifting Issue

The first issue to address is whether Complainants' vehicle has a defect or condition that substantially impairs its use or market value, or which creates a serious safety hazard. The totality of the evidence presented at the hearing reveals that the vehicle drifts when driving at highway speed and that the issue has not been repaired. It is apparent from the testimony presented that the vehicle does have a defect or nonconformity which affects its use and market value, as a potential buyer would be more hesitant to purchase a vehicle that drifts when it's being driven. In addition, the issue creates a serious safety hazard as it substantially impedes Complainants' ability to control or operate the vehicle for its ordinary or intended purposes.

Complainants also presented evidence to indicate that Respondent or its authorized representative was provided with a reasonable number of repair attempts to repair the defect or nonconformity with the vehicle. Complainants presented the vehicle for repair for the drifting issue to Respondent's authorized representatives on several occasions, including: September 3, 2021; October 28, 2021; and December 7, 2021. 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)(2) specifies that a rebuttable presumption that a reasonable number of attempts to repair have been made to repair a serious safety hazard if "the vehicle has 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". The evidence presented at the hearing establishes that Complainants have met the requirements of this test since they took the vehicle for repair the requisite number of times within the specified time frame. As such, Complainants have established that a reasonable number of attempts to repair the vehicle were made by Respondent.

In addition, the evidence presented at the hearing indicates that Complainants also provided Respondent with written notice of the defect and a final opportunity to cure the defect. Complainants informed Respondent via letter dated August 17, 2021, of the issue with the vehicle drifting when driving at highway speeds and providing them with an opportunity to cure of which Respondent did not avail themselves.

Although Respondent has been provided several opportunities to repair the vehicle and to ensure that it operates properly, they have not been able to repair the vehicle so that it conforms to their written warranty. As such, Complainants have met their burden of proof to establish that the vehicle has a warrantable and existing defect or condition which creates a serious safety hazard, and which substantially impairs the vehicle's use and market value.

## 2. Backup Camera and Radio Issues

In regard to the backup camera and radio malfunctioning, the evidence is clear that the defect has continued to exist despite repeated attempts by Complainants to have them repaired. The dealer's representatives are aware of the issues and have advised Complainants that they will replace the backup camera and radio assembly once they get the back ordered part. As such, the hearings examiner must hold that the defect still exists despite the dealers' attempts to repair.

The issues do not substantially impair the use of the vehicle, although the defect with the malfunctioning backup camera does affect the value of the vehicle. Based on the above analysis, in that Complainants have provided Respondent with ample opportunity to cure and the defect still exists, the hearings examiner must find that Complainants have met their burden of proof to establish that the vehicle has a warrantable and existing defect or condition which substantially impairs the vehicle's market value.

Based on the evidence and the arguments presented, the hearings examiner finds that replacement of the vehicle is the appropriate remedy in this case. Complainants' request for replacement relief is hereby granted.

## **III. FINDINGS OF FACT**

- Precious and Laurel Gray (Complainants) purchased a new 2021 Kia Rio on May 1, 2021, from Dennis Eakin Kia (Eakin) in Killeen, Texas with mileage of 274 at the time of delivery.
- 2. The manufacturer of the vehicle, Kia Motor America (Respondent), issued a bumper-tobumper warranty for the vehicle providing coverage for five (5) years or 60,000 miles, whichever comes first. In addition, Respondent provided a powertrain warranty for the vehicle providing coverage for the vehicle's powertrain for ten (10) years or 100,000 miles.
- 3. The vehicle's mileage on the date of the hearing was 17,197.
- 4. At the time of hearing the warranties for the hearing were still in effect.
- 5. Complainants first experienced a problem with the vehicle after driving it for about 25 miles after purchase, in that the vehicle's warning lights all illuminated and the backup camera would not turn off.
- 6. During the summer of 2021, Complainants continued to experience problems with the vehicle's backup camera and radio not working properly. In addition, the vehicle would drift between lanes when driving at highway speed.
- 7. Complainants' vehicle was serviced by Respondent's authorized dealers, Eakin and Central Kia of Plano (Central) located in Plano, Texas, on the following dates because of Complainants' concerns with the vehicle:
  - a. May 6, 2021, at 431 miles;
  - b. September 3, 2021, at 5,053 miles;
  - c. October 28, 2021, at 10,595 miles; and
  - d. December 2, 2021, at 14,630 miles.
- 8. On May 6, 2021, Central's service technicians replaced the vehicle's anti-lock braking system (ABS) module in order to repair the issue of the vehicle's warning lights illuminating. In addition, the dealer ordered a new backup camera and radio assembly for the vehicle in order to repair the issue with the backup camera malfunctioning.

- 9. On August 14, 2021, Complainants filed a Lemon Law complaint with the Texas Department of Motor Vehicles (Department).
- 10. On August 17, 2021, Complainants provided written notice to Respondent of Complainants' dissatisfaction with the vehicle.
- 11. On September 3, 2021, Central's service technician performed an oil change for the vehicle but did not attempt to perform any repairs for the issue of the vehicle drifting when driving at highway speed, nor for the backup camera and radio issues.
- 12. On October 28, 2021, Eakin's service technician checked the vehicle's alignment for the drifting issue and determined that it met the manufacturer's specifications. In addition, Complainants were again informed that the backup camera and radio assembly had been ordered and had not arrived.
- 13. On December 2, 2021, Central's service technician performed an oil change for the vehicle and did not perform any repairs for the drifting issue or for the backup camera and radio issues.
- 14. Respondent did not ask Complainants for an opportunity to perform a final repair or inspection of the vehicle.
- 15. The vehicle was still drifting between lanes when driving at highway speed at the time of hearing.
- 16. The vehicle's radio and backup camera continue to malfunction as of this date.
- 17. On November 2, 2021, 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.
- 18. The hearing in this case convened and the record closed on January 5, 2022. The hearing was conducted before Hearings Examiner Edward Sandoval at the Workforce Solutions of Central Texas located in Temple, Texas. Complainants, Precious and Laurel Gray, were present and testified in the hearing. In addition, Brittnie Bee, a relative, was present at the hearing. Respondent did not have a representative participate in the hearing.

## **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.
- Complainants 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. Complainants bear the burden of proof in this matter.
- 6. Complainants' vehicle has an existing defect or condition that creates a serious safety hazard, *i.e.*, the vehicle drifting when driving at highway speed. Tex. Occ. Code § 2301.604(a).
- 7. Complainants' vehicle has an existing nonconformity that substantially impairs the use and market value of the vehicle, *i.e.*, the back-up camera not working properly. Tex. Occ. Code § 2301.604(a).
- 8. After a reasonable number of attempts, Respondent has been unable to repair the nonconformities in Complainants' vehicle so that it conforms to the applicable express warranty. Tex. Occ. Code §§ 2301.604(a) and 2301.605.
- 9. Based on the above Findings of Fact and Conclusions of Law, Complainants are entitled to relief and replacement of their 2021 Kia Rio under Texas Occupations Code § 2301.604(a).

## **IT IS THEREFORE ORDERED** that:

- 1. Respondent shall, in accordance with Texas Administrative Code § 215.208(d)(1)(A), promptly authorize the exchange of Complainants' new 2021 Kia Rio (the reacquired vehicle) with Complainants' choice of any comparable motor vehicle.
- 2. Respondent shall instruct the dealer to contract the sale of the selected comparable vehicle with Complainants under the following terms:

- (a) The sales price of the comparable vehicle shall be the vehicle's Manufacturer's Suggested Retail Price (MSRP);
- (b) The trade-in value of Complainants' 2021 Kia Rio shall be the MSRP at the time of the original transaction, less a reasonable allowance for Complainants' use of the vehicle;
- (c) The use allowance for replacement relief shall be calculated in accordance with the formula outlined in Texas Administrative Code § 215.208(b)(2) (the use allowance is \$1,456.71);
- (d) The use allowance paid by Complainants to Respondent shall be reduced by \$35.00 (the refund for the filing fee) (after deducting the filing fee, the use allowance is reduced to \$1,421.71);
- 3. Respondent's communications with Complainants finalizing replacement of the reacquired vehicle shall be reduced to writing, and a copy thereof shall be provided to the Department within twenty (20) days of completion of the replacement.
- 4. Respondent shall obtain a Texas title for the reacquired vehicle prior to resale and issue a disclosure statement on a form provided or approved by the Department.<sup>22</sup>
- 5. Respondent shall affix the disclosure label to the reacquired vehicle in a conspicuous location (*e.g.*, hanging from the rear view mirror). Upon Respondent's first retail sale of the reacquired vehicle, the disclosure statement shall be completed and returned to the Department.
- 6. Within sixty (60) days of transfer of the reacquired vehicle, Respondent shall provide to the Department written notice of the name, address and telephone number of any transferee (wholesaler or equivalent), regardless of residence.
- 7. Respondent shall repair the defect or condition that was the basis of the 2021 Kia Rio's reacquisition and issue a new 12-month/12,000-mile warranty on the reacquired vehicle.
- 8. Upon replacement of Complainants' 2021 Kia Rio, Complainants shall be responsible for payment or financing of the usage allowance of the reacquired vehicle, any outstanding liens on the reacquired vehicle, and applicable taxes and fees associated with the new sale, excluding documentary fees. Further, in accordance with 43 Tex. Administrative Code § 215.208(d)(2):

<sup>&</sup>lt;sup>22</sup> Correspondence and telephone inquiries regarding disclosure labels should be addressed to: Texas Department of Motor Vehicles, Enforcement Division-Lemon Law Section, 4000 Jackson Avenue Building 1, Austin, Texas 78731, ph. (512) 465-4076.

- (a) If the comparable vehicle has a higher MSRP than the reacquired vehicle, Complainants shall be responsible at the time of sale to pay or finance the difference in the two vehicles' MSRPs to the manufacturer, converter or distributor; and
- (b) If the comparable vehicle has a lower MSRP than the reacquired vehicle, Complainants will be credited the difference in the MSRP between the two vehicles. The difference credited shall not exceed the amount of the calculated usage allowance for the reacquired vehicle.
- 9. Complainants shall be responsible for obtaining financing, if necessary, to complete the transaction.
- 10. The replacement transaction described in this Order shall be completed within 20 calendar days from the receipt of this Order. If the transaction cannot be accomplished within the ordered time period, Respondent shall repurchase Complainants' 2021 Kia Rio pursuant to the repurchase provisions set forth in 43 Tex. Administrative Code § 215.208(b)(1) and (2). The repurchase price shall be **\$19,167.84**. The refund shall be paid to Complainants and the lien holder, if any, as their interests appear. If clear title is delivered, the full refund shall be paid to Complainants.

Purchase price, including tax, title, license and registration	\$20,589.55
Delivery mileage	274
Mileage at first report of defective condition	431
Mileage on hearing date	17,097
Useful life determination	120,000

Purchase price, including tax, title, license and registration		\$20,589.55			
Mileage at first report of defective condition	431				
Less mileage at delivery	<u>-274</u>				
Unimpaired miles	157				
Mileage on hearing date	17,097				
Less mileage at first report of defective condition	<u>-431</u>				
Impaired miles	16,666				
Reasonable Allowance for Use Calculations:					
Unimpaired miles					
<u>1</u>	7				
120,00	0 X	\$20,589.55		=	\$26.94
Impaired miles					
<u>16,60</u>	6				
120,00	0 X	\$20,589.55	X .5	=	<u>\$1,429.77</u>
Total reasonable allowance for use deduction:					\$1,456.71
Purchase price, including tax, title, license and					
registration		\$20,589.55			
Less reasonable allowance for use deduction		-\$1,456.71			
Plus filing fee refund		<u>\$35.00</u>			
TOTAL REPURCHASE AMOUNT		\$19,167.84			

11. If Complainants' 2021 Kia Rio is substantially damaged or there is an adverse change in its condition, beyond ordinary wear and tear, from the date of the hearing to the date of Respondent's reacquisition of the vehicle, and the parties are unable to agree on an amount allowed for such damage or condition, either party may request reconsideration by the final order authority of the trade-in value of Complainant's vehicle.

**Decision and Order** 

#### ORDER

Based on the foregoing Findings of Fact and Conclusions of Law, it is **ORDERED** that Complainants' petition for replacement relief pursuant to Texas Occupations Code §§ 2301.601-.613 is hereby **GRANTED**. It is further **ORDERED** that Respondent shall repair the warrantable defects in the reacquired vehicle (the vehicle drifting when driving at high speed, and the back-up camera and radio not operating correctly) identified in this Decision.

SIGNED January 26, 2022

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