

TERMS AND INTERPRETATIONS

ALJ - Administrative Law Judge (*each hearing is conducted by an ALJ*)

ASE Certified - Automotive Service Excellence Certification

ATV - All terrain vehicle

CY - Calendar Year

HT - Heavy truck

Manufacturer - When used, includes converters and distributors

Market Share - The market share is based on total sales in Texas. The information was obtained from *The Polk Company* who used data supplied by the Vehicle Titles and Registration Division of the Texas Department of Transportation.

MC - Motorcycle

MH - Motor home

Repair - Manufacturer repaired the defect in the vehicle

Replacement/Trade Assist - Refers to settlement by replacement of a vehicle. 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 or dealer, subject only to a mileage charge.

Repurchase - Refers to the manufacturer buying the vehicle from the consumer, less a deduction for usage.

The Board - The Motor Vehicle Board consists of nine citizen members appointed by the Governor of Texas.

The Division - Motor Vehicle Division, Consumer Affairs Section

TMVC Code or The Code - Texas Motor Vehicle Commission Code *TEX. REV. CIV. STAT. ANN. art. 4413(36) (VERNON'S SUPP. 1997)*

TRV - Towable recreation vehicle

TxDOT - Texas Department of Transportation

INTRODUCTION

The report includes text and charts to illustrate the resolution of 1,230 complaints during 1998. Some of the complaints processed in CY98 involved 694 carryovers from the end of the CY97, plus 1,034 new complaints that were received in 1998. Chart A shows an overview of the program results for CY98 along with the previous two years' program results for comparison.

Most complaints involve passenger cars and light trucks; however, complaints were received on all terrain vehicles, heavy duty trucks, motorcycles, motor homes and towable recreational vehicles. Prices of the vehicles complained against ranged from a few thousand dollars to over one hundred thousand dollars for some motor homes, luxury vehicles, and industrial vehicles.

CHART A
SUMMARY OF PROGRAM RESULTS

	CY96	CY97	CY98
Complaints Filed	1290	1291	1034
Complaints Closed	1260	1316	1230
Prehearing Settlements	694	635	430
Hearings Scheduled	515	475	618
Final Orders (Hearings Held)	175	182	242
Repurchase/Replacement Orders	42	56	73

COMPLAINT PROCESS

PROVISIONS OF THE TEXAS LEMON LAW

According to the TMVC Code:

Section 6.07 provides **new** motor vehicle owners, lessors, or lessees, who purchase or lease their vehicles from licensees of the Motor Vehicle Board, 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. A \$35.00 filing fee is required.

Section 3.08(i) provides repair relief to motor vehicle owners whose vehicles do not qualify for repurchase or replacement according to Section 6.07.

For buyers of **used** motor vehicles or new vehicles purchased or leased from non-licensees of the Motor Vehicle Board, available relief is limited to 'repairs only' under Section 3.08(i).

ENFORCEMENT OF THE TEXAS LEMON LAW

The Motor Vehicle Division of the Texas Department of Transportation, specifically, the Consumer Affairs Section, is responsible for enforcement of the Texas Lemon Law. The flow chart describes the complaint process.

RESPONSIBILITIES OF THE CONSUMER ADVISORS

BEFORE A HEARING IS SCHEDULED: When a complaint is received, it is evaluated by a Consumer Advisor who is ASE certified to determine whether the consumer is eligible for relief. After determining that a complaint meets the jurisdictional requirements of Section 6.07 or 3.08(i), the Consumer Advisor serves as a liaison between the consumer and representatives of the manufacturer and dealer. Often, their proactive assistance results in resolution of complaints soon after filing.

AFTER A HEARING IS SCHEDULED: The Consumer Advisor contacts consumers prior to a hearing to review the hearing procedures and to answer any questions that may arise. The Consumer Advisor furnishes information concerning the proof requirements of the Lemon Law described in the consumer handbook and the "Consumer's Guide to the Texas Lemon Law" video.

MEDIATION INSPECTION PROGRAM

The Mediation Inspection Program is conducted by an ASE certified inspector in an attempt to resolve complaints earlier in the process without the need for time-consuming hearings. Generally, inspections are performed at authorized dealerships located near the consumer with consumers and manufacturers' representatives present. The Division's inspector analyzes the facts based on the inspection of the vehicle and the evidence that the consumer could prove, should a hearing be required. Very often, the parties reach an agreement during the inspection meeting and the complaint is then closed. In CY98, 70 mediation inspections were conducted throughout the state. In 70% of these cases, the inspection resolved the complaint. Chart C shows the results of the inspections held in CY98.

CHART C				
MEDIATION INSPECTIONS				
Manufacturer	Section 3.08(i)		Section 6.07	
	Held	Resolved	Held	Resolved
DaimlerChrysler	8	7	15	11
Ford	7	5	5	4
General Motors	7	6	20	13
Honda	1	0	0	0
Kia	0	0	3	1
Mitsubishi	2	1	0	0
Toyota	0	1	2	0
TOTALS	25	20	45	29
PERCENT RESOLVED	80%		64%	

HEARINGS

Administrative Law Judges travel throughout the state holding hearings in locations as convenient for consumers as possible.

WHAT TO EXPECT AT A HEARING

- Consumers and manufacturers are allowed 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
- Consumers are required to bring their vehicle to the hearing for an inspection and test drive

WHAT TO EXPECT FOLLOWING A HEARING

The ALJ considers all of the evidence received at a hearing, and issues a written decision and order, at a later date. Generally, orders require one of the following:

- Repurchase or replacement of the vehicle by the manufacturer with a reasonable allowance for the consumer's use of the vehicle deducted
- Repair of the vehicle under the manufacturer's warranty, or
- Dismissal of the complaint if it was not proven

WHEN THE DECISION IS FINALIZED

The decision and order are sent to the parties by certified mail.

- Any party who disagrees with the decision may file a motion for rehearing (a request for reconsideration of the decision) with either the Division Director or the Motor Vehicle Board. In CY98, 90 motions for rehearing were filed with the Division Director and 8 were filed with the Motor Vehicle Board. The results of the motion for rehearing can range widely from an affirmation or minor modification of the original decision and order, 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 is appealed. Only one Lemon Law case was appealed in CY98. The appeal was filed by the manufacturer.

COMPLAINTS FILED

Chart D shows how many complaints were filed against manufacturers (listed alphabetically by make) for CY96 through CY98.

Although the complaints filed decreased 19.9% from CY97, some manufacturers (market share greater than 5% - sales over 62,400) experienced sharper declines. For example, the complaints filed against Ford Motor Company and Gulf States Toyota, Inc. decreased 31.4% and 47.1%, respectively. On the other hand, the complaints filed against DaimlerChrysler decreased only 11.7%.

CHART D COMPLAINTS FILED - BY MANUFACTURER AND MAKE				
MANUFACTURER	MAKE	CY96	CY97	CY98
Airstream		0	1	2
Alpha Leisure		0	0	1
AM General		3	1	1
American Iron Horse		0	0	1
Beaver Coaches		1	2	1
Big Dog		0	1	0
BMW		9	7	5
Coachmen		3	1	4
	Chrysler	34	39	31
	Dodge	161	117	108
	Eagle	6	8	1
	Jeep	28	31	39
	Plymouth	30	35	24
DaimlerChrysler TOTAL		259	230	203
Damon		0	1	4
El Dorado		1	0	0
Fleetwood		7	8	19
	Ford	242	222	164
	Lincoln	14	11	9
	Mercury	44	31	8
Ford TOTAL		300	264	181
Four Winds		0	1	1
Freightliner		0	2	5
	Buick	21	12	11
	Cadillac	18	12	8
	Chevrolet	252	291	234
	GMC	51	70	51
	Oldsmobile	9	13	15
	Pontiac	52	67	59
General Motors TOTAL		403	465	378
Georgie Boy		3	3	1
Gulf Stream		2	2	2
Harley Davidson		0	2	0
Holiday Rambler		4	6	4
	Acura	2	1	3
	Honda	20	15	10
Honda TOTAL		22	16	13
Hyundai		31	26	16
Isuzu		13	15	15
Jaguar		1	1	1
Kawasaki		1	5	1
Keystone		0	2	1
Kia		27	34	50
Land Rover		6	13	2

CHART D COMPLAINTS FILED - BY MANUFACTURER AND MAKE				
MANUFACTURER	MAKE	CY96	CY97	CY98
Mazda		33	30	9
Mercedes-Benz		4	1	4
Mitsubishi		45	41	17
Monaco Coach		3	1	3
National		0	0	2
Navistar		1	0	2
Newmar		2	2	1
	Infiniti	2	1	0
	Nissan	31	25	23
Nissan TOTAL		33	26	23
Nissan Diesel	UD	0	1	0
	Kenworth	2	1	2
	Peterbilt	1	0	1
Paccar TOTAL		3	1	3
Polaris		0	2	1
Porsche		0	1	0
Rexhall		0	1	1
Rolls Royce	Bentley	1	0	0
Saab		4	0	1
Safari		0	1	2
Saturn		16	8	1
	Serro	1	0	0
	Scotty	0	1	0
Serro TOTAL		1	1	0
Shasta Industries		0	2	0
South Country	Steel Stallion	1	0	0
Subaru		1	2	1
Suzuki		2	4	6
Teton		0	0	2
Thor		0	0	1
Tiffin Motor Homes		1	0	2
	Lexus	0	1	2
	Toyota	20	33	16
Toyota TOTAL		20	34	18
Triumph		0	1	0
	Audi	0	0	1
	Volkswagen	11	14	12
Volkswagen TOTAL		11	14	13
Volvo		6	4	7
	VolvoGM	0	1	0
	WhiteGMC	1	0	0
VolvoGM TOTAL		1	1	0
Winnebago		5	2	2
Yamaha		0	1	0
TOTAL COMPLAINTS FILED		1290	1291	1034

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Chart E shows how many complaints were filed by model and it includes a complaint filed index (CFI). The market share in Chart E is used as an indicator of market share for all year models. The CFI was obtained by dividing the model's share of the complaints filed by its market share.

Consumers can 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
- A model has a CFI greater than 1.0, it has more than its expected share of complaints
- The CFI is less than 1.0, the model has less than its expected share of complaints

Summary of Chart E:

There are 14 models (market share greater than 1% - sales over 12,480) having a CFI below 1.0, including 9 models with a CFI below 0.5. Those 14 models from lowest to highest CFI are:

Toyota Corolla	Ford F250 Pickup
Honda Accord	Ford Escort
Ford Taurus	Ford Ranger
Toyota Camry	Chevrolet S10 Pickup
Ford Explorer	Chevrolet Suburban C/K 1500
Ford F150 Pickup	Chevrolet Tahoe
Ford Expedition	Dodge Ram 1500 Pickup

There are 9 models (up from 5 last year) with a market share greater than 1% having a CFI greater than 1.0. Those 9 models from lowest to highest CFI are:

Ford Mustang
 Ford F350 Pickup
 Chevrolet Blazer
 Chevrolet C/K 1500 Pickup
 GMC Sierra 1500 Pickup
 Chevrolet Cavalier
 Jeep Grand Cherokee
 Dodge Caravan Vans
 Chevrolet Malibu

CHART E COMPLAINT FILED INDEX BY MAKE AND MODEL						
MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
Acura	Legend	1	0.10%	None		
	RL	1	0.10%	1,095	0.0877%	1.10
	TL	1	0.10%	1,918	0.1537%	0.63
Airstream	Cutter Bus (MH)	1	0.10%	Unknown		
	Excelsa (TRV)	1	0.10%	Unknown		
Alpha Leisure	See Ya (TRV)	1	0.10%	Unknown		
AM General	Hummer	1	0.10%	Unknown		
American Iron Horse	Slammer (MC)	1	0.10%	Unknown		
Audi	A4	1	0.10%	909	0.0728%	1.33
Beaver Coaches	Patriot (MH)	1	0.10%	Unknown		
BMW	300 Class	2	0.19%	3,353	0.2687%	0.72
	500 Class	1	0.10%	2,157	0.1728%	0.56
	700 Class	1	0.10%	1,192	0.0955%	1.01
	Z3	1	0.10%	1,112	0.0891%	1.09
Buick	Century	3	0.29%	6,087	0.4877%	0.59
	LeSabre	2	0.19%	8,659	0.6938%	0.28
	Park Avenue	2	0.19%	3,272	0.2622%	0.74
	Regal	1	0.10%	3,455	0.2768%	0.35
	Riviera	1	0.10%	536	0.0429%	2.25
	Roadmaster	1	0.10%	None		
	Skylark	1	0.10%	218	0.0175%	5.54
Cadillac	Catera	3	0.29%	1,765	0.1414%	2.05
	DeVille	2	0.19%	7,413	0.5940%	0.33
	Eldorado	3	0.29%	1,070	0.0857%	3.38
Chevrolet	Astro Van	16	1.55%	5,802	0.4649%	3.33
	Blazer	13	1.26%	13,756	1.1022%	1.14
	C/K 1500 Pickup	43	4.16%	45,640	3.6570%	1.14
	C/K 2500 Pickup	6	0.58%	10,430	0.8357%	0.69
	C/K 3500 Pickup	16	1.55%	7,295	0.5845%	2.65
	Camaro	11	1.06%	7,204	0.5772%	1.84
	Caprice	1	0.10%	None		
	Cavalier	19	1.84%	16,911	1.3550%	1.36
	Corvette	4	0.39%	2,592	0.2077%	1.86
	G10 Van	6	0.58%	2,461	0.1972%	2.94
	G20 Van	4	0.39%	864	0.0692%	5.59
	G30 Van	1	0.10%	878	0.0704%	1.37
	Geo Metro	2	0.19%	2,061	0.1651%	1.17
	Geo Prizm	3	0.29%	4,391	0.3518%	0.82
	Geo Tracker	3	0.29%	1,576	0.1263%	2.30
	Lumina	6	0.58%	12,116	0.9708%	0.60
	Lumina APV	1	0.10%	None		
	Malibu	22	2.13%	16,345	1.3097%	1.62
	Monte Carlo	8	0.77%	4,168	0.3340%	2.32
	S10 Pickup	9	0.87%	16,055	1.2864%	0.68
	Suburban C/K 1500	18	1.74%	24,144	1.9346%	0.90
	Suburban C/K 2500	5	0.48%	1,172	0.0939%	5.15
	Tahoe	14	1.35%	18,298	1.4662%	0.92
Venture	3	0.29%	4,838	0.3877%	0.75	

CHART E COMPLAINT FILED INDEX BY MAKE AND MODEL						
MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
Chrysler	Cirrus	5	0.48%	1,879	0.1506%	3.21
	Concorde	4	0.39%	3,922	0.3143%	1.23
	Imperial	1	0.10%	None		
	LeBaron	1	0.10%	None		
	LHS	2	0.19%	946	0.0758%	2.55
	Sebring	12	1.16%	6,360	0.5096%	2.28
	Town & Country Van	6	0.58%	3,784	0.3032%	1.91
Coachmen	Catalina (TRV)	2	0.19%	Unknown		
	Santara (MH)	1	0.10%	Unknown		
	Saratoga (MH)	1	0.10%	Unknown		
Damon	Challenger (MH)	2	0.19%	Unknown		
	Escaper (TRV)	1	0.10%	Unknown		
	Ultrasport (MH)	1	0.10%	Unknown		
Dodge	Avenger	4	0.39%	1,879	0.1506%	2.57
	Caravan Van	17	1.64%	13,547	1.0855%	1.51
	Dakota Pickup	6	0.58%	7,194	0.5764%	1.01
	Intrepid	5	0.48%	6,549	0.5248%	0.92
	Neon	13	1.26%	7,527	0.6031%	2.08
	Ram 1500 Pickup	30	2.90%	37,312	2.9897%	0.97
	Ram 2500 Pickup	6	0.58%	8,067	0.6464%	0.90
	Ram 3500 Pickup	7	0.68%	Unknown		
	Ram Van B150	4	0.39%	1,650	0.1322%	2.93
	Ram Van B250	5	0.48%	1,145	0.0917%	5.27
	Ram Van B350	1	0.10%	1,205	0.0966%	1.00
	Shadow	1	0.10%	None		
	Stratus	9	0.87%	6,262	0.5018%	1.73
Eagle	Talon	1	0.10%	283	0.0227%	4.26
Fleetwood	American Dream (MH)	2	0.19%	Unknown		
	American Eagle (MH)	2	0.19%	Unknown		
	Jamboree Sport (MH)	2	0.19%	Unknown		
	Pace Arrow (MH)	11	1.06%	Unknown		
	Southwind (MH)	2	0.19%	Unknown		
Ford	Aerostar Van	3	0.29%	192	0.0154%	18.86
	Aspire	1	0.10%	None		
	Contour	9	0.87%	9,439	0.7563%	1.15
	Crown Victoria	1	0.10%	10,135	0.8121%	0.12
	Econoline E150 Van	13	1.26%	5,069	0.4062%	3.10
	Econoline E350 Van	4	0.39%	3,836	0.3074%	1.26
	Escort	9	0.87%	23,043	1.8464%	0.47
	Expedition	8	0.77%	25,278	2.0255%	0.38
	Explorer	12	1.16%	40,285	3.2279%	0.36
	F150 Pickup	22	2.13%	73,729	5.9077%	0.36
	F250 Pickup	9	0.87%	23,508	1.8836%	0.46
	F350 Pickup	12	1.16%	12,957	1.0382%	1.12
	Mustang	18	1.74%	20,834	1.6694%	1.04
	Probe	3	0.29%	None		
	Ranger	13	1.26%	25,226	2.0213%	0.62
	Super Duty	2	0.19%	None		
	Taurus	5	0.48%	22,947	1.8387%	0.26
	Thunderbird	11	1.06%	None		
	Windstar Van	9	0.87%	10,739	0.8605%	1.01

CHART E COMPLAINT FILED INDEX BY MAKE AND MODEL						
MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
Four Winds	27 C (MH)	1	0.10%	Unknown		
Freightliner	FLC 120	1	0.10%			
	FLD12064ST	1	0.10%			
	FLD132064T	2	0.19%			
	Freightliner Total (HT)	4	0.39%	4,619	0.3701%	1.05
GMC	Jimmy	4	0.39%	3,415	0.2736%	1.41
	Safari	8	0.77%	1,992	0.1596%	4.85
	Savana G2500	1	0.10%	425	0.0341%	2.84
	Sierra 1500 Pickup	15	1.45%	15,934	1.2767%	1.14
	Sierra 2500 Pickup	2	0.19%	2,245	0.1799%	1.08
	Sierra 3500 Pickup	6	0.58%	908	0.0728%	7.98
	Sonoma	2	0.19%	3,414	0.2736%	0.71
	Suburban C/K 1500	7	0.68%	4,829	0.3869%	1.75
	Suburban C/K 2500	1	0.10%	271	0.0217%	4.45
	Yukon	5	0.48%	4,272	0.3423%	1.41
Georgie Boy	Cruise-Master (MH)	1	0.10%	Unknown		
Gulf Stream	Scenic Cruiser (MH)	1	0.10%	Unknown		
	Seahawk (TRV)	1	0.10%	Unknown		
Holiday Rambler	Aluma-Lite (TRV)	1	0.10%	Unknown		
	Endeavor (MH)	3	0.29%	Unknown		
Honda	Accord	4	0.39%	28,575	2.2896%	0.17
	Passport	5	0.48%	2,122	0.1700%	2.84
	Prelude	1	0.10%	1,584	0.1269%	0.76
Hyundai	Accent	3	0.29%	2,255	0.1807%	1.61
	Elantra	9	0.87%	3,024	0.2423%	3.59
	Scoupe	1	0.10%	None		
	Sonata	3	0.29%	1,753	0.1405%	2.07
Isuzu	Hombre Pickup	2	0.19%	2,138	0.1713%	1.13
	Rodeo	12	1.16%	6,353	0.5090%	2.28
	Trooper	1	0.10%	1,822	0.1460%	0.66
Jaguar	XJ Series	1	0.10%	752	0.1713%	0.56
Jeep	Cherokee	13	1.26%	7,071	0.5666%	2.22
	Grand Cherokee	17	1.64%	15,138	1.2130%	1.36
	Wrangler	9	0.87%	5,606	0.4492%	1.94
Kawasaki	1500 Vulcan (MC)	1	0.10%	Unknown		
Kenworth	T 2000	2	0.19%			
	Kenworth Total (HT)	2	0.19%	1,777	0.1424%	1.36
Keystone	Sprinter (TRV)	1	0.10%	Unknown		
Kia	Sephia	22	2.13%	3,458	0.2771%	7.68
	Sportage	28	2.71%	2,117	0.1696%	15.96
Land Rover	Discovery	1	0.10%	842	0.0675%	1.43
	Range Rover	1	0.10%	404	0.0324%	2.99
Lexus	GS300	1	0.10%	1,737	0.1392%	0.69
	GS400	1	0.10%	706	0.0566%	1.71

CHART E COMPLAINT FILED INDEX BY MAKE AND MODEL						
MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
Lincoln	Continental	4	0.39%	1,266	0.1014%	3.81
	Mark VIII	3	0.29%	1,055	0.0845%	3.43
	Town Car	2	0.19%	7,690	0.6162%	0.31
Mazda	626	5	0.48%	7,520	0.6026%	0.80
	B2300 Pickup	1	0.10%	353	0.0283%	3.42
	Protégé	3	0.29%	6,772	0.5426%	0.53
Mercedes-Benz	E Class	2	0.19%	2,975	0.2384%	0.81
	S Class	1	0.10%	959	0.0768%	1.26
	SL/SLK Class	1	0.10%	1,241	0.0994%	0.97
Mercury	Cougar	2	0.19%	2,438	0.1954%	0.99
	Grand Marquis	2	0.19%	10,514	0.8425%	0.23
	Mystique	2	0.19%	2,396	0.1920%	1.01
	Tracer	2	0.19%	2,577	0.2065%	0.94
Mitsubishi	3000GT	3	0.29%	487	0.0390%	7.44
	Diamante	1	0.10%	575	0.0461%	2.10
	Eclipse	6	0.58%	4,421	0.3542%	1.64
	Galant	1	0.10%	2,449	0.1962%	0.49
	Mirage	2	0.19%	1,348	0.1080%	1.79
	Montero Sport	4	0.39%	4,642	0.3720%	1.04
Monaco Coach	Diplomat (MH)	1	0.10%	Unknown		
	Dynasty (MH)	1	0.10%	Unknown		
	Windsor (MH)	1	0.10%	Unknown		
National	Dolphin (MH)	1	0.10%	Unknown		
	Tradewinds (MH)	1	0.10%	Unknown		
Navistar	International	2	0.19%			
	Navistar Total (HT)	2	0.19%	5,935	0.4756%	0.41
Newmar	London-Aire (MH)	1	0.10%	Unknown		
Nissan	Frontier	1	0.10%	10,107	0.8098%	0.12
	Maxima	4	0.39%	8,930	0.7155%	0.54
	Pathfinder	5	0.48%	3,251	0.2605%	1.86
	Pickup	3	0.29%	1,867	0.1496%	1.94
	Quest Van	8	0.77%	2,273	0.1821%	4.25
	Sentra	2	0.19%	7,667	0.6143%	0.31
Oldsmobile	Achieva	2	0.19%	143	0.0115%	16.88
	Aurora	4	0.39%	1,002	0.0803%	4.82
	Bravada	1	0.10%	1,002	0.0803%	1.20
	Cutlass	5	0.48%	3,063	0.2454%	1.97
	Eighty-Eight	1	0.10%	3,737	0.2994%	0.32
	Regency	1	0.10%	470	0.0377%	2.57
	Silhouette Van	1	0.10%	1,941	0.1555%	0.62
Peterbilt	379	1	0.10%			
	Peterbilt Total (HT)	1	0.10%	2,543	0.2038%	0.47
Plymouth	Breeze	2	0.19%	3,810	0.3053%	
	Neon	5	0.48%	5,545	0.4443%	1.09
	Voyager Van	17	1.64%	10,126	0.8114%	2.03

CHART E COMPLAINT FILED INDEX BY MAKE AND MODEL						
MAKE	MODEL	COMPLAINTS FILED	COMPLAINT SHARE	TEXAS SALES	MARKET SHARE	CFI
Polaris	W97AE42A (ATV)	1	0.10%	Unknown		
Pontiac	Firebird	18	1.74%	5,393	0.4321%	4.03
	Grand AM	9	0.87%	11,718	0.9389%	0.93
	Grand Prix	9	0.87%	5,763	0.4618%	1.88
	Sunfire	16	1.55%	6,328	0.5070%	3.05
	Trans Sport Van	7	0.68%	None		
Rexhall	Aerbus (MH)	1	0.10%	Unknown		
Saab	900	1	0.10%	303	0.0243%	3.98
Safari	Continental (MH)	1	0.10%	Unknown		
	Sahara (MH)	1	0.10%	Unknown		
Saturn	SL	1	0.10%	10,994	0.8809%	0.11
Subaru	Impreza	1	0.10%	188	0.0151%	6.42
Suzuki	Quadrunner 250 (ATV)	1	0.10%	Unknown		
	Sidekick	3	0.29%	578	0.0463%	6.26
	VS 800 GL (MC)	1	0.10%	Unknown		
	X90	1	0.10%	13	0.0010%	92.84
Teton	Royal (TRV)	2	0.19%	Unknown		
Thor	Chateau (TRV)	1	0.10%	Unknown		
Tiffin	Allegro Bay (MH)	2	0.19%	Unknown		
Toyota	4Runner	3	0.29%	11,021	0.8831%	0.33
	Avalon	1	0.10%	6,207	0.4974%	0.19
	Camry	6	0.58%	26,053	2.0876%	0.28
	Corolla	2	0.19%	14,868	1.1913%	0.16
	Paseo	1	0.10%	None		
	T100 Series Pickup	1	0.10%	657	0.0526%	1.84
	Tacoma Pickup	2	0.19%	8,780	0.7035%	0.27
Volkswagen	Golf	1	0.10%	354	0.0284%	3.41
	Jetta	7	0.68%	3,393	0.2719%	2.49
	Passat	4	0.39%	1,762	0.1412%	2.74
Volvo	850	3	0.29%	None		
	960	3	0.29%	None		
	S70	1	0.10%	3,400	0.2724%	0.35
Winnebago	Itasca (MH)	1	0.10%	Unknown		
	Luxor (MH)	2	0.19%	Unknown		
TOTAL COMPLAINTS FILED		1034	100%			

Chart F shows how many defects, by component system or category, consumers reported on filing their complaints. Consumers reported 1,843, or 1.78 defects per vehicle, with the engine (performance/emissions) category being the most common (15.41%). By comparison, in CY97 consumers reported 2,352 defects, or 1.82 defects per vehicle. The engine (performance/emissions) category was also the most common (18.37%).

CHART F DEFECTS REPORTED		
CATEGORY	NUMBER	PERCENT OF TOTAL REPORTED
Engine (mechanical)	204	11.07%
Engine (performance/emissions)	284	15.41%
Air conditioning and heating	114	6.19%
Automatic transmission	138	7.49%
Standard transmission	39	2.12%
Driveline (axles and driveshaft) / vibrations	85	4.61%
Brakes	199	10.80%
Electrical	159	8.63%
Suspension and steering	255	13.84%
Body and trim	212	11.50%
Paint	20	1.09%
Water leaks	89	4.83%
Safety devices, seat belts, airbags	21	1.14%
Other	24	1.30%
TOTAL DEFECTS REPORTED	1843	100%

Chart G shows the predominate defect claimed by consumers on filing their complaints for vehicles with a market share of one percent or greater. The engine (performance/emissions) category was a predominate defect on 8 of the 23 models listed and the suspension and steering category was a predominate defect on 7 of the 23 models listed.

- The model's predominate defect percentage was obtained by dividing the total number of predominate defects reported for that model by the total number of complaints filed.

Example: Ford Expeditions had a total of 13 defects reported on 8 complaints that were filed. Three of the defects reported were engine (mechanical) defects, three were engine (performance/emissions) defects, and another three were driveline (axles & driveshaft)/vibrations defects. The other 4 defects reported were one each in the following categories: air conditioning and heating; automatic transmission; suspension and steering; and, body and trim. The defect percentage for each of the predominate defects is found by dividing the 3 reported defects by the 8 complaints received, which equals .38 or 38%.

CHART G				
PREDOMINATE DEFECTS REPORTED (MARKET SHARE GREATER THAN 1%)				
BY MAKE AND MODEL				
MAKE	MODEL	COMPLAINTS FILED	DEFECT	DEFECT % FOR MAKE
Chevrolet	Blazer	13	Electrical	46%
Chevrolet	C/K 1500 Pickup	43	Suspension and steering	33%
Chevrolet	Cavalier	19	Water leaks	37%
Chevrolet	Malibu	22	Suspension and steering	50%
Chevrolet	S10 Pickup	9	Engine (mechanical)	56%
Chevrolet	Suburban C/K 1500	18	Driveline (axles & driveshaft) vibrations	33%
Chevrolet	Tahoe	14	Engine (performance/emissions)	21%
			Electrical	21%
			Suspension and steering	21%
Dodge	Caravan Van	17	Suspension and steering	41%
Dodge	Ram 1500 Pickup	30	Automatic transmission	40%
Ford	Escort	9	Engine (performance/emissions)	44%
Ford	Expedition	8	Engine (mechanical)	38%
			Engine (performance/emissions)	38%
			Driveline (axles & driveshaft) vibrations	38%
Ford	Explorer	12	Engine (performance/emissions)	42%
Ford	F150 Pickup	22	Engine (performance/emissions)	45%
Ford	F250 Pickup	9	Engine (mechanical)	44%
Ford	F350 Pickup	12	Engine (performance/emissions)	33%
			Automatic transmission	33%
			Brakes	33%
Ford	Mustang	18	Engine (mechanical)	28%
			Suspension and steering	28%
Ford	Ranger	13	Engine (mechanical)	23%
			Engine (performance/emissions)	23%
			Automatic transmission	23%
Ford	Taurus	5	Engine (mechanical)	40%
			Brakes	40%
GMC	Sierra 1500 Pickup	15	Engine (performance/emissions)	60%
Honda	Accord	4	Suspension and steering	50%
Jeep	Grand Cherokee	17	Brakes	59%
Toyota	Camry	6	Suspension and steering	67%
Toyota	Corolla	2	Water leaks	50%
			Safety devices (seat belts, air bags, etc.)	50%

COMPLAINTS CLOSED

Chart H shows that six hundred twelve (612) complaints were resolved before a hearing was scheduled. The following methods of resolution and the numbers resolved are:

- Lack of jurisdiction, no warranty defect, etc., 95 which is 16% of the total resolved

- Not pursued (some may have settled with the initiation of communication by the Division between the consumer and the manufacturer), 87 which is 14% of the total resolved

- Consumer received relief, 430 which is 70% of the total resolved

Chart I shows the number of cases settled in CY98. Before a decision was issued, 695 complaints settled at various stages of the process.

- 430 settled prior to scheduling of a hearing
- 89 settled after a hearing was set but before the hearing was held
- 176 settled after a hearing convened

Of those that settled:

- 141 were repurchased
- 211 were given trade assistance

CHART I SETTLEMENTS			
	Prior to Hearing Scheduled	After Hearing Scheduled but Before Hearing Convened	After Hearing Convened
Repurchased	88	20	33
Trade-assists	144	17	50
Repaired	121	21	34
Extended Service Contract	64	18	19
Others	13	13	40
TOTAL	430	89	176

Chart J describes the vehicles (listed alphabetically by manufacturer) that were repurchased or replaced by trade assist before a hearing convened. The last three years are shown for comparison. Some manufacturers, such as, Ford Motor Company, General Motors Corporation, Holiday Rambler Corporation, American Isuzu Motors, Inc., Mitsubishi Motor Sales and Volkswagen United States, Inc., have significantly decreased the number of settlements from CY96. On the other hand, Hyundai Motor America, Kia Motors America, Inc., Monaco Coach Corporation, and Saturn Corporation show significant increases from CY97.

CHART J REPURCHASE/REPLACEMENT/TRADE ASSIST SETTLEMENTS BEFORE HEARING CONVENED - BY MANUFACTURER									
MANUFACTURER	REPURCHASE			TRADE ASSIST			TOTAL		
	CY96	CY97	CY98	CY96	CY97	CY98	CY96	CY97	CY98
AM General	1	0	0	0	0	0	1	0	0
Big Dog	0	1	0	0	0	0	0	1	0
BMW	0	1	1	1	1	0	1	2	1
Coachmen	0	0	0	0	1	0	0	1	0
DaimlerChrysler	4	7	4	96	71	73	100	78	77
Damon	0	0	0	1	0	0	1	0	0
Fleetwood	0	0	0	0	2	2	0	2	2
Ford	28	14	9	69	63	37	97	77	46
Fourwinds	0	0	1	0	0	0	0	0	1
General Motors	47	94	61	77	59	33	124	153	94
Gulf Stream	1	0	0	0	0	0	1	0	0
Holiday Rambler	0	1	0	0	1	0	0	2	0
Honda	0	0	0	0	0	1	0	0	1
Hyundai	5	0	2	2	3	5	7	3	7
Isuzu	0	1	1	1	3	0	1	4	1
Jaguar	1	0	0	0	0	0	1	0	0
Kawasaki	0	2	0	0	0	0	0	2	0
Keystone	0	0	0	0	0	1	0	0	1
Kia	4	6	10	0	0	1	4	6	11
Land Rover	0	1	1	1	3	0	1	4	1
Mazda	3	1	1	5	0	0	8	1	1
Mercedes-Benz	1	0	0	1	0	0	2	0	0
Mitsubishi	6	9	6	7	6	0	13	15	6
Monaco Coach	0	0	1	0	0	1	0	0	2
Navistar	0	1	0	0	0	0	0	1	0
Nissan	2	1	1	3	2	2	5	3	3
Porsche	0	0	0	0	1	0	0	1	0
Saab	1	0	0	1	0	0	2	0	0
Saturn	5	2	4	4	0	1	9	2	5
Shasta Industries	0	0	0	0	1	0	0	1	0
Subaru	0	0	2	0	0	0	0	0	2
Suzuki	0	1	0	0	0	0	0	1	0
Toyota	0	0	1	0	2	0	0	2	1
Volkswagen	4	2	0	3	3	2	7	5	2
Volvo	0	0	1	1	0	2	1	0	3
Winnebago	0	1	1	1	0	0	1	1	1
TOTAL	113	146	108	274	222	161	387	368	269

Chart K shows the orders that were entered in 618 cases scheduled for hearing. Some form of relief was granted in 63% of the cases. The following methods of resolution after the hearing was set and numbers resolved are:

- Ordered repaired, repurchased, or replaced, 126 or 20% of the total resolved
- Settlement order, 265 or 43% of the total resolved
- Ordered dismissed (abandoned or not proven), 227 or 37% of the total resolved

Chart L reveals:

- The number of complaints closed **decreased** 6.5% from CY97 and 2.4% from CY96
- The number of hearings scheduled **increased** 30.1% from CY97 and 20% from CY96 due primarily to the addition of an ALJ
- The number of final orders issued **increased** 33% from CY97 and 38.3% from CY96 due primarily to the addition of an ALJ
- The number of vehicles ordered repurchased or replaced **increased** 30.4% from CY97 and 73.8% from CY96

CHART I					
COMPLAINTS CLOSED - BY MANUFACTURER AND MAKE					
MANUFACTURER	MAKE	COMPLAINTS CLOSED	HEARINGS SCHEDULED	FINAL ORDERS	REPURCHASE or REPLACEMENT ORDERS
Airstream		1	1	0	0
Alpha Leisure		1	0	1	0
AM General		1	1	1	0
Beaver Coaches		1	1	0	0
BMW		3	2	0	0
DaimlerChrysler	Chrysler	41	14	6	2
	Dodge	125	46	12	2
	Eagle	3	2	0	0
	Jeep	40	11	3	1
	Plymouth	27	12	2	1
TOTAL		236	85	23	6
Damon		2	2	0	0
Fleetwood		17	14	6	3
Ford	Ford	212	113	55	11
	Lincoln	14	7	2	1
	Mercury	23	13	7	1
Ford TOTAL		249	133	64	13
Freightliner		5	3	0	0
Four Winds		2	1	0	0
General Motors	Buick	7	3	0	0
	Cadillac	10	10	3	0
	Chevrolet	269	136	39	18
	GMC	65	31	16	5
	Oldsmobile	16	8	5	3
Pontiac	66	30	10	3	
TOTAL		433	218	73	29
Georgie Boy		2	2	1	0
Harley Davidson		1	1	1	0
Holiday Rambler		3	2	1	0
Honda	Acura	3	0	0	0
	Honda	10	6	2	0
Honda TOTAL		13	6	2	0
Hyundai		23	7	2	2
Isuzu		17	12	7	2
Jaguar		1	1	1	0
Kawasaki		1	0	0	0
Keystone		2	1	1	1
Kia		43	28	14	7
Land Rover		6	3	2	1
Mazda		22	13	5	1
Mercedes-Benz		5	3	2	1
Mitsubishi		29	9	4	0
Monaco Coach		2	1	0	0
Navistar		1	1	0	0

CHART I					
COMPLAINTS CLOSED - BY MANUFACTURER AND MAKE					
MANUFACTURER	MAKE	COMPLAINTS CLOSED	HEARINGS SCHEDULED	FINAL ORDERS	REPURCHASE or REPLACEMENT ORDERS
Newmar		1	1	1	0
Nissan TOTAL	Infiniti	1	1	1	1
	Nissan	30	19	13	2
		31	20	14	3
Paccar TOTAL	Kenworth	1	1	0	0
	Peterbilt	0	0	0	0
		1	1	0	0
Polaris		1	1	1	1
Rexhall		2	2	0	0
Saab		1	1	0	0
Safari		1	0	0	0
Saturn		7	0	0	0
Serro	Scotty	1	1	1	0
Shasta Industries		1	1	0	0
Subaru		2	0	0	0
Suzuki		7	4	3	1
Teton		1	1	0	0
Tiffin	Tiffin	1	1	1	0
Toyota TOTAL	Lexus	3	2	1	0
	Toyota	21	16	6	1
		24	18	7	1
Triumph		1	1	1	1
Volkswagen		12	3	2	0
Volvo		9	6	0	0
VolvoGM	Volvo GM	1	1	0	0
Winnebago		3	3	0	0
TOTAL CLOSED		1230	617	242	73

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There were 73 vehicles ordered repurchased or replaced after a contested hearing when an ALJ found the complaint met the statutory requirements for relief under the Lemon Law.

Included are:

- 31 passenger cars
- 36 trucks
- 3 motor homes
- 1 towable recreation vehicle
- 1 motorcycle
- 1 all terrain vehicle

Chart M describes the vehicles that were ordered repurchased or replaced by manufacturers according to the make and model (listed alphabetically).

- The make's share of lemons (repurchase percentage) 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 (73).

Example: Suzuki had one vehicle repurchased, which would be 1 divided by 73, which equals 1.4.

- 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.

Example: Kia had a repurchase percentage of 9.6% which, when divided by their market share of 0.45%, gives them a "lemon index" of 21.452.

Use of the chart must be tempered by several considerations:

- The number of vehicles ordered repurchased or replaced is very small compared to the number of new vehicles registered in Texas in CY98. The importance of this is that one additional vehicle ordered repurchased or replaced may significantly change the lemon index for a particular model.
- The market percentage figures were obtained from *The Polk Company*. This market percentage is used as an indicator of market percentage for all year makes involved in repurchase or replacement orders.
- Conversion vehicles (Conv) are listed alphabetically first by the party ordered to repurchase the vehicle then by the other involved parties. If more than one manufacturer, converter, or distributor was ordered to repurchase the vehicle, the percentage for each is listed.
- Comparisons to results reported by other states should be used with caution due to major structural differences in the lemon laws of various states.

CHART M							
VEHICLES ORDERED REPURCHASED OR REPLACED - BY MAKE AND MODEL							
YR	MAKE	MODEL	PROBLEM AREA	PRICE	MARKET %	REPUR. %	LEMON INDEX
95	Chevrolet	Astro Van	Engine (performance, emissions)	\$ 18,530.80	19.04%	24.7%	1.295
96	Chevrolet	Astro Van	Engine (performance, emissions)	\$ 18,640.36	19.04%	24.7%	1.295
96	Chevrolet	Beretta	Automatic Transmission	\$ 15,921.17	19.04%	24.7%	1.295
95	Chevrolet	C/K 1500 Pickup	Driveline (axles and driveshaft) Vibrations	\$ 19,623.15	19.04%	24.7%	1.295
95	Chevrolet	C/K 2500 Pickup	Brakes	\$ 26,606.40	19.04%	24.7%	1.295
95	Chevrolet	C/K 2500 Pickup	Engine (performance, emissions)	\$ 24,440.73	19.04%	24.7%	1.295
95	Chevrolet	C/K 3500 Pickup	Engine (performance, emissions)	\$ 19,841.34	19.04%	24.7%	1.295
96	Chevrolet	Camaro	Engine (mechanical)	\$ 18,002.08	19.04%	24.7%	1.295
96	Chevrolet	Corvette	Driveline (axles and driveshaft) Vibrations	\$ 33,920.78	19.04%	24.7%	1.295
97	Chevrolet	Corvette	Paint, Water Leaks	\$ 39,705.53	19.04%	24.7%	1.295
97	Chevrolet	Corvette	Water Leaks	\$ 41,919.82	19.04%	24.7%	1.295
97	Chevrolet/ Merry Miler (Conv)	G10 Van	Suspension and Steering	\$ 27,950.05	19.04%	24.7%	1.295
98	Chevrolet/ Traveltime (Conv)	G10 Van	Brakes, Suspension and Steering	\$ 37,252.21	19.04%	24.7%	1.295
97	Chevrolet	Lumina	Engine (performance, emissions)	\$ 18,162.28	19.04%	24.7%	1.295
96	Chevrolet	Monte Carlo	Engine (performance, emissions)	\$ 17,548.93	19.04%	24.7%	1.295
95	Chevrolet	Suburban C/K 1500	Engine (mechanical), Body and Trim	\$ 25,446.38	19.04%	24.7%	1.295
95	Chevrolet	Suburban C/K 2500	Engine (performance, emissions), Brakes	\$ 32,366.28	19.04%	24.7%	1.295
97	Chevrolet	Suburban C/K 2500	Brakes	\$ 25,317.57	19.04%	24.7%	1.295
97	Chrysler	Sebring	Suspension and Steering, Body and	\$ 18,856.65	1.50%	2.7%	1.833
97	Chrysler	Town & Country	Brakes, Water Leaks	\$ 25,952.58	1.50%	2.7%	1.833
97	Dodge	Ram 3500	Automatic Transmission, Brakes	\$ 33,228.91	8.63%	1.4%	0.159
96	Fleetwood	Pace Arrow (MH)	Body and Trim	\$ 85,615.92	Unknown	4.1%	Un-
97	Fleetwood	Pace Arrow (MH)	Body and Trim, Fumes	\$ 97,129.01	Unknown	4.1%	Un-
97	Fleetwood	Pace Arrow (MH)	Body and Trim, Water Leaks, Cracked Coach Floor, Malfunctioning LP Gas and Carbon Monoxide Detectors	\$ 71,078.42	Unknown	4.1%	Un-

CHART M VEHICLES ORDERED REPURCHASED OR REPLACED - BY MAKE AND MODEL							
YR	MAKE	MODEL	PROBLEM AREA	PRICE	MARKET %	REPUR. %	LEMON INDEX
95	Ford	Crown Victoria	Brakes, Suspension and Steering, Body and Trim	\$ 19,292.68	25.27%	13.7%	0.542
95	Ford/ Elite Enterprises (Conv)	Econoline E150 Van	Brakes, Suspension and Steering	\$ 25,203.79	25.27%	13.7%	0.542
95	Ford/ Tiara Motor Coach (Conv)	Econoline E150 Van	Engine (mechanical), Air Conditioning and Heating, Brakes, Suspension and Steering	\$ 18,246.39	25.27%	13.7%	0.542
97	Ford	Expedition	Driveline (axles and driveshaft) Vibrations	\$ 30,405.13	25.27%	13.7%	0.542
95	Ford	F150 Pickup	Manual Transmission	\$ 11,126.93	25.27%	13.7%	0.542
97	Ford	F150 Pickup	Suspension and Steering, Body and Trim, Paint	\$ 21,672.06	25.27%	13.7%	0.542
95	Ford	Mustang	Suspension and Steering	\$ 13,118.11	25.27%	13.7%	0.542
95	Ford	Mustang	Brakes	\$ 16,372.55	25.27%	13.7%	0.542
96	Ford	Probe	Engine (mechanical, performance, emissions)	\$ 13,413.47	25.27%	13.7%	0.542
97	Ford	Ranger	Automatic Transmission	\$ 15,266.84	25.27%	13.7%	0.542
97	GMC	Safari	Manual Transmission	\$ 22,153.86	3.34%	6.8%	2.054
97	GMC	Safari	Electrical	\$ 24,049.90	3.34%	6.8%	2.054
95	GMC/ Explorer Vans (Conv)	Savana G2500	Air Conditioning and Heating, Automatic Transmission, Electrical, Water Leaks	\$ 26,260.63	3.34%	6.8%	2.054
97	GMC	Sierra 1500	Automatic Transmission	\$ 15,863.92	3.34%	6.8%	2.054
95	GMC	Sonoma	Brakes, Suspension and Steering	\$ 8,187.49	3.34%	6.8%	2.054
96	Hyundai	Elantra	Body and Trim, Water Leaks	\$ 14,507.24	0.62%	2.7%	4.426
96	Hyundai	Sonota	Engine (mechanical)	\$ 14,649.10	0.62%	2.7%	4.426
96	Infiniti	Q45	Suspension and Steering	\$ 40,906.60	0.39%	9.1%	23.250
94	Isuzu	Rodeo	Engine (performance, emissions), Suspension and Steering	\$ 19,514.54	0.98%	2.7%	2.796
95	Isuzu	Rodeo	Suspension and Steering	\$ 15,448.32	0.98%	2.7%	2.796
96	Jeep	Cherokee	Engine (performance, emissions)	\$ 15,069.57	2.23%	1.4%	0.615
97	Keystone	Sprinter (TRV)	Suspension and Steering, Body and Trim, Defective Frame	\$ 22,835.00	Unknown	1.4%	Un-
95	Kia	Sephia	Brakes	\$ 10,531.83	0.45%	9.6%	21.452
95	Kia	Sephia	Engine (performance, emissions),	\$ 9,450.84	0.45%	9.6%	21.452
95	Kia	Sephia	Engine (mechanical), Air conditioning and Heating	\$ 9,566.80	0.45%	9.6%	21.452

CHART M							
VEHICLES ORDERED REPURCHASED OR REPLACED - BY MAKE AND MODEL							
YR	MAKE	MODEL	PROBLEM AREA	PRICE	MARKET %	REPUR. %	LEMON INDEX
96	Kia	Sephia	Engine (performance, emissions)	\$ 11,587.40	0.45%	9.6%	21.452
96	Kia	Sephia	Engine (mechanical), Body and Trim	\$ 11,855.40	0.45%	9.6%	21.452
97	Kia	Sephia	Brakes	\$ 10,027.96	0.45%	9.6%	21.452
95	Kia	Sportage	Automatic Transmission, Brakes	\$ 16,243.46	0.45%	9.6%	21.452
96	Land Rover	Discovery	Body and Trim	\$ 37,060.10	0.10%	1.4%	13.563
96	LCM, Inc. (Conv)/ Plymouth	Voyager Van	Body and Trim	\$ 30,078.83	Unknown	1.4%	
97	Lincoln	Mark VIII	Driveline (axles and driveshaft) Vibrations, Suspension and Steering	\$ 31,599.49	1.14%	1.4%	1.201
97	Mazda	626	Engine (performance, emissions), Electrical	\$ 21,632.60	1.79%	1.4%	0.766
96	Mercedes-Benz	E Class	Electrical	\$ 37,768.53	0.87%	1.4%	1.567
96	Mercury	Cougar	Engine (mechanical)	\$ 20,168.46	2.30%	1.4%	0.595
96	Nissan	200SX	Electrical	\$ 13,444.12	3.57%	2.7%	0.767
97	Nissan	Quest Van	Suspension and Steering	\$ 24,846.37	3.57%	2.7%	0.767
97	Oldsmobile	Cutlass	Brakes	\$ 17,399.85	1.48%	4.1%	2.782
95	Oldsmobile	Eighty-Eight	Electrical, Body and Trim	\$ 18,848.52	1.48%	4.1%	2.782
96	Oldsmobile	Eighty-Eight	Water Leaks	\$ 22,177.97	1.48%	4.1%	2.782
96	Polaris	300 Xpress (ATV)	Engine (performance, emissions)	\$ 3,598.00	Unknown	1.4%	Un-
97	Pontiac	Firebird	Engine (mechanical)	\$ 20,745.26	2.76%	4.1%	1.489
97	Pontiac	Firebird	Manual Transmission	\$ 19,989.04	2.76%	4.1%	1.489
97	Pontiac	Sunfire	Body and Trim	\$ 10,619.82	2.76%	4.1%	1.489
95	Regency Conversions (Conv)/Dodge	Ram Van 250	Water Leaks	\$ 29,460.54	Unknown	1.4%	Un-
97	Sherry Discovery Designs (Conv)/Ford	Econoline E150 Van	Suspension and Steering, Body and	\$ 30,761.13	Unknown	1.4%	Un-
96	Suzuki	Sidekick	Brakes	\$ 15,145.95	0.12%	1.4%	11.511
95	Toyota	4Runner	Engine (performance, emissions), Air Conditioning and Heating, Brakes	\$ 21,223.26	6.22%	1.4%	0.220
96	Triumph	Thunderbird (MC)	Engine (performance, emissions)	\$ 12,784.94	Unknown	1.4%	Un-
TOTAL VEHICLES REPURCHASED: 73				\$ 1,363,024.09			

Chart N 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. The percentages are obtained by dividing the overall sales for each manufacturer as furnished by *The Polk Company* by the total Texas sales. For the third year, more new trucks were registered in Texas than new cars.

The number of vehicles registered in Texas in 1998:

- Cars 549,383
- Trucks 698,630

CHART N				
MARKET SHARE PERCENTAGE - BY MANUFACTURER AND MAKE				
		APPROXIMATE MARKET SHARE		
MANUFACTURER	MAKE	CARS	TRUCKS	COMBINED
BMW		1.580%	0.000%	0.696%
	Chrysler	2.708%	0.542%	1.495%
	Dodge	4.060%	12.215%	8.625%
	Eagle	0.052%	0.000%	0.023%
	Jeep	0.000%	3.981%	2.229%
	Plymouth	1.718%	1.449%	1.568%
DaimlerChrysler Total		8.539%	18.187%	13.940%
	Ford	15.726%	32.767%	25.266%
	Lincoln	1.822%	0.605%	1.141%
	Mercury	4.075%	0.907%	2.302%
Ford Total		21.624%	34.279%	28.708%
Freightliner		0.000%	0.661%	0.370%
	Buick	4.046%	0.000%	1.781%
	Cadillac	2.383%	0.040%	1.072%
	Chevrolet	11.975%	24.590%	19.037%
	GMC	0.000%	5.957%	3.335%
	Oldsmobile	2.820%	0.421%	1.477%
	Pontiac	5.814%	0.358%	2.760%
General Motors Total		27.038%	31.366%	29.461%
	Acura	1.293%	0.013%	0.577%
	Honda	9.375%	1.491%	4.961%
Honda Total		10.668%	1.504%	5.538%
Hyundai		1.406%	0.000%	0.619%
Isuzu		0.000%	1.751%	0.980%
Jaguar		0.256%	0.000%	0.112%
Kia		0.629%	0.303%	0.447%
Land Rover		0.000%	0.180%	0.101%
Mazda		3.068%	0.781%	1.788%
Mercedes-Benz		1.476%	0.401%	0.874%
Mitsubishi		1.689%	0.705%	1.138%
Navistar		0.000%	0.850%	0.476%
	Infiniti	0.706%	0.144%	0.391%
	Nissan	4.929%	2.505%	3.572%
Nissan Total		5.635%	2.649%	3.963%

CHART N				
MARKET SHARE PERCENTAGE - BY MANUFACTURER AND MAKE				
		APPROXIMATE MARKET SHARE		
MANUFACTURER	MAKE	CARS	TRUCKS	COMBINED
PACCAR Total	Kenworth	0.000%	0.254%	0.142%
	Peterbilt	0.000%	0.364%	0.204%
		0.000%	0.618%	0.346%
Saab		0.155%	0.000%	0.068%
Saturn		2.573%	0.000%	1.132%
Subaru		0.201%	0.105%	0.147%
Suzuki		0.140%	0.103%	0.119%
Toyota Total	Lexus	1.562%	0.522%	0.980%
	Toyota	8.673%	4.289%	6.219%
		10.235%	4.811%	7.199%
Volkswagen	Audi	0.267%	0.000%	0.118%
	Volkswagen	1.586%	0.014%	0.706%
		1.853%	0.014%	0.823%
Volvo		1.011%	0.184%	0.548%
All Others		0.233%	0.551%	0.411%
		100%	100%	100%

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Considering the number of complaints filed, the number of repurchase or replacement orders was relatively small in CY98. 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 O indicates at what rate and in what manner manufacturers settled complaints that were closed. It is noteworthy 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 listed by make of vehicle.

Clearly DaimlerChrysler Motors Corporation and General Motors Corporation are continuing their trend to settle more cases prior to the entry of an adverse decision through the hearing process. Together, the two manufacturers voluntarily repurchased or replaced 225 vehicles in CY98. These were not counted in determining their "lemon index" and, therefore, the manufacturers were not required to issue a disclosure statement on resale of the vehicles. In addition, several of the lower volume manufacturers have settled all of their cases.

On the other hand, it is also clear that certain manufacturers (with a market share greater than 1%) are unlikely to settle their complaints prior to a hearing, i.e., Mazda Motor of America, Inc., Mitsubishi Motor Sales, Nissan North America, Inc. and Gulf States Toyota, Inc.

CHART O				
SETTLEMENT RATE - BY MAKE OF VEHICLE				
VEHICLE MAKE	NUMBER OF COMPLAINTS CLOSED	NUMBER SETTLED	SETTLEMENT PERCENTAGE	REPURCHASED/REPLACED
Acura	3	2	67%	1
Airstream	1	1	100%	1
Alpha Leisure	1	0	0%	0
AM General	1	0	0%	0
Beaver Coaches	1	0	0%	0
BMW	3	2	67%	2
Buick	7	5	71%	4
Cadillac	10	5	50%	3
Chevrolet	269	166	62%	83
Chrysler	41	29	71%	21
Damon	2	2	100%	0
Dodge	125	78	62%	45
Eagle	3	3	100%	1
Fleetwood	17	8	47%	5
Ford	212	99	47%	43
Four Winds	2	2	100%	1
Freightliner	5	2	40%	1
GMC	65	40	62%	18
Georgie Boy	2	0	0%	0
Harley Davidson	1	0	0%	0
Holiday Rambler	3	1	33%	0
Honda	10	5	50%	1
Hyundai	23	15	65%	9
Infiniti	1	0	0%	0
Isuzu	17	6	35%	2
Jaguar	1	0	0%	0
Jeep	40	30	75%	22
Kawasaki	1	1	100%	0
Kenworth	1	1	100%	0

CHART O				
SETTLEMENT RATE - BY MAKE OF VEHICLE				
VEHICLE MAKE	NUMBER OF COMPLAINTS CLOSED	NUMBER SETTLED	SETTLEMENT PERCENTAGE	REPURCHASED/ REPLACED
Keystone	2	1	50%	1
Kia	43	21	49%	13
Land Rover	6	2	33%	1
Lexus	3	1	33%	1
Lincoln	14	10	71%	7
Mazda	22	9	41%	3
Mercedes-Benz	5	1	20%	0
Mercury	23	12	52%	8
Mitsubishi	29	14	48%	7
Monaco Coach	2	2	100%	2
Navistar	1	0	0%	0
Newmar	1	0	0%	0
Nissan	30	14	47%	3
Oldsmobile	16	9	56%	6
Plymouth	27	21	78%	7
Polaris	1	0	0%	0
Pontiac	66	37	56%	15
Rexhall	2	0	0%	0
Saab	1	1	100%	0
Safari	1	1	100%	1
Saturn	7	7	100%	5
Scotty	1	0	0%	0
Shasta Industries	1	1	100%	0
Subaru	2	2	100%	2
Suzuki	7	2	29%	0
Teton	1	1	100%	0
Tiffin	1	0	0%	0
Toyota	21	6	29%	0
Triumph	1	0	0%	0
Volkswagen	12	7	58%	2
Volvo	9	6	67%	3
Volvo GM	1	1	100%	0
Winnebago	3	3	100%	2
TOTAL CLOSED	1230	695		352

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CONCLUSION

The statistics for CY98 reveal that most manufacturers have continued to view the Lemon Law as an opportunity to improve customer satisfaction and increase market share instead of costly "litigation" where success is defined as winning at any cost. DaimlerChrysler Motors Corporation, Ford Motor Company and General Motors Corporation together voluntarily re-purchased or replaced (by providing trade assistance) 283 vehicles in CY98.

Also, statistics reveal that in 62.4% of the complaints closed in CY98, consumers received some type of relief totaling more than \$5 million in benefits to consumers. However, with the exclusion of the complaints closed for no jurisdiction, not pursued, withdrawn, etc., the success rate rises to 73.3%.

It is anticipated that the information presented here will be of benefit to consumers and manufacturers. Anyone who has questions may call 512/416-4800 or the Texas toll free number, 1-800-622-8682, for further clarification. This report and additional Lemon Law information are available from the Texas Department of Transportation or through our web site.

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ACKNOWLEDGMENTS

The seventh annual report of the Texas Lemon Law Program was prepared with the help and toil of many. Several Division staff members made significant contributions while performing their regular duties. Special thanks to the Division's employees:

Zellena P. Jay
Jan Maynard
Anne Walthall
Angela Medrano
Debra Earley

These employees' tireless and meticulous work made the report possible. Thanks also to *Lee Jarrett* and others at the TxDOT's Print Shop for their patience and fine work in preparing the report for publication.

All of the Consumer Affairs Section's staff deserve a sincere word of gratitude for their support and cooperation during the entire year while contributing to the preparation process.

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Director-Consumer Affairs