

SIX COSTLY MISCONCEPTIONS ABOUT LEMON LAW CLAIMS



Consumer Awareness Guide

Katz & Amar^{LLP}

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Misconception No. 1: Thinking as long as repairs are being done for “free” under warranty there is nothing you can do no matter how many times your vehicle is repaired or how long it is out of service.

You might mistakenly think that no matter how many times you get your vehicle repaired under warranty or how long you are without your vehicle for warranty repairs there is nothing you can do as long as the car company keeps paying for repairs. Fortunately, the Lemon Law says otherwise. You are entitled to Lemon Law protection when the number of repeat repairs for the same defect or condition is unreasonable or if the total time your car is in the repair shop for warranty repair(s) is unreasonable—regardless of whether the repairs were paid for under warranty. **The manufacturer paying for repairs is a requirement under its warranty and is *not* a defense to a Lemon Law claim whatsoever!**



Misconception No. 2: Believing you can handle a Lemon Law case on your own and contacting the car, motorcycle, boat, or RV company yourself.

It is understandable when you have a Lemon product to want to try and work things out on your own with the car, motorcycle, boat, or RV company. You might be thinking to yourself, “hey I clearly bought a defective product, surely they’ll just take it back or at least compensate me fairly.” What you need to know though is unfortunately the company is not necessarily looking out for your best interests. Most companies do all they can to minimize their expenses and want to do the least amount possible to resolve Lemon Law or breach of warranty matters. They train their representatives to sweet talk you and do nothing of substance or just to give you something minimal like a month of payment or a short warranty extension. Sometimes you’ll even be asked to sign a document relinquishing your Lemon Law and breach of warranty rights to get that kind of minimal offer. We have seen this happen multiple times with consumers that had very strong claims entitling them to a Refund, New Vehicle or substantially higher Cash Compensation, but there was nothing we could do to help because they unknowingly

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signed all of their rights away. Keep in mind, several car companies have not done safety recalls for \$20-\$100 parts knowing that people could be harmed or even killed. Just do a quick Google search and you will see how multiple companies have gotten in hot water for this. That is what you would be dealing with on your own.

The car, motorcycle, boat, or RV companies also know that out of every ten people with legitimate Lemon Law or breach of warranty cases, maybe only one or two will go the extra step and hire an attorney, even if they threaten to get an attorney involved or say they have talked to one. They know most people are leery of dealing with attorneys because of negative media impressions or negative past personal experiences with attorneys in different types of (non-Lemon Law) legal matters. They also know that most consumers do not fully understand the Lemon Law or the breach of warranty resolution process and pitfalls that could hurt a claim or even cause it to fail. Because of that they either offer something minimal or nothing at all. Even in the rare cases when companies do accept responsibility and offer a buyback or replacement vehicle, often times those offers do not include everything the consumer is entitled to recover under the law.

Consider this analogy—**if you had a medical issue would you do surgery on yourself?** Of course not! Then why would you do the same thing with a legal issue against a multi-million or even multi-billion-dollar company with legally trained representatives? Keep in mind that manufacturer representatives for Lemon Law and breach of warranty matters are sometimes *actual* attorneys or at least *legally trained* regarding Lemon Laws, breach of warranty, and civil legal matters and this training could be used to get you to make statements or admissions that could hurt or even defeat your Lemon Law case.

Whatever your job is, do you think a person off the street with zero training could do it as well as YOU? Do you think an untrained person (no matter how smart) could possibly know every risk, every step in every process, and every detail involved in carrying out your professional duties? Again, of course not! Then what makes you believe that you would know everything a legally trained attorney who deals with Lemon Law and breach of warranty cases all day, every day, would know regarding how to handle a defective vehicle claim?

Fortunately, you don't have to go into the lion's den on your own. You can have a law firm that knows the Lemon Law backwards and forwards and has dealt with these companies many years, knows every pitfall and trick of the trade, and has even defeated them at trial when necessary, on *your* side to protect your rights and fight on your behalf to get the best deal possible for you. The unfair and unequal bargaining position between individual consumers and these large companies is why both the California Legislature and Congress added attorneys' fees provisions requiring that manufacturers pay attorneys' fees for these types of claims. Both the California Legislature and Congress wanted consumers to have a level playing field with legally trained experienced

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attorneys representing their interests and not to have the cost of hiring an attorney preventing such legal assistance. You are legally entitled to and *deserve* this 100% FREE legal help! So please don't make the costly and sometimes irreparable mistake of trying to deal with a Lemon Law or breach of warranty issue on your own. If your vehicle qualifies as a "Lemon," you have FREE legal help available to you.

Misconception No. 3: Thinking it will take too much time or be too expensive to pursue a Lemon Law claim.

You might think: "I don't have the time to go to court and I don't want to have to pay an attorney a bunch of money to deal with this Lemon product." Those concerns are understandable. However, lawsuits for these types of cases are extremely rare and the time commitment is actually very minimal for out of court Lemon Law and breach of warranty settlements. Approximately 95% of cases Katz & Amar handles settle out of court in just a few months or less without ever needing to step foot in a courtroom or the Firm's office. Everything can be handled for you over phone, email, and/or fax. **Just 10-30 minutes of your time could result in a Refund, a New Vehicle or substantial Cash Compensation** (several thousand dollars depending on the severity of the defect and repair history). The California Lemon Law and the federal Lemon Law entitle you to have attorneys' fees paid by the manufacturer that built your defective vehicle. Because of that you don't have to pay anything out of pocket or go up against the company alone. So how does 10-30 minutes of your time to be rid of your Lemon vehicle once and for all for FREE sound to you?

Misconception No. 4: Thinking that if your vehicle is finally fixed (despite a bunch of past repairs or time in the repair shop) that you do not have a valid Lemon Law claim.

Once a vehicle has had too many repairs or has been in the repair shop for too long, even if the vehicle is finally "fixed," the law steps in to say enough is *enough*. Ask yourself:

- ✓ Did I expect to deal with so many repair attempts or time without my vehicle when I first bought this product?
- ✓ Was it convenient to have to take my vehicle in for repairs?
- ✓ Was the rental/loaner (if offered) the same caliber as my vehicle? (Just so you know, even if the answer to this question is yes, providing a rental is not a defense to a Lemon Law claim even if it is the exact same vehicle as the one you own or lease).
- ✓ Do you feel after dealing with all these problems that you got the "new" vehicle value you paid for?

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You like the vehicle (other than the problems it's had), that's why you bought it, but if it is truly and finally properly fixed—and only time will tell on that—you should at least get some of your money back for the inconvenience and for having overpaid for a “new” vehicle that's had a bunch of repairs like a “used” vehicle. Those types of cash settlements are actually the most common for Lemon Law matters and easier to negotiate because companies prefer to just say they're sorry by cutting you a check rather than reacquiring a vehicle they have the additional administrative burden of labeling a “Lemon” and wholesaling at auction for a loss.



Time is our most limited resource and **you will never get the time back for the hassle and aggravation of dealing with these repair issues.** *You should at least be compensated for that.* Keep in mind the law is not punitive here. You aren't seeking millions of dollars from the company. It's just about getting you the “new” vehicle value you paid for and *deserve* and that type of substantial compensation usually

only requires about 10-30 minutes of your time out of court. That very short time commitment is worth potentially thousands of dollars in compensation. Also, if the vehicle does start acting up again during the negotiation process then either getting a New Vehicle or a Lemon Law Refund become options for you as well.

Misconception No. 5: Thinking that you will upset the servicing dealer if you pursue a Lemon Law claim.

You may be concerned that you will upset your local repairing dealer if you pursue a Lemon Law or breach of warranty matter. That's a legitimate concern because you don't want to deal with any awkwardness, hurt feelings, or even possible retaliation when seeking maintenance or repairs at the dealer. However, what you should know is that **the Lemon Law applies to the vehicle's manufacturer—not the dealer.** Although the dealer does repairs on behalf of the vehicle company and may also sell the companies' product, it is a completely independent entity. There is *generally no cost to the dealer for Lemon Law claims.* We've even had cases where honest dealers recommend that their customers look into the Lemon Law and for help from this Firm. Additionally, Boat and RV manufacturers indemnify/defend dealerships for any warranty claims for Boats, RVs, and trailers. Again, in our experience, dealers do not retaliate against consumers for Lemon Law or breach of warranty claims because the law applies to the manufacturer and not the dealership, so the dealer doesn't lose any money. Also, under the law the

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dealer is not allowed to refuse to honor the warranty or perform necessary repairs just because a consumer has hired legal representation. A dealer does not want to subject itself to that type of liability nor to negative customer reviews. For these reasons it is highly unlikely you will have any issues with a repairing dealership if you pursue a Lemon Law matter against a vehicle manufacturer.

Misconception No. 6: Believing your vehicle will be tagged a Lemon and/or that your warranty coverage will be affected if you settle a Lemon Law claim for cash compensation.

A Cash Compensation Settlement is completely confidential and will not be reported in any public database like Carfax, Kelly Blue Book, or on the internet in general. The vehicle only gets tagged a Lemon if the car company reacquires it from you, so the private market and trade-in value of your vehicle will not be affected by settlement. Moreover, your warranty will remain 100% valid if you settle a Lemon Law case for cash compensation. You still have the right to warranty repairs for the remaining warranty coverage period.



To receive more information or have your case reviewed by one of our attorneys for FREE, give us a call today!

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