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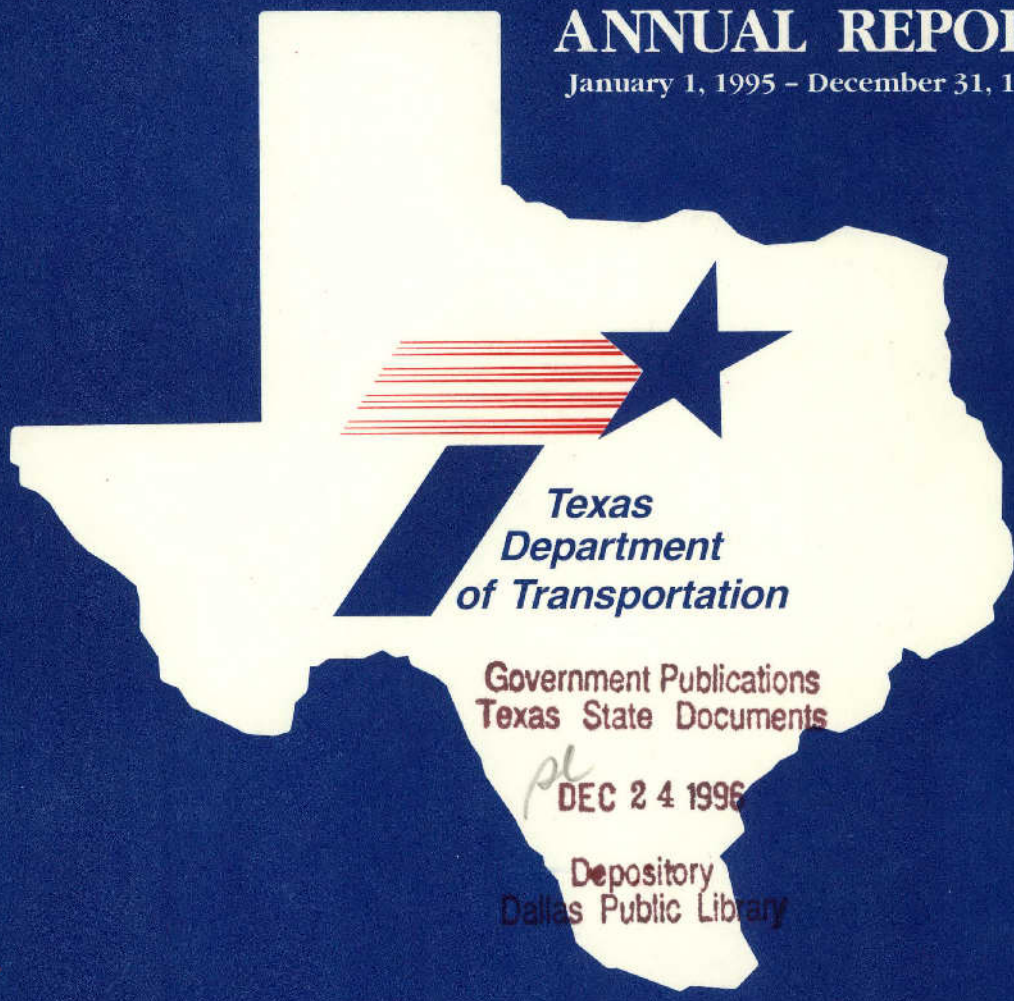
1995

MOTOR VEHICLE

# LEMON LAW

ANNUAL REPORT

January 1, 1995 - December 31, 1995



MOTOR VEHICLE DIVISION  
Consumer Affairs Section



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## TABLE OF CONTENTS

SECTION	PAGE
<b>Introduction</b> .....	4
Overview (Chart A) .....	4
<b>Informal Procedures</b> .....	5
Informal Complaint Resolution (Chart B).....	5
Pre-Hearing Settlements (Chart C).....	6
Repurchase/Replacement/Trade Assist - Pre-Hearing Settlements (Chart D) .....	7
<b>Formal Proceedings</b> .....	8
Complaints Received - By Manufacturer and Make (Chart E) .....	9-10
Complaints Filed Index (Chart F) .....	12-17
Defects Reported (Chart G).....	18
Complaints Closed - By Manufacturer and Make (Chart H) .....	19-20
Formal Complaint Resolution (Chart I) .....	21
<b>Repurchases/Replacements Ordered</b> .....	22
Vehicle Repurchases/Replacements Ordered (Chart J) .....	23-25
Market Share Percentage (Chart K) .....	26-27
Complaints Settled - By Make (Chart L) .....	28-30
<b>Conclusion</b> .....	31
Endnotes .....	32
<b>Acknowledgments</b> .....	33

## INTRODUCTION

The Motor Vehicle Division of the Texas Department of Transportation, specifically the Consumer Affairs Section, is responsible for enforcement of the lemon law throughout the state. The Division provides new motor vehicle buyers and lessees a forum to air complaints about vehicles that they have been unable to have repaired under warranty. Depending on the circumstances, a consumer can seek repurchase or replacement of the vehicle by the manufacturer, converter or distributor under the lemon law (these complaints are referred to as Section 6.07 complaints) or may request assistance in getting repairs done or paid for under the warranty (referred to as Section 3.08(i) or general warranty complaints). The relief available to used motor vehicle buyers is limited to repairs only under Section 3.08(i), if the vehicle is still under the original factory warranty. In short, the Division provides consumers who have problems getting their vehicles repaired an accessible and relatively inexpensive forum within which to prosecute their complaints against manufacturers.

This is the fourth annual report published by the Division on the lemon law since the legislature established the requirement in 1991. The report has been expanded this year by providing a breakdown of the complaints filed by model, including a complaint filed index (CFI), to enable consumers to determine if a particular model has received more or less than its "expected share" of complaints. Additionally, the report includes a listing of the defects, by component system, reported by consumers on filing their complaints.

Although a bill was introduced during the last legislative session that would have, among other things, extended the time to file a lemon law complaint and required a manufacturer<sup>1</sup> to repurchase or replace a vehicle it could not fix, it was not enacted into law. However, legislation was enacted exempting lemon law complaints from the Open Records Act until the complaint has been finally resolved.

During calendar year (CY) 95, the Consumer Affairs Section processed just over 1,700 complaints, including 625 complaints that were carried over from CY 94 and 1,093 new complaints that were received during the year. Most of the complaints involved passenger cars and light trucks, although complaints have been received on motor homes, heavy duty trucks and motorcycles with prices ranging from a few thousand dollars to just over one hundred thousand dollars for luxury and industrial vehicles. Chart A, below, shows an overview of the program results for CY 95. Results for CYs 93 and 94 are also included for comparison purposes.

**CHART A  
OVERVIEW**

	CY 93	CY 94	CY 95
<b>Complaints Received</b>	1,093	1,233	1,093
<b>Complaints Closed</b>	1,074	934	1,057
<b>Prehearing Settlements</b>	420	434	533
<b>Hearings Scheduled</b>	339	378	456
<b>Final Orders (Hearings Held)</b>	245	139	130
<b>Repurchase/Replacement Orders</b>	74	59	55

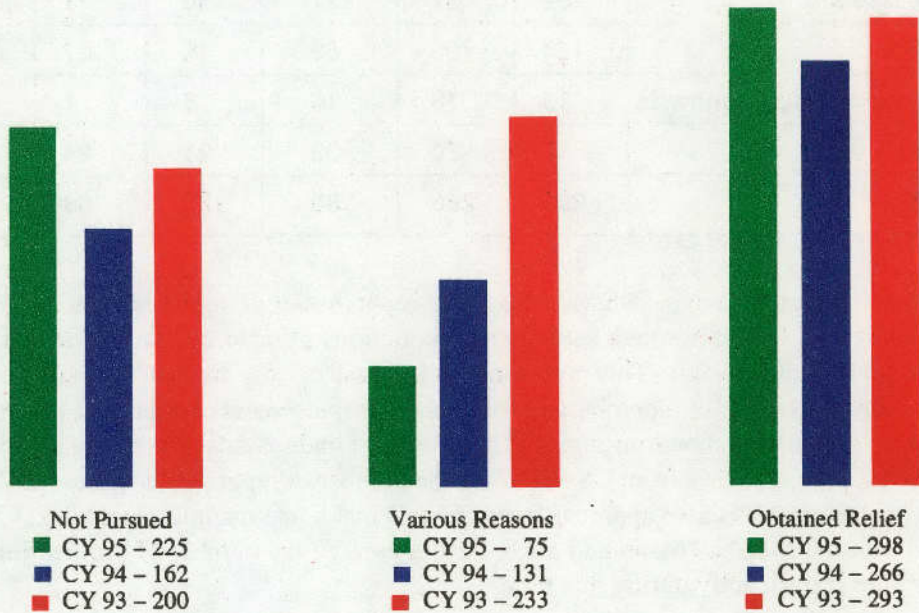
<sup>1</sup> Whenever the term "manufacturer" is used, it should be understood to include distributor and converter, as the lemon law applies to them as well.

**INFORMAL PROCEDURES**

When a complaint is received, it is evaluated by the Division’s Consumer Advisors, who are also A.S.E. Certified Master Automobile Technicians, to determine whether the complainant is eligible for relief. After determining that a complaint meets the jurisdictional requirements of Section 6.07 or 3.08(i), the Advisors serve as liaisons between consumers and manufacturer and dealer representatives. Often their proactive assistance results in resolution of complaints soon after filing.

Of the just over 1,700 complaints that were processed by the Division, 1,057 were resolved or concluded in CY 95. Five hundred ninety-eight (598) complaints were resolved informally without the need for a hearing and 459 were concluded after a hearing was set. Complaints resolved informally were concluded within a much shorter period (45-90 days) than complaints that proceeded to a hearing (150 days). Chart B indicates how the informal complaints were closed: 225 complaints (38%) were not pursued after initial filing; 75 complaints (12%) were closed due to lack of jurisdiction, no warranty defect, etc.; and 298 complaints (50%) were resolved with consumers receiving some type of relief (see Chart C, p. 6). It should be noted that some of the complaints closed as “not pursued” could have been settled by the parties after the Division took steps to initiate communication between consumers and manufacturers’ representatives. However, verifiable numbers are not available. Statistics for CYs 94 and 93 are also included in Chart B for comparison purposes.

**CHART B  
INFORMAL COMPLAINT RESOLUTION**



Some of the complaints that were resolved informally were resolved through mediation inspections conducted throughout the state by the Division's Consumer Advisors. Generally, inspections are done at accessible authorized dealerships, with consumers and manufacturers' representatives present. The Division's Consumer Advisor analyzes the facts based on the inspection of the vehicle and the evidence that the complainant could prove, should a hearing be required. Very often, the parties reach an agreement during the inspection meeting and the complaint is then closed. Inspections have proven to be most successful in resolving Section 3.08(i) complaints, which is probably attributable to the fact that the remedy available is limited to the repair of the vehicle. When complaints cannot be resolved, they are channeled to the hearing process.

Settlements, however, are always possible and continue to occur until the time of the actual hearing. In CY 95, 533 complaints were settled at various stages of the process compared to 434 in CY 94 and 420 in CY 93. Of the CY 95 settlements, 298 were settled prior to scheduling of a hearing and 235 settled after a hearing was set. The relief obtained by consumers through pre-hearing settlements for CYs 93 to 95 is charted below:

**CHART C  
PRE-HEARING SETTLEMENTS**

	Prior to Hearing Scheduled			After Hearing Scheduled		
	CY 93	CY 94	CY 95	CY 93	CY 94	CY 95
<b>Repurchases</b>	25	43	65	36	45	48
<b>Trade Assists</b>	94	97	121	50	71	64
<b>Repairs</b>	154	93	63	15	27	31
<b>Extended Service Contracts</b>	13	13	16	5	1	16
<b>Others</b>	7	20	33	21	24	76
<b>TOTAL</b>	<b>293</b>	<b>266</b>	<b>298</b>	<b>127</b>	<b>168</b>	<b>235</b>

As indicated above, 298 vehicles were repurchased or replaced (trade assists) by manufacturers in CY 95 through settlement negotiations prior to conducting a hearing and required no formal decision. This represents an increase of 16% from CY 94 and 45% from CY 93. The breakdown of repurchase or trade assist (replacement) settlements per manufacturer for CYs 93 to 95 is shown on page 7. The number of trade assists (replacements) increased 10% from CY 94 and 28% from CY 93, while the number of repurchases increased 28% and 85%, respectively. It is also apparent from Chart D that some manufacturers, i.e., Chrysler, General Motors, Mazda, Nissan and Saab, have increased the number of pre-hearing settlements rather significantly during this time.



**CHART D**  
**REPURCHASE/REPLACEMENT/TRADE ASSIST - PRE-HEARING SETTLEMENTS**

Manufacturer	Repurchase			Trade Assist			Total		
	CY 93	CY 94	CY 95	CY 93	CY 94	CY 95	CY 93	CY 94	CY 95
AM General	0	0	0	0	0	1	0	0	1
BMW	0	1	0	0	1	1	0	2	1
Chrysler	19	10	14	43	43	72	62	53	86
Coachmen	0	0	0	0	1	0	0	1	0
Country Coach	0	0	0	0	1	0	0	1	0
El Dorado	1	0	0	0	0	0	1	0	0
Fleetwood	0	0	1	0	0	0	0	0	1
Ford	4	13	10	51	49	37	55	62	47
General Motors	21	48	65	34	48	54	55	96	119
Holiday	1	0	0	0	0	0	1	0	0
Honda	1	0	0	1	6	2	2	6	2
Hyundai	6	3	6	4	3	4	10	6	10
Isuzu	0	2	1	0	1	1	0	3	2
Jaguar	0	0	0	1	0	0	1	0	0
Kia	0	0	0	0	0	1	0	0	1
Mazda	3	3	6	2	4	3	5	7	9
Mercedes	0	0	0	0	0	1	0	0	1
Mitsubishi	0	0	0	2	2	1	2	2	1
Nissan	1	3	2	1	2	5	2	5	7
Peugeot	1	0	0	0	0	0	1	0	0
Saab	0	0	1	0	0	1	0	0	2
Saturn	0	2	1	0	1	0	0	3	1
Sterling	0	0	0	1	0	0	1	0	0
Subaru	1	0	0	1	1	1	2	1	1
Suzuki	0	0	1	0	0	0	0	0	1
Toyota	1	1	0	0	3	0	1	4	0
Volkswagen	0	2	4	3	1	0	3	3	4
Volvo	1	0	1	0	1	0	1	1	1
<b>TOTAL</b>	<b>61</b>	<b>88</b>	<b>113</b>	<b>144</b>	<b>168</b>	<b>185</b>	<b>205</b>	<b>256</b>	<b>298</b>

**REPURCHASE/TRADE ASSIST PRE-HEARING SETTLEMENTS**

A settlement by replacement of the vehicle is also referred to as a trade assist. The amount of assistance by a manufacturer can vary from a few hundred dollars towards the purchase of a new vehicle to a "no cost" replacement. In most cases, a consumer is traded into a new vehicle on a "no profit" basis by the manufacturer/dealer subject only to a mileage charge.

## FORMAL PROCEEDINGS

If not resolved informally, complaints are set for a hearing on the merits to be conducted by the Division's Administrative Law Judges (ALJs) who travel the state, holding hearings as close and convenient to consumers as possible. Division staff members work to schedule unresolved complaints promptly, and ALJs work hard to issue decisions and orders within 150 days after the filing of a complaint. This time limit, however, may not be met in every case.

Although the hearing procedures are more formal than the pre-hearing mediation inspections conducted by the advisors, efforts are made by staff to assist consumers. The advisors contact consumers prior to the hearing to review the hearing procedures and to answer any questions that may arise. The advisors also discuss with consumers the proof requirements of the lemon law, which are clearly described in a consumer handbook and in a soon to be released training video.

A hearing allows consumers and manufacturers to present evidence and arguments in support of their respective positions. The parties and their witnesses personally appear and present their evidence under oath and in accordance with the Administrative Procedure Act, the Texas Rules of Civil Procedure and the Texas Rules of Evidence. In addition, consumers are required to bring their vehicle to the hearing for an inspection and test drive. Following the hearing, the ALJ considers all of the evidence received and issues a written decision and order at a later date. Generally, orders require one of the following:

- 1) repurchase or replacement of the vehicle by the manufacturer, deducting a reasonable allowance for the consumer's use of the vehicle.
- 2) repair of the vehicle under the manufacturer's warranty, or
- 3) dismissal of the complaint if it was not proven.

The decision and order are sent to the parties by certified mail, return receipt requested. Any party who disagrees with the decision may file a motion for rehearing, which is a request for reconsideration of the decision, with either the Division Director or the Motor Vehicle Board, which consists of six citizen members appointed by the Governor. The results of the motion for rehearing can range widely from a denial to the granting of a complete new hearing. After a final ruling on a motion for rehearing, any party who disagrees with the Division's final action may file an appeal in state district court under the substantial evidence rule. A very small percentage of the total number of lemon law complaints that proceed to hearing are appealed. For example, in CY 95, only four lemon law cases were appealed, all by manufacturers.

Chart E shows how many complaints were filed against manufacturers by make for CYs 93 to 95. It is clear that manufacturers with larger market share percentages experience a higher rate of complaints filed.

**CHART E**  
**NEW COMPLAINTS RECEIVED CY 93 - CY 95**

MANUFACTURER	MAKE	CY 93	CY 94	CY 95
Airstream		0	1	2
Alfa Romeo		1	1	0
AM General		0	0	2
Barth		0	0	1
BMW		7	8	9
	Chrysler	24	29	28
	Dodge	100	106	119
	Eagle	16	7	10
	Jeep	27	36	16
	Plymouth	<u>25</u>	<u>40</u>	<u>33</u>
<b>Chrysler Total</b>		192	218	206
Coachmen		0	1	1
Cobra		0	0	2
Country Coach		1	1	0
Damon		1	0	2
El Dorado		0	1	0
Fleetwood		0	1	2
	Ford	238	281	246
	Lincoln	19	6	8
	Mercury	<u>31</u>	<u>49</u>	<u>38</u>
<b>Ford Total</b>		288	336	292
Four Winds		0	0	3
	Buick	24	18	12
	Cadillac	14	13	7
	Chevrolet-Geo	199	216	207
	GMC Truck	48	56	59
	Oldsmobile	19	12	12
	Pontiac	<u>53</u>	<u>60</u>	<u>39</u>
<b>General Motors Total</b>		357	375	336
Georgie Boy		1	0	0
Gulf Stream		3	2	5
Harley Davidson		1	0	2
Holiday Rambler		1	1	0
	Acura	3	4	3
	Honda	<u>8</u>	<u>17</u>	<u>6</u>
<b>Honda Total</b>		11	21	9
Hyundai		39	43	27
Isuzu		18	29	15
Jaguar		2	1	3
Kawasaki		1	1	3
Kia		0	0	3
KTM		0	1	0
Land Rover		0	1	1

Continued

**CHART E (continued)**  
**NEW COMPLAINTS RECEIVED CY 93 - CY 95**

MANUFACTURER	MAKE	CY 93	CY 94	CY 95
Lexus		0	0	3
Mack		0	1	0
Mallard		0	0	1
Mazda		51	48	44
Mercedes-Benz		6	7	8
Mitsubishi		20	22	29
Monaco		0	1	0
Newmar		0	0	2
	Infiniti	1	0	2
	Nissan	<u>34</u>	<u>43</u>	<u>25</u>
<b>Nissan Total</b>		35	43	27
	Kenworth	0	1	0
	Peterbilt	<u>1</u>	<u>2</u>	<u>0</u>
<b>Paccar Total</b>		1	3	0
Polaris		0	0	1
Porsche		1	2	0
Rexhall		1	0	1
Rockwood		1	0	0
Saab		3	2	4
Safari		0	1	1
Saturn		0	5	8
Sterling		2	0	0
Subaru		7	5	1
Suzuki		1	1	0
Thor		0	0	3
Toyota		21	27	17
	Audi	2	2	1
	Volkswagen	<u>10</u>	<u>13</u>	<u>7</u>
<b>Volkswagen Total</b>		12	15	8
Volvo		2	5	7
Winnebago		3	1	2
Yamaha		2	1	0
<b>TOTAL COMPLAINTS RECEIVED</b>		<b>1,093</b>	<b>1,233</b>	<b>1,093</b>

Chart F, which is new this year, shows how many complaints were filed by model, including a complaint filed index (CFI). The CFI, which was obtained by dividing the model's share of the complaints filed in CY 95 by its market share<sup>2</sup> in CY 95, will enable consumers to determine if a model has received more or less than its "expected share" of complaints. If a model's share of the complaints filed equals its market share, the CFI will be 1.0. Accordingly, if a model has a CFI greater than 1.0, it has more than its expected share of complaints. On the other hand, if the CFI is less than 1.0, the model has less than its expected share of complaints.

There are 19 models with a market share greater than 1% (sales over 11,487) having a CFI below 1.0, including 8 models with a CFI below 0.5. The top 8 models having a CFI below 0.5, ranked from the lowest to the highest, are Honda Accord, Toyota Corolla, Honda Civic, Saturn SL, Ford Escort, Ford Ranger, Nissan Pickup and Toyota Camry. On the other hand, there are 8 models with a market share greater than 1% having a CFI above 1.0. The bottom 8 models having a CFI above 1.0, ranked from the lowest to the highest, are Chevrolet Blazer, Ford Mustang, Dodge Caravan Vans, Chevrolet Cavalier, Ford F Series Pickups, Dodge BR Pickups, Ford E Vans and Chevrolet Camaro.

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<sup>2</sup> See page 32 for an explanatory note relating to market share.

**CHART F**  
**COMPLAINT FILED INDEX BY MODEL**

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
<b>ACURA</b>	Integra	2	0.18%	3,628	0.3158%	0.58
	Vigor	1	0.09%	708	0.0616%	1.48
<b>AIRSTREAM</b>	Legacy	1	0.09%	Unknown		
<b>AM GENERAL</b>	Hummer	2	0.18%	Unknown		
<b>AUDI</b>	A6 Quattro	1	0.09%	137	0.0119%	7.67
<b>BARTH</b>	Regal	1	0.09%	Unknown		
<b>BMW</b>	318i	1	0.09%	4,040	0.3517%	0.78
	325i	<u>2</u>	<u>0.18%</u>			
	<b>300 SERIES</b>	3	0.27%			
	525i	3	0.27%			
	530i	1	0.09%			
	540i	<u>2</u>	<u>0.18%</u>			
	<b>500 SERIES</b>	6	0.55%			
<b>BUICK</b>	Century	1	0.09%	5,376	0.4680%	0.20
	LeSabre	3	0.27%	8,663	0.7541%	0.36
	Riviera	1	0.09%	1,374	0.1196%	0.76
	Roadmaster	5	0.46%	2,602	0.2265%	2.02
	Skylark	2	0.18%	2,895	0.2520%	0.73
<b>CADILLAC</b>	DeVille	2	0.18%	8,484	0.7385%	0.25
	Fleetwood	3	0.27%	1,284	0.1118%	2.46
	Seville	2	0.18%	2,216	0.1929%	0.95
<b>CHEVROLET- GEO</b>	Astro Van	13	1.19%	7,245	0.6307%	1.89
	Beretta	4	0.37%	3,686	0.3209%	1.14
	Blazer	15	1.37%	13,778	1.1994%	1.14
	C1500 Pickup	29	2.65%			
	C2500 Pickup	10	0.91%			
	C3500 Pickup	<u>15</u>	<u>1.37%</u>			
	<b>C SERIES PICKUPS</b>	54	4.94%	82,352	7.1688%	0.69
	Camaro	24	2.20%	11,747	1.0226%	2.15
	Caprice/Impala SS	3	0.27%	6,741	0.5868%	0.47
	Cavalier	16	1.46%	12,343	1.0745%	1.36
	Corsica	7	0.64%	9,031	0.7862%	0.81
	Corvette	2	0.18%	1,545	0.1345%	1.36
	G Van	15	1.37%	6,598	0.5744%	2.39
	Geo Metro	5	0.46%	4,631	0.4031%	1.13
	Geo Prism	2	0.18%	8,852	0.7706%	0.24
	Geo Storm	1	0.09%	3,413*	0.2971%	0.31
	Geo Tracker	2	0.18%	2,647	0.2304%	0.79
Lumina	8	0.73%	12,930	1.1256%	0.65	
Lumina APV	2	0.18%	2,244	0.1953%	0.94	
S10 Pickup	15	1.37%	17,759	1.5459%	0.89	
Suburban	18	1.65%	19,167	1.6685%	0.99	

**CHART F (continued)**  
**COMPLAINT FILED INDEX BY MODEL**

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
<b>CHRYSLER</b>	Cirrus	3	0.27%	3,499	0.3046%	0.90
	Concorde	5	0.46%	2,939	0.2558%	1.79
	Fifth Avenue	1	0.09%	2,254*	0.1962%	0.47
	Imperial	1	0.09%	344*	0.0299%	3.06
	LeBaron	6	0.55%	2,600**	0.2263%	2.43
	LHS	1	0.09%	1,930	0.1680%	0.54
	New Yorker	6	0.55%	1,409	0.1227%	4.48
	Sebring	1	0.09%	1,430	0.1245%	0.73
	Town & Country Van	3	0.27%	2,607	0.2269%	1.21
<b>COACHMEN</b>	Santara	1	0.09%	Unknown		
<b>COBRA</b>	Cobra	1	0.09%	Unknown		
<b>CORDOBA</b>	Cobra	1	0.09%	Unknown		
<b>DAMON</b>	Damon	1	0.09%	Unknown		
	Ultrasport	1	0.09%	Unknown		
<b>DODGE</b>	Avenger	5	0.46%	2,267	0.1973%	2.32
	B1500 Van	1	0.09%			
	B2500 Van	4	0.36%			
	B3500 Van	<u>2</u>	<u>0.18%</u>			
	<b>B VANS</b>	7	0.64%	4,985	0.4340%	1.48
	BR1500 Pickup	24	2.19%			
	BR2500 Pickup	12	1.09%			
	BR3500 Pickup	<u>10</u>	<u>0.91%</u>			
	<b>BR PICKUPS</b>	46	4.21%	27,984	2.4360%	1.73
	Caravan Van	15	1.37%	12,014	1.0458%	1.31
	Colt	2	0.18%	857*	0.0746%	2.45
	Dakota Pickup	11	1.01%	6,286	0.5472%	1.84
	Dynasty	3	0.27%	3,193*	0.2780%	0.99
	Intrepid	8	0.73%	7,605	0.6620%	1.11
	Neon	10	0.91%	8,321	0.7244%	1.26
	Ram 50	3	0.27%	Unknown		
	Shadow	4	0.37%	5,420*	0.4718%	0.78
Spirit	3	0.27%	1,047	0.0911%	3.01	
Stealth	1	0.09%	343	0.0299%	3.06	
Stratus	1	0.09%	3,816	0.3322%	0.28	
<b>EAGLE</b>	Talon	9	0.82%	1,651	0.1437%	5.73
	Vision	1	0.09%	1,242	0.1081%	0.85
<b>FLEETWOOD</b>	Bounder	1	0.09%	Unknown		
	Flair	1	0.09%	Unknown		
<b>FORD</b>	Aerostar Van	7	0.64%	8,245	0.7177%	0.89
	Aspire	1	0.09%	4,346	0.3783%	0.24
	Bronco	3	0.27%	1,468	0.1278%	2.15
	Contour	2	0.18%	11,255	0.9798%	0.19
	Crown Victoria	6	0.55%	8,359	0.7277%	0.75

**CHART F (continued)**  
**COMPLAINT FILED INDEX BY MODEL**

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
	E150 Van	19	1.73%			
	E250 Van	1	0.09%			
	E350 Van	<u>1</u>	<u>0.09%</u>			
	<b>E VANS</b>	21	1.92%	12,618	1.0984%	1.75
	Escort	6	0.55%	18,706	1.6284%	0.34
	Explorer	16	1.46%	28,373	2.4699%	0.59
	F150 Pickup	60	5.47%			
	F250 Pickup	18	1.64%			
	F350 Pickup	<u>25</u>	<u>2.28%</u>			
	<b>F SERIES PICKUPS</b>	103	9.42%	77,870	6.7787%	1.39
	F450 Pickup	2	0.18%	Unknown		
	Ford Super Duty	1	0.09%	1,360	0.1184%	0.77
	LA-8000	3	0.27%	Unknown		
	Mustang	15	1.37%	13,258	1.1541%	1.19
	Probe	5	0.46%	3,906	0.3400%	1.35
	Ranger	11	1.01%	31,711	2.7605%	0.36
	Taurus	13	1.19%	20,519	1.7862%	0.67
	Tempo	10	0.91%	14,066*	1.2245%	0.75
	Thunderbird	14	1.28%	7,894	0.6872%	1.86
	Windstar Van	8	0.73%	11,495	1.0007%	0.73
<b>FOUR WINDS</b>	Dutchman	2	0.18%	Unknown		
	34Q	1	0.09%	Unknown		
<b>GMC TRUCK</b>	G Van	5	0.46%	2,640	0.2298%	1.99
	Jimmy	14	1.28%	4,236	0.3687%	3.47
	Sierra 1500 Pickup	20	1.82%			
	Sierra 2500 Pickup	1	0.09%			
	Sierra 3500 Pickup	<u>4</u>	<u>0.36%</u>			
	<b>SIERRA PICKUPS</b>	25	2.29%	28,392	2.4716%	0.93
	Sonoma	5	0.46%	4,119	0.3586%	1.28
	Suburban	7	0.64%	5,056	0.4401%	1.46
<b>GULF STREAM</b>	Tourmaster	2	0.18%	Unknown		
	Ultra	3	0.27%	Unknown		
<b>HARLEY DAVIDSON</b>	FLHTC	1	0.09%	Unknown		
	Ultra Heritage	1	0.09%	Unknown		
<b>HONDA</b>	Accord	1	0.09%	22,046	1.9191%	0.05
	Civic	4	0.37%	15,663	1.3635%	0.27
	Goldwing	1	0.09%	Unknown		
<b>HYUNDAI</b>	Elantra	13	1.19%	3,075	0.2677%	4.44
	Excel	4	0.37%	2,901**	0.2525%	1.45
	Scoupe	2	0.18%	1,160**	0.1010%	1.81
	Sonata	8	0.73%	1,938	0.1687%	4.34
<b>INFINITI</b>	J30	1	0.09%	1,134	0.0987%	0.93
	Q45	1	0.09%	554	0.0482%	1.90



**CHART F (continued)**  
**COMPLAINT FILED INDEX BY MODEL**

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
ISUZU	Pickup	2	0.18%	2,308	0.2009%	0.91
	Rodeo	9	0.82%	6,509	0.5666%	1.45
	Trooper	4	0.37%	1,876	0.1633%	2.24
JAGUAR	XJS	1	0.09%			
	XJ6	1	0.09%			
	XJ12	<u>1</u>	<u>0.09%</u>			
	<b>ALL MODELS</b>	3	0.27%	912	0.0794%	3.46
JAYCO	Jayco	1	0.09%	Unknown		
JEEP	Cherokee	15	1.37%	8,373	0.7289%	1.88
	Wrangler	2	0.18%	3,781	0.3291%	0.56
KAWASAKI	Mule 2500	1	0.09%	Unknown		
	VN800	1	0.09%	Unknown		
	Vulcan 750	1	0.09%	Unknown		
KIA	Sephia	1	0.09%	3,507	0.3053%	0.30
	Sportage	2	0.18%	1,216	0.1059%	1.73
LAND ROVER	Discovery	<u>1</u>	<u>0.09%</u>			
	<b>ALL MODELS</b>	1	0.09%	1,017	0.0885%	1.03
LAND YACHT	L436	1	0.09%	Unknown		
LEXUS	ES300	2	0.18%	2,772	0.2413%	0.76
	SC400	1	0.09%	421	0.0366%	2.50
LINCOLN	Continental	2	0.18%	1,545	0.1345%	1.36
	Town Car	6	0.55%	7,660	0.6668%	0.82
MAGNUM	425	1	0.09%	Unknown		
MALLARD	Mallard	1	0.09%	Unknown		
MAZDA	626	12	1.10%	7,792	0.6783%	1.62
	929	3	0.27%	856	0.0745%	3.68
	B Series Pickup	7	0.64%	5,739	0.4996%	1.28
	Millenia	2	0.18%	1,248	0.1086%	1.68
	MPV	5	0.46%	867	0.0755%	6.06
	MX6	3	0.27%	1,942	0.1691%	1.62
	Navajo	3	0.27%	402*	0.0350%	7.84
	Protege	5	0.46%	7,360	0.6407%	0.71
	RX7	4	0.37%	381*	0.0332%	11.03
MERCEDES-BENZ	E300	1	0.09%			
	E320	1	0.09%			
	E420	<u>2</u>	<u>0.18%</u>			
	<b>E CLASS</b>	4	0.37%	1,093	0.0951%	3.85
	S420	1	0.09%			
	SL320	<u>1</u>	<u>0.09%</u>			
	<b>S CLASS</b>	2	0.18%	1,616	0.1407%	1.30
	300	1	0.09%	Unknown		
400	1	0.09%	Unknown			

**CHART F (continued)**  
**COMPLAINT FILED INDEX BY MODEL**

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
<b>MERCURY</b>	Capri	2	0.18%	616*	0.0536%	3.41
	Cougar	20	1.83%	6,695	0.5828%	3.14
	Grand Marquis	4	0.37%	8,533	0.7428%	0.49
	Mystique	1	0.09%	4,074	0.3546%	0.26
	Sable	4	0.37%	4,464	0.3886%	0.94
	Topaz	1	0.09%	5,335*	0.4644%	0.20
	Villager Van	5	0.46%	4,109	0.3577%	1.28
<b>MITSUBISHI</b>	Diamante	3	0.27%	1,762*	0.1534%	1.79
	Eclipse	14	1.28%	5,347	0.4655%	2.75
	Expo	1	0.09%	385*	0.0335%	2.73
	Galant	9	0.82%	4,728	0.4116%	2.00
	Mirage	1	0.09%	3,030	0.2638%	0.35
	3000GT	1	0.09%	1,073	0.0934%	0.98
<b>NEWMAR</b>	Kountry Aire	1	0.09%	Unknown		
	Kountry Star	1	0.09%	Unknown		
<b>NISSAN</b>	Altima	7	0.64%	11,767	1.0243%	0.63
	Maxima	6	0.55%	11,108	0.9670%	0.57
	Pathfinder	2	0.18%	3,335	0.2903%	0.63
	Pickup	5	0.46%	12,550	1.0925%	0.42
	Sentra	5	0.46%	10,446	0.9093%	0.50
<b>OLDSMOBILE</b>	Achieva	1	0.09%	2,661	0.2316%	0.39
	Calais	1	0.09%	None		
	Cutlass	9	0.82%	4,888	0.4255%	1.94
	Silhouette Van	1	0.09%	764	0.0665%	1.38
<b>PLYMOUTH</b>	Acclaim	1	0.09%	570	0.0496%	1.84
	Colt	1	0.09%	705*	0.0614%	1.49
	Horizon	1	0.09%	None		
	Laser	1	0.09%	1,122*	0.0977%	0.94
	Neon	10	0.91%	5,775	0.5027%	1.82
	Sundance	1	0.09%	3,343*	0.2910%	0.31
	Voyager Van	18	1.65%	9,877	0.8598%	1.92
<b>PONTIAC</b>	Bonneville	4	0.37%	4,729	0.4117%	0.89
	Firebird	7	0.64%	4,905	0.4270%	1.50
	Grand Am	14	1.28%	17,484	1.5220%	0.84
	Grand Prix	8	0.73%	8,231	0.7165%	1.02
	Safari	3	0.27%	1,329	0.1157%	2.37
	Sunbird	1	0.09%	4,636*	0.4036%	0.23
	Trans Am	2	0.18%	None		
	Trans Sport Van	3	0.27%	1,329	0.1157%	2.37
<b>REXHALL</b>	Aerobus	1	0.09%	Unknown		
<b>SAAB</b>	900	3	0.27%	336	0.0292%	9.38
	9000	1	0.09%	64	0.0056%	16.42
<b>SAFARI</b>	Continental	1	0.09%	Unknown		

**CHART F (continued)**  
**COMPLAINT FILED INDEX BY MODEL**

MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
<b>SATURN</b>	SC	4	0.37%	3,808	0.3315%	1.10
	SL	4	0.37%	13,578	1.1820%	0.31
<b>SUBARU</b>	Justy	1	0.09%	365**	0.0318%	2.88
<b>THOR</b>	Pinnacle	1	0.09%	Unknown		
	Residency	2	0.18%	Unknown		
<b>TOYOTA</b>	Avalon	1	0.09%	4,582	0.3989%	0.23
	Camry	9	0.82%	21,320	1.8559%	0.44
	Celica	1	0.09%	1,516	0.1320%	0.69
	Corolla	2	0.18%	11,906	1.0364%	0.18
	Pickup	1	0.09%	4,415	0.3843%	0.24
	Previa Van	1	0.09%	1,387	0.1207%	0.76
	T100 Pickup	1	0.09%	2,637	0.2296%	0.40
	4Runner	1	0.09%	6,060	0.5275%	0.17
<b>VOLKSWAGEN</b>	Eurovan	2	0.18%	227*	0.0198%	9.26
	Golf	1	0.09%	537	0.0467%	1.96
	Jetta	4	0.37%	2,016	0.1755%	2.09
<b>VOLVO</b>	940	4	0.37%	627	0.0546%	6.70
	960	3	0.27%	1,018	0.0886%	3.10
<b>WINNEBAGO</b>	Brave	1	0.09%	Unknown		
	Elante	1	0.09%	Unknown		
<b>TOTAL</b>		<b>1,093</b>	<b>100%</b>			

Chart G, which is also new for CY 95, shows how many defects by component system or category that consumers reported on filing their complaints. As the chart indicates, consumers reported 4,109 defects, or 3.76 defects per vehicle, with the engine performance/emissions category being the most common (13.87%).

**CHART G**  
**DEFECTS REPORTED - CY 95**

<b>CATEGORY</b>	<b>NUMBER</b>	<b>PERCENT OF TOTAL REPORTED</b>
Engine (mechanical)	453	11.02%
Engine (performance/emissions)	570	13.87%
Air conditioning and heating	282	6.86%
Automatic transmission	339	8.25%
Standard transmission	128	3.12%
Driveline (axles and driveshaft)/vibrations	144	3.50%
Brakes	433	10.54%
Electrical	469	11.41%
Suspension and steering	391	9.52%
Body and trim	410	9.98%
Paint	163	3.97%
Water leaks	136	3.31%
Safety devices, seat belts, airbags	60	1.46%
Other	131	3.19%
<b>TOTAL DEFECTS REPORTED</b>	<b>4,109</b>	<b>100%</b>

Chart H shows how many complaints were closed against manufacturers by make, how many were scheduled for hearing, how many final orders (hearings held) were issued and how many repurchases and replacement orders were entered. The number of complaints closed (1,057) increased 13.2% from CY 94, while the number of hearings scheduled in CY 95 increased 20.6% from CY 94 and 34.5% from CY 93. However, the number of hearings held in CY 94 decreased 6.5% from CY 94 and 46.9% from CY 93, while the number of vehicles ordered repurchased or replaced decreased 6.8% from CY 94 and 25.7% from CY 93.

**CHART H**  
**COMPLAINTS CLOSED - BY MANUFACTURER AND MAKE - CY 95**

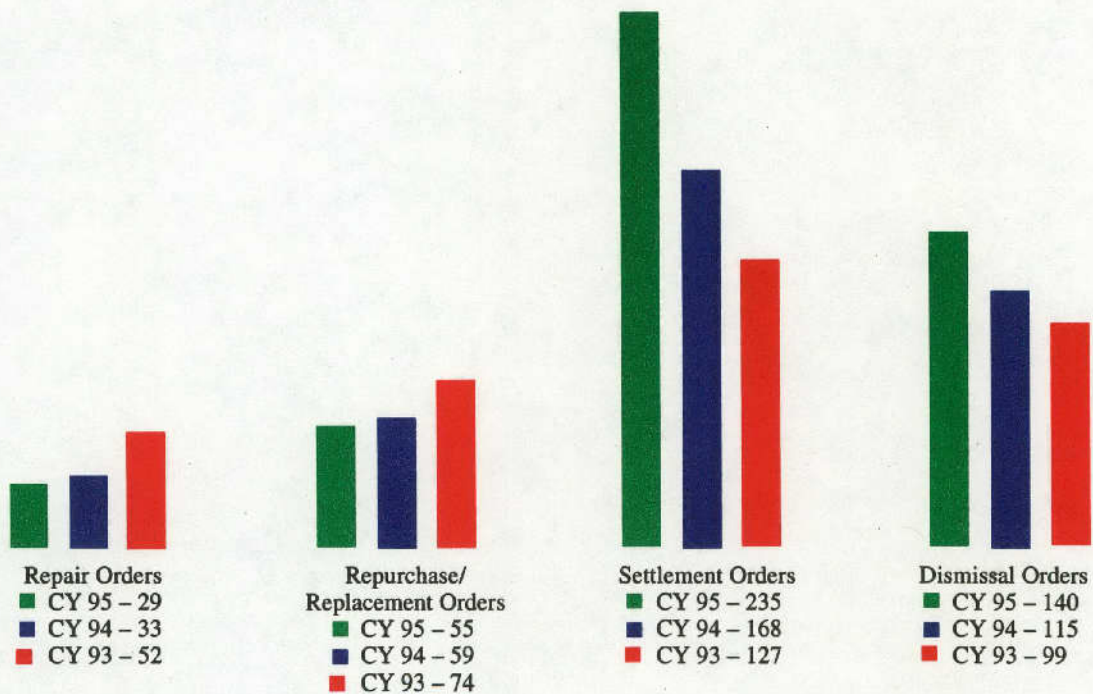
MANUFACTURER	MAKE	COMPLAINTS CLOSED	HEARINGS SCHEDULED	FINAL ORDERS	REPURCHASE/ REPLACEMENT ORDERS
<b>AIRSTREAM</b>		1	0	0	0
<b>AM GENERAL</b>		2	1	0	0
<b>BMW</b>		9	6	4	2
	Chrysler	29	11	1	0
	Dodge	110	43	14	4
	Eagle	10	4	0	0
	Jeep	29	13	0	0
	Plymouth	<u>40</u>	<u>15</u>	<u>2</u>	<u>1</u>
<b>CHRYSLER TOTAL</b>		218	86	17	5
<b>DAMON</b>		1	1	1	1
<b>EL DORADO</b>		1	1	0	0
<b>FLEETWOOD</b>		3	2	0	0
	Ford	217	109	44	20
	Lincoln	4	2	1	0
	Mercury	<u>36</u>	<u>16</u>	<u>7</u>	<u>2</u>
<b>FORD TOTAL</b>		257	127	52	22
<b>FOUR WINDS</b>		1	0	0	0
	Buick	13	3	0	0
	Cadillac	9	4	2	0
	Chevrolet-Geo	194	62	6	1
	GMC Truck	47	13	5	2
	Oldsmobile	12	3	1	1
	Pontiac	<u>50</u>	<u>21</u>	<u>4</u>	<u>2</u>
<b>GENERAL MOTORS TOTAL</b>		325	106	18	6
<b>GULF STREAM</b>		3	1	1	0
	Acura	4	2	0	0
	Honda	<u>8</u>	<u>3</u>	<u>2</u>	<u>1</u>
<b>HONDA TOTAL</b>		12	5	2	1
<b>HYUNDAI</b>		32	18	5	0
<b>ISUZU</b>		29	17	6	1
<b>JAGUAR</b>		2	1	0	0
<b>KAWASAKI</b>		3	2	1	1
<b>KIA</b>		1	1	0	0
<b>LAND ROVER</b>		1	1	0	0
<b>LEXUS</b>		3	1	0	0
<b>MAZDA</b>		41	24	7	5

**CHART H (continued)**  
**COMPLAINTS CLOSED - BY MANUFACTURER AND MAKE - CY 95**

MANUFACTURER	MAKE	COMPLAINTS CLOSED	HEARINGS SCHEDULED	FINAL ORDERS	REPURCHASE/ REPLACEMENT ORDERS
MERCEDES-BENZ		7	2	0	0
MITSUBISHI		20	13	5	3
MONACO		1	1	1	1
NISSAN TOTAL	Infiniti	0	0	0	0
	Nissan	<u>36</u>	<u>16</u>	<u>7</u>	<u>6</u>
		36	16	7	6
PACCAR TOTAL	Kenworth	1	1	0	0
	Peterbilt	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>
		3	1	0	0
PORSCHE		1	0	0	0
REXHALL		1	0	0	0
SAAB		2	1	0	0
SATURN		5	3	0	0
SUBARU		3	2	0	0
SUZUKI		1	1	0	0
THOR		1	1	0	0
TOYOTA		17	7	2	1
VOLKSWAGEN TOTAL	Audi	1	0	0	0
	Volkswagen	<u>8</u>	<u>4</u>	<u>1</u>	<u>0</u>
		9	4	1	0
VOLVO		3	2	0	0
WINNEBAGO		1	0	0	0
YAMAHA		1	1	0	0
<b>TOTAL CLOSED CY 95</b>		<b>1,057</b>	<b>456</b>	<b>130</b>	<b>55</b>

There were 459 formal orders that were entered in CY 95. Of those, 84 orders required repair, repurchase or replacement of complainants' vehicles. In addition, in 235 cases, settlements favorable to complainants were reached after a hearing was scheduled, resulting in settlement orders. The remaining 140 complaints resulted in dismissals, either because they were abandoned or were not proven. Thus, in 70% of the cases which were scheduled for hearing, complainants received some form of relief. See Chart I below which indicates the respective outcomes of the 459 complaints in which formal orders were entered. Statistics for CYs 94 and 93 are also included in the chart for comparison purposes.

**CHART I  
FORMAL COMPLAINT RESOLUTION**



**REPURCHASES/REPLACEMENTS ORDERED**

Chart J<sup>3</sup> describes the vehicles that the Division ordered repurchased or replaced by manufacturers, converters or distributors in CY 95. The orders were issued after a contested hearing when an ALJ found the complainant met the statutory requirements for repurchase or replacement relief under the lemon law. In CY 95 there were 55 passenger cars, trucks and motorcycles ordered repurchased or replaced, including 27 cars, 26 trucks and 2 motorcycles. The 26 trucks include 2 motor homes.

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<sup>3</sup> See page 32 for explanatory notes relating to the chart.



**CHART J**  
**VEHICLE REPURCHASES/REPLACEMENTS - CY 95**

YR	MAKE	MODEL	PROBLEM AREA	PRICE	MARKET %	REPUR. %	LEMON INDEX
92	<b>BMW</b>	525	Engine, Performance/ Emissions, Automatic Transmission, Electrical	\$32,617.04	0.55%	1.8%	3.306
94	<b>BMW</b>	K75 (Motorcycle)	Engine, Performance/ Emissions	\$ 8,052.20	0.55%	Unknown	0.00
94	<b>Chevrolet*</b>	1500	Suspension & Steering, Body & Trim	\$16,043.36	20.90%	1.8%	0.087
93	<b>Damon/ Chevrolet</b>	Intruder (Motor Home)	Electrical, Body & Trim	\$39,568.72	Unknown	1.8%	Unknown
94	<b>Dodge</b>	BR1500 pickup	Suspension & Steering	\$14,495.91	6.86%	7.3%	1.060
94	<b>Dodge</b>	BR3500 pickup	Brakes, Electrical	\$25,344.75	6.86%	7.3%	1.060
93	<b>Dodge</b>	Intrepid	Brakes	\$22,200.08	6.86%	7.3%	1.060
95	<b>Dodge</b>	Neon	Brakes	\$11,141.63	6.86%	7.3%	1.060
93	<b>Ford</b>	Aeromax	Driveline (Axles & Driveshaft)/Vibrations	\$75,266.22	23.24%	36.4%	1.565
93	<b>Ford</b>	Aerostar	Engine, Mechanical	\$16,948.29	23.24%	36.4%	1.565
93	<b>Ford</b>	Aerostar	Air Conditioning & Heating	\$16,136.35	23.24%	36.4%	1.565
93	<b>Ford</b>	Bronco	Brakes	\$16,062.42	23.24%	36.4%	1.565
93	<b>Ford</b>	Explorer	Paint	\$17,329.19	23.24%	36.4%	1.565
94	<b>Ford</b>	Explorer	Electrical	\$23,794.57	23.24%	36.4%	1.565
94	<b>Ford</b>	F150	Suspension & Steering	\$18,703.86	23.24%	36.4%	1.565
94	<b>Ford</b>	F250	Driveline (Axles & Driveshaft)/Vibrations	\$18,547.37	23.24%	36.4%	1.565
94	<b>Ford</b>	F350	Engine, Performance/ Emissions	\$23,269.57	23.24%	36.4%	1.565
94	<b>Ford</b>	F450	Engine, Mechanical, Air Conditioning & Heating, Standard Transmission, Other	\$18,676.39	23.24%	36.4%	1.565
93	<b>Ford</b>	Mustang	Paint	\$14,270.51	23.24%	36.4%	1.565
94	<b>Ford</b>	Mustang	Engine, Mechanical, Automatic Transmission, Paint	\$25,112.70	23.24%	36.4%	1.565

**CHART J (continued)**  
**VEHICLE REPURCHASES/REPLACEMENTS - CY 95**

YR	MAKE	MODEL	PROBLEM AREA	PRICE	MARKET %	REPUR. %	LEMON INDEX
94	Ford	Mustang	Engine, Mechanical, Engine Performance/Emissions	\$21,168.81	23.24%	36.4%	1.565
93	Ford	Ranger	Electrical	\$11,791.44	23.24%	36.4%	1.565
94	Ford	Ranger	Suspension & Steering	\$15,388.52	23.24%	36.4%	1.565
94	Ford	Tempo	Engine, Performance/Emissions	\$10,062.80	23.24%	36.4%	1.565
93	Ford	Thunderbird	Body & Trim	\$13,882.91	23.24%	36.4%	1.565
93	Ford	Thunderbird	Suspension & Steering	\$19,582.55	23.24%	36.4%	1.565
94	Ford	Thunderbird	Brakes	\$15,993.60	23.24%	36.4%	1.565
93	Ford	Van	Driveline (Axles & Driveshaft)/Vibrations	\$19,134.07	23.24%	36.4%	1.565
94	GMC Truck	Suburban	Safety Devices, Seat Belts, Airbags	\$21,316.12	4.20%	3.6%	0.866
94	GMC Truck	Suburban	Engine, Performance/Emissions	\$33,867.98	4.20%	3.6%	0.866
92	Honda	Accord	Air Conditioning & Heating	\$14,097.43	3.77%	1.8%	0.482
92	Isuzu	Rodeo	Brakes, Other	\$16,981.45	0.7%	1.8%	25.974
95	Kawasaki	VN800 (Motorcycle)	Engine, Mechanical	\$ 8,248.04	Unknown	1.8%	Unknown
94	Mazda*	626	Engine, Performance/Emissions	\$21,250.29	2.46%	9.1%	3.695
92	Mazda	929	Engine, Mechanical, Electrical	\$20,350.01	2.46%	9.1%	3.695
92	Mazda	929	Engine, Mechanical	\$23,696.77	2.46%	9.1%	3.695
94	Mazda*	B4000	Paint	\$17,293.81	2.46%	9.1%	3.695
93	Mazda	MX6	Air Conditioning & Heating, Paint	\$14,628.57	2.46%	9.1%	3.695
93	Mercury	Capri	Water Leaks	\$12,338.64	2.76%	3.6%	1.318
93	Mercury	Cougar	Water Leaks	\$14,651.75	2.76%	3.6%	1.318
94	Mitsubishi	Galant	Brakes, Electrical, Other	\$15,705.01	1.38%	5.5%	3.953

**CHART J (continued)**  
**VEHICLE REPURCHASES/REPLACEMENTS - CY 95**

YR	MAKE	MODEL	PROBLEM AREA	PRICE	MARKET %	REPUR. %	LEMON INDEX
94	Mitsubishi	Galant	Driveline (Axles & Driveshaft)/Vibrations, Suspension & Steering	\$17,535.66	1.38%	5.5%	3.953
94	Mitsubishi	Mirage	Automatic Transmission	\$11,016.75	1.38%	5.5%	3.953
93	Monaco	Squire (Motor Home)	Air Conditioning & Heating, Other	\$135,532.16	Unknown	1.8%	Unknown
93	Nissan	Altima	Body & Trim	\$14,139.49	4.97%	10.9%	2.195
94	Nissan	Maxima	Other	\$21,289.01	4.97%	10.9%	2.195
93	Nissan	Pickup	Automatic Transmission	\$12,071.85	4.97%	10.9%	2.195
93	Nissan	Pickup	Engine, Mechanical	\$8,930.63	4.97%	10.9%	2.195
93	Nissan	Pickup	Standard Transmission, Suspension & Steering	\$11,337.08	4.97%	10.9%	2.195
93	Nissan	Quest	Safety Devices, Seat Belts, Airbags	\$15,207.82	4.97%	10.9%	2.195
93	Oldsmobile	Achieva	Electrical	\$10,882.91	1.95%	1.8%	0.932
94	Plymouth	Sundance	Engine, Mechanical, Water Leaks	\$9,244.77	1.42%	1.8%	1.280
92	Pontiac	Bonneville	Air Conditioning & Heating, Other	\$22,350.30	3.61%	3.6%	1.007
93	Pontiac	Lemans	Engine, Mechanical, Air Conditioning & Heating, Safety Devices, Seat Belts, Airbags	\$10,775.42	3.61%	3.6%	1.007
92	Toyota	Camry	Engine, Performance/Emissions	\$14,912.68	6.03%	1.8%	0.302
	<b>TOTAL</b>	<b>55</b>		<b>\$1,130,238.23</b>			

The "lemon index" for each make was obtained by dividing the make's share of lemons in Texas by its market share in the state. The make's share of lemons was obtained by dividing the number of that make's vehicles found to be lemons by the total number of vehicles found to be lemons by the Division, 55 in CY 95. For example, Chevrolet had one vehicle repurchased, which would be 1/55, which equals 1.8%. It is clear that a manufacturer with a low market share percentage, e.g., Mazda with 2.46%, with a relatively high number of repurchase orders, e.g., 5, will get a high "lemon index", e.g., 3.695.

The following chart is provided to allow the reader to put the lemon index in perspective, taking into consideration the market share of the different manufacturers in Texas. In CY 95 there were 580,445 new cars registered in Texas from all manufacturers. This placed Texas as the third largest car market in the United States, behind California and Florida. The number of new trucks registered in CY 95 was 568,304, and Texas was the second largest truck market in the United States, second only to California.<sup>4</sup>

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<sup>4</sup> The figures given here, including the total sales and market share, were obtained from R. L. Polk & Company based on data provided by the Texas Department of Transportation, Vehicle Titles and Registration Division. The market share percentage derived using these numbers is used for all repurchased or replaced vehicles, irrespective of their year of purchase. The percentage obtained is also taken as the overall market percentage for each manufacturer.

**CHART K**  
**MARKET SHARE PERCENTAGE - CY 95**

MANUFACTURER	MAKE	CARS	APPROXIMATE MARKET SHARE TRUCKS	COMBINED
<b>BMW</b>		1.09%	0.00%	0.55%
	Chrysler	2.09%	0.46%	1.28%
	Dodge	4.11%	9.67%	6.86%
	Eagle	0.60%	0.00%	0.30%
	Jeep	0.00%	4.09%	2.02%
	Plymouth	<u>1.11%</u>	<u>1.74%</u>	<u>1.42%</u>
<b>CHRYSLER TOTAL</b>		7.92%	15.96%	11.89%
	Ford	15.25%	31.42%	23.24%
	Lincoln	1.76%	0.00%	0.89%
	Mercury	<u>4.75%</u>	<u>0.72%</u>	<u>2.76%</u>
<b>FORD TOTAL</b>		21.76%	32.15%	26.90%
	Buick	4.99%	0.00%	2.52%
	Cadillac	2.29%	0.00%	1.16%
	Chevrolet-Geo	12.98%	28.99%	20.90%
	GMC	0.00%	8.49%	4.20%
	Oldsmobile	3.69%	0.18%	1.95%
	Pontiac	<u>6.91%</u>	<u>0.23%</u>	<u>3.61%</u>
<b>GENERAL MOTORS TOTAL</b>		30.87%	37.90%	34.35%
	Acura	0.96%	0.00%	0.48%
	Honda	<u>7.12%</u>	<u>0.36%</u>	<u>3.77%</u>
<b>HONDA TOTAL</b>		8.07%	0.36%	4.26%
<b>HYUNDAI</b>		1.35%	0.00%	0.68%
<b>ISUZU</b>		0.00%	0.14%	0.07%
<b>MAZDA</b>		3.72%	1.18%	2.46%
<b>MERCEDES-BENZ</b>		0.81%	0.00%	0.41%
<b>MITSUBISHI</b>		2.51%	0.23%	1.38%
	Infiniti	0.60%	0.00%	0.30%
	Nissan	<u>6.44%</u>	<u>3.46%</u>	<u>4.97%</u>
<b>NISSAN TOTAL</b>		7.04%	3.46%	5.27%
<b>SATURN</b>		3.09%	0.00%	1.56%
<b>SUBARU</b>		0.50%	0.00%	0.25%
<b>TOYOTA</b>		8.66%	3.34%	6.03%
	Audi	0.05%	0.00%	0.03%
	Volkswagen	<u>0.60%</u>	<u>0.00%</u>	<u>0.31%</u>
<b>VOLKSWAGEN TOTAL</b>		0.65%	0.00%	0.33%
<b>ALL OTHERS</b>		1.98%	5.28%	3.61%
		<b>100%</b>	<b>100%</b>	<b>100%</b>

Based on the number of complaints filed, the number of repurchase or replacement (trade assist) orders was relatively small in CY 95. Accordingly, it may be more beneficial to focus attention on the total number of complaints closed by the Division and compare how manufacturers responded to their respective share of complaints. Chart L indicates at what rate and in what manner manufacturers settled complaints that were closed. It is interesting to note that certain manufacturers were particularly receptive to settling complaints rather than contesting them at a formal hearing. The following chart illustrates the settlement rates of different manufacturers and distributors by make. It is clear that Chrysler Corporation, General Motors and to a lesser extent Ford Motor Company are continuing their trend to settle more cases prior to the entry of an adverse decision through the hearing process. Together, the three manufacturers voluntarily repurchased or replaced 253 vehicles in CY 95, an increase of 43 from CY 94 and 126 from CY 93. These were not counted in determining their "lemon index," and, therefore, the manufacturers were not required to issue a disclosure statement on reselling the vehicle. On the other hand, it is also clear that certain manufacturers (market share greater than 1%) are unlikely to settle their complaints, i.e., Honda, Nissan, Mitsubishi and Toyota, prior to a hearing.

**CHART L**  
**COMPLAINTS SETTLED - BY MAKE OF VEHICLE - CY 95**

VEHICLE MAKE	NUMBER OF COMPLAINTS CLOSED	NUMBER SETTLED	SETTLEMENT PERCENTAGE	REPURCHASED/ REPLACED
Acura	4	3	75%	2
Airstream	1	0	0%	0
American General	2	1	50%	1
Audi	1	0	0%	0
BMW	9	3	33%	1
Buick	13	9	69%	7
Cadillac	9	2	22%	1
Chevrolet-Geo	194	116	60%	75
Chrysler	29	19	66%	12
Damon	1	0	0%	0
Dodge	110	63	57%	40
Dutchman	1	1	100%	0
Eagle	10	8	80%	6
El Dorado	1	0	0%	0
Fleetwood	3	2	67%	1
Ford	218	85	39%	38
GMC	47	27	57%	18
Gulf Stream	3	2	67%	0
Honda	8	1	13%	0
Hyundai	32	15	47%	10
Isuzu	29	11	38%	2
Jaguar	2	1	50%	0
Jeep	29	23	79%	14
Kawasaki	3	2	67%	0
Kenworth	1	0	0%	0
Kia	1	1	100%	1
Land Rover	1	0	0%	0
Lexus	3	0	0%	0
Lincoln	4	3	75%	2
Mazda	41	20	49%	9
Mercedes-Benz	7	2	29%	1

**CHART L (continued)**  
**COMPLAINTS SETTLED - BY MAKE OF VEHICLE - CY 95**

<b>VEHICLE MAKE</b>	<b>NUMBER OF COMPLAINTS CLOSED</b>	<b>NUMBER SETTLED</b>	<b>SETTLEMENT PERCENTAGE</b>	<b>REPURCHASED/ REPLACED</b>
<b>Mercury</b>	35	15	43%	7
<b>Mitsubishi</b>	20	7	35%	1
<b>Monaco</b>	1	0	0%	0
<b>Nissan</b>	36	13	36%	7
<b>Oldsmobile</b>	12	6	50%	4
<b>Peterbilt</b>	2	1	50%	0
<b>Plymouth</b>	40	24	60%	14
<b>Pontiac</b>	50	27	54%	14
<b>Porsche</b>	1	0	0%	0
<b>Rexhall</b>	1	0	0%	0
<b>Saab</b>	2	2	100%	2
<b>Saturn</b>	5	3	60%	1
<b>Subaru</b>	3	1	33%	1
<b>Suzuki</b>	1	1	100%	1
<b>Thor</b>	1	1	100%	0
<b>Toyota</b>	17	4	24%	0
<b>Volkswagen</b>	8	6	75%	4
<b>Volvo</b>	3	2	67%	1
<b>Winnebago</b>	1	0	0%	0
<b>Yamaha</b>	1	0	0%	0
<b>TOTAL CLOSED</b>	<b>1,057</b>	<b>533</b>		<b>298</b>



## CONCLUSION

The statistics for CY 95 reveal that most manufacturers have continued to view the Lemon Law as an opportunity to improve customer satisfaction and increase market share instead of just costly "litigation" where success is defined as winning at any cost. As mentioned earlier in the report, Chrysler Corporation, Ford Motor Company and General Motors Corporation together voluntarily repurchased or replaced (trade assist) 253 vehicles in CY 95, an increase of 20% from CY 94 and 99% from CY 93. Due to the overall increase in the settlement rate, the staff was able to schedule 20.6% more hearings in CY 95, which resulted in a decrease in processing times.

A further review of the statistics reveals that in 58.4% of the complaints closed in CY 95, consumers received some type of relief. However, if you excluded the complaints closed for no jurisdiction, not pursued, withdrawn, etc., the success rate rises to 81.5%.

It is anticipated that the information presented here will be of benefit to consumers and manufacturers alike. Anyone who has questions may call the toll free number 1-800-622-8682 or 512/505-5172 for further clarification.

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### Endnotes

- 2 The market share percentage figures for CY 95 were obtained from the R. L. Polk & Company based on data supplied by the Texas Department of Transportation, Vehicle Titles and Registration Division. This market percentage is used as an indicator of market percentage for all year models, except when indicated by a single (CY 93) or double (CY 94) asterisk, which indicates the significantly higher CY 93 or CY 94 percentage was used.
- 3 The list is arranged alphabetically by make, e.g., BMW, Chevrolet, Dodge, Ford, GMC Truck, etc. Use of the list must be tempered by several considerations:
  - a. The number of vehicles ordered repurchased or replaced is very small compared to the number of new vehicles registered in Texas in CY 95. The meaning of this small statistical universe is that one additional vehicle ordered repurchased or replaced may significantly change the Lemon Index for a particular model.
  - b. The market share percentage figures were obtained from the R.L. Polk & Company. This market percentage is used as an indicator of market percentage for all year makes involved in repurchase or replacement orders.
  - c. The vehicles listed were ordered repurchased unless indicated by an asterisk.
  - d. Motor Homes (MH) and Conversion Vans (Van Conv) are listed under make by the manufacturer, converter or distributor ordered to repurchase the vehicle followed by the chassis or coach manufacturer or converter.
  - e. Comparisons to results reported by other states should be used with caution, due to major structural differences in the lemon laws of various states.

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