# TEXAS DEPARTMENT OF MOTOR VEHICLES CASE NO. 20-0006351 CAF

DRAKE ENERGY RESOURCES LLC,	§	BEFORE THE OFFICE
Complainant	§	DEFORE THE OFFICE
	§	
<b>v.</b>	§	OF
	§	Or
JAGUAR LAND ROVER NORTH	§	
AMERICA LLC,	§	ADMINISTRATIVE HEARINGS
Respondent	§	ADMINISTRATIVE HEARINGS

#### **DECISION AND ORDER**

Drake Energy Resources LLC. (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 his vehicle distributed by Jaguar Land Rover North America LLC (Respondent). A preponderance of the evidence does not show that the subject vehicle has a defect that the warranty covers. Consequently, the Complainant's vehicle does not qualify for repurchase/replacement or warranty repair.

## I. Procedural History, Notice and Jurisdiction

Matters of notice of hearing<sup>1</sup> 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 July 13, 2020, by videoconference, before Hearings Examiner Andrew Kang, and the record closed on September 10, 2020. Sidney Scheinberg and Taylor Meek, attorneys, represented the Complainant. John Chambless, attorney, represented the Respondent.

<sup>&</sup>lt;sup>1</sup> TEX. GOV'T CODE § 2001.051.

#### II. Discussion

Page 2 of 13

# A. Applicable Law

# 1. Repurchase/Replacement Relief Requirements

A vehicle qualifies for repurchase or replacement if the respondent 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 currently exist after a "reasonable number of attempts" at repair. In addition, the Lemon Law imposes other requirements for repurchase/replacement relief, including (1) a written notice of the defect to the respondent, (2) an opportunity to cure by the respondent, 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.<sup>4</sup>

## 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."<sup>5</sup>

<sup>&</sup>lt;sup>2</sup> TEX. OCC. CODE § 2301.604(a).

<sup>&</sup>lt;sup>3</sup> TEX. OCC. CODE § 2301.604(a).

<sup>&</sup>lt;sup>4</sup> TEX. OCC. CODE § 2301.601(4).

<sup>&</sup>lt;sup>5</sup> 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."

# 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.<sup>7</sup>

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.<sup>8</sup>

<sup>&</sup>lt;sup>6</sup> Dutchmen Manufacturing, Inc. v. Texas Department of Transportation, Motor Vehicle Division, 383 S.W.3d 217, 228 (Tex. App.—Austin 2012) ("We find that this interpretation of the standard required for demonstrating substantial impairment is reasonable and consistent with the statute's plain language which requires a showing of loss in market value. . . . [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.").

<sup>&</sup>lt;sup>7</sup> TEX. OCC. CODE § 2301.605(a)(1)(A) and (B).

<sup>&</sup>lt;sup>8</sup> TEX. OCC. CODE § 2301.605(a)(2).

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:

[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.<sup>9</sup>

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.<sup>10</sup>

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. <sup>11</sup> 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. <sup>12</sup>

## 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 or someone on behalf of the owner, or the Department has provided written notice of the alleged defect or nonconformity to the respondent; (2) the respondent 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

<sup>&</sup>lt;sup>9</sup> TEX. OCC. CODE § 2301.605(a)(3).

<sup>&</sup>lt;sup>10</sup> TEX. OCC. CODE § 2301.605(c).

<sup>&</sup>lt;sup>11</sup> 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."").

<sup>&</sup>lt;sup>12</sup> 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.").

<sup>&</sup>lt;sup>13</sup> TEX. OCC. CODE § 2301.606(c)(1). 43 TEX. ADMIN. CODE § 215.204 provides that "[u]pon receipt of a complaint for lemon law or warranty performance relief, the department will provide notification of the complaint to the appropriate manufacturer, converter, or distributor." The Department's notice of the complaint to the Respondent may satisfy the requirement to provide notice of the defect or nonconformity to the Respondent.

<sup>&</sup>lt;sup>14</sup> A respondent may delegate its opportunity to cure to a dealer. A repair visit to a dealer satisfies the opportunity to cure requirement when the respondent allows a dealer to attempt repair after written notice to the

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.<sup>15</sup>

# 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 before the warranty's expiration. 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.<sup>18</sup> The Complainant must prove <u>all</u> <u>facts</u> required for relief by a preponderance of the evidence. That is, the Complainant must present sufficient evidence to show that <u>every required fact</u> more likely than not exists.<sup>19</sup> Accordingly, the Complainant cannot prevail where the existence of any required fact appears equally likely or unlikely.

## 4. The Complaint Identifies the Relevant Issues in this Proceeding

The complaint identifies the issues to be addressed in this proceeding.<sup>20</sup> The complaint must state "sufficient facts to enable the department and the party complained against to know the

respondent. *Dutchmen Manufacturing, Inc. v. Texas Department of Transportation, Motor Vehicle Division*, 383 S.W.3d 217, 221 and 226 (Tex. App.—Austin 2012); Texas Department of Transportation, *Kennemer v. Dutchman Manufacturing, Inc.*, MVD Cause No. 09-0091 CAF (Motor Vehicle Division Sept. 25, 2009) (Final Order Granting Chapter 2301, Subchapter M Relief). An opportunity to cure does not require an actual repair attempt but only a valid opportunity. *Id* at 2.

<sup>&</sup>lt;sup>15</sup> TEX. OCC. CODE § 2301.606(d)(2).

<sup>&</sup>lt;sup>16</sup> TEX. OCC. CODE § 2301.204; 43 TEX. ADMIN. CODE § 215.202(b)(3).

<sup>&</sup>lt;sup>17</sup> TEX. OCC. CODE § 2301.603(a).

<sup>&</sup>lt;sup>18</sup> 43 TEX. ADMIN. CODE § 215.66(d).

<sup>&</sup>lt;sup>19</sup> E.g., Southwestern Bell Telephone Company v. Garza, 164 S.W.3d 607, 621 (Tex. 2005).

<sup>&</sup>lt;sup>20</sup> "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

nature of the complaint and the specific problems or circumstances forming the basis of the claim for relief under the lemon law."<sup>21</sup> However, the parties may expressly or impliedly consent to hearing issues not included in the pleadings.<sup>22</sup> Implied consent occurs when a party introduces evidence on an unpleaded issue without objection.<sup>23</sup>

## 5. Incidental Expenses

When repurchase or replacement is ordered, the Lemon Law provides for reimbursing the Complainant for reasonable incidental expenses resulting from the vehicle's loss of use because of the defect.<sup>24</sup> Reimbursable expenses include, but are not limited to: (1) alternate transportation; (2) towing; (3) telephone calls or mail charges directly attributable to contacting the manufacturer, distributor, converter, or dealer regarding the vehicle; (4) meals and lodging necessitated by the vehicle's failure during out-of-town trips; (5) loss or damage to personal property; (6) attorney fees, if the complainant retains counsel <u>after</u> notification that the respondent is represented by counsel; and (7) items or accessories added to the vehicle at or after purchase, less a reasonable allowance for use. The expenses must be reasonable and verifiable (for example, through receipts or similar written documents).<sup>25</sup> However, the Department's rules expressly exclude compensation for "any interest, finance charge, or insurance premiums."<sup>26</sup>

## B. Summary of Complainant's Evidence and Arguments

On June 1, 2019, the Complainant, purchased a new 2019 Land Rover Range Rover from Autobahn Motorcar Group, a franchised dealer of the Respondent, in Fort Worth, Texas. The vehicle had 17 miles on the odometer at the time of purchase. The vehicle's limited warranty provides bumper to bumper coverage for four years or 50,000 miles, whichever occurs first.

be scheduled on any complaint made under this section that is not privately resolved between the owner and the dealer, manufacturer, converter, or distributor.").

<sup>&</sup>lt;sup>21</sup> 43 TEX. ADMIN. CODE § 215.202(a)(3).

<sup>&</sup>lt;sup>22</sup> 43 TEX. ADMIN. CODE § 215.42; TEX. R. CIV. P. 67.

<sup>&</sup>lt;sup>23</sup> See Gadd v. Lynch, 258 S.W.2d 168, 169 (Tex. Civ. App.—San Antonio 1953, writ ref'd).

<sup>&</sup>lt;sup>24</sup> TEX. OCC. CODE § 2301.604.

<sup>&</sup>lt;sup>25</sup> 43 TEX. ADMIN. CODE § 215.209(a).

<sup>&</sup>lt;sup>26</sup> 43 TEX. ADMIN. CODE § 215.208(b)(1).

On November 8, 2019, the Complainant's attorney provided a written notice of defect to the Respondent. On January 2, 2020, the Complainant filed a complaint with the Department alleging that the vehicle would fail to accelerate through an intersection with traffic approaching.<sup>27</sup> In relevant part, the Complainant took the vehicle to a dealer for repair of the alleged issue as follows:

Date	Miles	Issue
August 29, 2019		
September 9, 2019	1,305	Delay in acceleration from a stop
September 1, 2020		
September 3, 2020	4,386	Delay in acceleration

Christopher Duncan, president of the Complainant, testified that the delayed acceleration occurred numerous times when he would need to go with traffic approaching. The initial repair visit did not involve an actual repair but only a change in the driving mode (to dynamic mode). Mr. Duncan made numerous calls and got a hold of someone on September 27, 2019, maybe after the fourth attempt. He was transferred to Zakiya Lesley, who was going to arrange for a loaner vehicle and provide updates. He believed that the Respondent would assist in the repair of the vehicle or replace the vehicle. However, after 30 days without a response, the Complainant hired counsel. Mr. Duncan elaborated that the regional manager was aware of the situation and that the vehicle was supposed to be inspected and the regional manager was to get back with findings. Mr. Duncan indicated that he did not have a vehicle for 38 days while the subject vehicle was out of service for repair. He estimated that he did not have a comparable loaner vehicle for 65 days. He noted that he did not drive the vehicle much and refused to have children in it. Mr. Duncan affirmed that the delayed acceleration still existed on the hearing day. He elaborated that the vehicle exhibited a lag in the time after pressing down the accelerator. He believed that the issue could pose a threat when crossing the street when the vehicle responds a second or two after pressing the accelerator.

On cross-examination, Mr. Duncan testified that he was the primary driver of the vehicle, purchased for his commute to work. He would drive both to work and other locations, with the longest drive probably being to the Land Rover dealer in Fort Worth. His home and company were

<sup>&</sup>lt;sup>27</sup> The Complainant raised additional issues at the hearing not included in the complaint. The Respondent objected to the additional issues. Accordingly, the additional issues will not be addressed, as outlined in the discussion of applicable law.

both in Dallas. He noted that the vehicle's current mileage on the odometer was 3,280 miles. For every service visit, Mr. Duncan both brought the vehicle in and picked the vehicle up. He affirmed that he called the Respondent on September 27th, leading to the e-mail from Ms. Lesley.

On redirect examination, the Complainant confirmed his belief that the vehicle had a software problem. He elaborated that he last experienced the failure to accelerate within the last few months before the hearing and reiterated that he did not drive the vehicle because of safety concerns.

Upon clarifying questions (after the inspection and test drive) Mr. Duncan testified he last noticed the delayed acceleration about a week to a week and a half before the hearing. He affirmed that the invoice dated September 3, 2020 (repair order date September 1, 2020), reflected the last repair attempt for the delayed acceleration issue.

# C. Inspection and Test Drive

At the hearing before the test drive, the subject vehicle had 4,467 miles on the odometer. The Complainant drove the vehicle for approximately 38 minutes, predominantly on major arterials and local roads. The test drive ended with 4,480 miles on the odometer, for a total of 13 miles driven. The vehicle appeared to operate normally.

#### D. Analysis

As an initial matter, the complaint only included the delayed acceleration issue and the Respondent objected to consideration of unpleaded issues. Consequently, as outlined in the discussion of applicable law, the delayed acceleration is the only relevant issue in this case. As detailed below, the subject vehicle does not have a warrantable defect subject to Lemon Law relief. Instead, the complained of acceleration appears to result from the vehicle' design rather than a manufacturing defect covered by warranty.

The Lemon Law does not apply to all problems that may occur with a vehicle but only to defects covered by warranty (warrantable defects).<sup>28</sup> 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

<sup>&</sup>lt;sup>28</sup> TEX. OCC. CODE § 2301.603(a).

its vehicles to whatever coverage the warranty provides. Consequently, to qualify for replacement or repurchase or for warranty repair, the vehicle must have a defect covered by warranty.<sup>29</sup> In this case, the vehicle's warranty specifies that:

JLRNA warrants that during the warranty period, if a Land Rover vehicle is properly operated and maintained, repairs required to correct defects in factory-supplied materials or factory workmanship will be performed without charge upon presentment for service at an authorized Land Rover retailer; any component covered by this warranty found to be defective in materials or workmanship will be repaired, or replaced, without charge with a new or remanufactured part distributed by JLRNA, at its sole option.<sup>30</sup>

According to these terms, the warranty only applies to defects in materials or workmanship (manufacturing defects).<sup>31</sup> A manufacturing defect is generally an isolated aberration occurring only in those vehicles not produced according to the manufacturer's specifications. A defectively manufactured vehicle has a flaw because of some error in making it, such as incorrect assembly or the use of an out-of-specification part. Manufacturing defects exist when the vehicle leaves the manufacturing plant. Unlike manufacturing defects, issues that do not arise from manufacturing, such as the vehicle's design characteristics (which exist before manufacturing) or improper dealer repairs (which occur after manufacturing), are not warrantable defects. Design characteristics result from the vehicle's specified design, which exists before manufacturing, and not from any error during manufacturing.<sup>32</sup> In sum, the warranty only covers manufacturing defects and the Lemon Law does not apply to design characteristics or design defects. Even though an intended design may produce unintended and unwanted results, the Lemon Law provides no relief unless the issue constitutes a manufacturing defect.

<sup>&</sup>lt;sup>29</sup> TEX. OCC. CODE § 2301.604(a); TEX. OCC. CODE § 2301.204.

<sup>&</sup>lt;sup>30</sup> Complainant's Exhibit 27, Passport to Service.

<sup>&</sup>lt;sup>31</sup> Courts have affirmed that warranty language covering "defects in material or workmanship" do not cover design issues. *E.g.*, *Whitt v. Mazda Motor of America*, 5th Dist. Stark No. 2010CA00343, 211-Ohio-3097, ¶¶ 18-21 ("The manufacturer's express warranty in the case sub judice provides: 'Mazda warrants that your new Mazda Vehicle is free from defects in material or workmanship . . . .' The trial court found the warranty did not cover claims of design defects. . . . The problems about which Appellants complained did not fall within the applicable expressed warranty."); *see GT & MC, Inc. v. Texas City Refining, Inc.*, 822 S.W.2d 252, 257 (Tex. App.—Houston [1st Dist.] 1991, writ denied) ("the language in the contract of May 12, 1980, expressly limited TCR's recovery only for defects in materials or workmanship to damages for repair or replacement value. No mention was made in the guarantee of remedies for design defects.").

<sup>&</sup>lt;sup>32</sup> In contrast to manufacturing defects, "[a] design defect exists where the product conforms to the specification but there is a flaw in the specifications themselves." *Torres v. Caterpillar, Inc.*, 928 S.W.2d 233, 239 (Tex. App.—San Antonio 1996), *writ denied*, (Feb. 13, 1997).

The delayed acceleration/hesitation experienced by the Complainant appears more likely than not to arise from the vehicle's software design. Testimony reflects the Complainant's belief that the delayed acceleration issue resulted from a software problem and the repair history supports the existence of such a programming/design issue. The record shows that changing the driving mode (essentially changing the program for how the vehicle performs) would moderate, but not fix, the hesitation issue. Significantly, the August 29, 2019, repair order reflects that the subject vehicle performed the same as a like comparison vehicle, demonstrating that the acceleration characteristic was common to the same model (the same design). Further, the September 1, 2020, repair order shows no diagnostic trouble codes associated with a delay in acceleration, indicating that the delayed acceleration does not arise from a failure to operate as designed. Instead, the record reflects that the vehicle's design may produce unintended and unwanted performance characteristics, specifically the delayed acceleration. In sum, the hesitation is not a warranted manufacturing defect but an unwarranted design issue.

## **III.** Findings of Fact

- 1. On June 1, 2019, the Complainant, purchased a new 2019 Land Rover Range Rover from Autobahn Motorcar Group, a franchised dealer of the Respondent, in Fort Worth, Texas. The vehicle had 17 miles on the odometer at the time of purchase.
- 2. The vehicle's limited warranty provides bumper to bumper coverage for four years or 50,000 miles, whichever occurs first.
- 3. The vehicle's warranty states:

JLRNA warrants that during the warranty period, if a Land Rover vehicle is properly operated and maintained, repairs required to correct defects in factory-supplied materials or factory workmanship will be performed without charge upon presentment for service at an authorized Land Rover retailer; any component covered by this warranty found to be defective in materials or workmanship will be repaired, or replaced, without charge with a new or remanufactured part distributed by JLRNA, at its sole option.

4. The Complaina	int took the	vehicle to a	dealer for r	enair as showr	ı below:
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Date	Miles	Issue
August 29, 2019		
September 9, 2019	1,305	Delay in acceleration from a stop
September 1, 2020		
September 3, 2020	4,386	Delay in acceleration

- 5. On November 8, 2019, the Complainant's attorney provided a written notice of defect to the Respondent.
- 6. On January 2, 2020, the Complainant filed a complaint with the Department alleging that the vehicle would fail to accelerate through an intersection with traffic approaching.
- 7. On March 2, 2020, 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.
- 8. The hearing in this case convened on July 13, 2020, by videoconference, before Hearings Examiner Andrew Kang, and the record closed on September 10, 2020. Sidney Scheinberg and Taylor Meek, attorneys, represented the Complainant. John Chambless, attorney, represented the Respondent.
- 9. The vehicle's odometer displayed 4,467 miles at the time of the hearing.
- 10. The vehicle's warranty was in effect at the time of the hearing.
- 11. The vehicle operated normally during the test drive at the hearing.
- 12. Changing the driving mode (essentially changing the program for how the vehicle performs) would moderate, but not fix, the hesitation issue.
- 13. The August 29, 2019, repair order reflects that the subject vehicle performed the same as a like comparison vehicle, demonstrating that the acceleration characteristic was common to the same model (the same design).
- 14. The September 1, 2020, repair order shows no diagnostic trouble codes associated with a delay in acceleration, indicating that the delayed acceleration does not arise from a failure

to operate as designed. Instead, the vehicle's design may be producing unintended and unwanted performance characteristics.

#### IV. Conclusions of Law

- 1. The Texas Department of Motor Vehicles has jurisdiction over this matter. Tex. Occ. Code §§ 2301.601-2301.613 and 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.
- 3. The Complainant filed a sufficient complaint with the Department. 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 Complainant bears the burden of proof in this matter. 43 TEX. ADMIN. CODE § 206.66(d).
- 6. The Complainant's vehicle does not qualify for replacement or repurchase. The Complainant did not prove that the vehicle has a defect covered by the Respondent's warranty. Tex. Occ. Code §§ 2301.603 and 2301.604(a).
- 7. Reimbursement of incidental expenses does not apply because the vehicle does not qualify for replacement or repurchase. Tex. Occ. Code §§ 2301.603, 2301.604(a); 43 Tex. Admin. Code § 215.209.
- 8. The Respondent remains responsible to address and repair or correct any defects that are covered by the Respondent's warranty. TEX. OCC. CODE § 2301.603.

## 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 **DISMISSED**.

SIGNED November 18, 2020

ANDREW KANG

**HEARINGS EXAMINER** 

OFFICE OF ADMINISTRATIVE HEARINGS

TEXAS DEPARTMENT OF MOTOR VEHICLES