

# **TABLE OF CONTENTS**

## TABLE OF CONTENTS

PREFACE: INCEPTIVE INFORMATION .....

03. Arbitration . . . . .	<a href="#">Chapter 2, Page 4</a>
a. Preparation for Arbitration Hearing . . . . .	<a href="#">Chapter 2, Page 5</a>
b. Arbitration Hearing . . . . .	<a href="#">Chapter 2, Page 5</a>
c. Arbitration Decision . . . . .	<a href="#">Chapter 2, Page 6</a>
d. Post Arbitration Decision . . . . .	<a href="#">Chapter 2, Page 6</a>
SECTION 02: STATUTORY REQUIREMENTS . . . . .	<a href="#">Chapter 2, Page 7</a>
SECTION 03: CONDITIONS . . . . .	<a href="#">Chapter 2, Page 7</a>
A. National . . . . .	<a href="#">Chapter 2, Page 7</a>
B. California . . . . .	<a href="#">Chapter 2, Page 8</a>
C. Florida . . . . .	<a href="#">Chapter 2, Page 8</a>
D. Ohio . . . . .	<a href="#">Chapter 2, Page 9</a>
SECTION 04: FINDINGS . . . . .	<a href="#">Chapter 2, Page 9</a>
A. National . . . . .	<a href="#">Chapter 2, Page 9</a>
01. Office Site . . . . .	<a href="#">Chapter 2, Page 9</a>
a. Facilities . . . . .	<a href="#">Chapter 2, Page 10</a>
b. Personnel . . . . .	<a href="#">Chapter 2, Page 10</a>
B. California . . . . .	<a href="#">Chapter 2, Page 11</a>
01. Office Site . . . . .	<a href="#">Chapter 2, Page 11</a>
a. Facilities . . . . .	<a href="#">Chapter 2, Page 11</a>
b. Personnel . . . . .	<a href="#">Chapter 2, Page 11</a>
02. Arbitration Hearing Process . . . . .	<a href="#">Chapter 2, Page 12</a>
a. Openness of Arbitration Hearing . . . . .	<a href="#">Chapter 2, Page 12</a>
b. Effectiveness of Arbitration Hearing . . . . .	<a href="#">Chapter 2, Page 12</a>
c. Decision-Making . . . . .	<a href="#">Chapter 2, Page 12</a>
C. Florida . . . . .	<a href="#">Chapter 2, Page 13</a>
01. Office Site . . . . .	<a href="#">Chapter 2, Page 13</a>
a. Facilities . . . . .	<a href="#">Chapter 2, Page 13</a>
b. Personnel . . . . .	<a href="#">Chapter 2, Page 13</a>
02. Arbitration Hearing Process . . . . .	<a href="#">Chapter 2, Page 14</a>
a. Openness of Arbitration Hearing . . . . .	<a href="#">Chapter 2, Page 14</a>
b. Effectiveness of Arbitration Hearing . . . . .	<a href="#">Chapter 2, Page 14</a>
c. Decision-Making . . . . .	<a href="#">Chapter 2, Page 15</a>
D. Ohio . . . . .	<a href="#">Chapter 2, Page 15</a>
01. Office Site . . . . .	<a href="#">Chapter 2, Page 15</a>
a. Facilities . . . . .	<a href="#">Chapter 2, Page 15</a>
b. Personnel . . . . .	<a href="#">Chapter 2, Page 16</a>
02. Arbitration Hearing Process . . . . .	<a href="#">Chapter 2, Page 16</a>
a. Openness of Arbitration Hearing . . . . .	<a href="#">Chapter 2, Page 16</a>
b. Effectiveness of Arbitration Hearing . . . . .	<a href="#">Chapter 2, Page 17</a>
c. Decision-Making . . . . .	<a href="#">Chapter 2, Page 17</a>
SECTION 05: RECOMMENDATIONS . . . . .	<a href="#">Chapter 2, Page 17</a>
SECTION 06: CONCLUSIONS . . . . .	<a href="#">Chapter 2, Page 18</a>
A. National . . . . .	<a href="#">Chapter 2, Page 18</a>

B. California .....	<a href="#">Chapter 2, Page 18</a>
C. Florida .....	<a href="#">Chapter 2, Page 19</a>
D. Ohio .....	<a href="#">Chapter 2, Page 19</a>
CHAPTER 03: RECORD-KEEPING PROCEDURES .....	<a href="#">Chapter 3, Page 1</a>
SECTION 01: INTRODUCTION .....	<a href="#">Chapter 3, Page 1</a>
SECTION 02: STATUTORY REQUIREMENTS .....	<a href="#">Chapter 3, Page 1</a>
A. National .....	<a href="#">Chapter 3, Page 1</a>
B. Florida .....	<a href="#">Chapter 3, Page 2</a>
C. Ohio .....	<a href="#">Chapter 3, Page 2</a>
SECTION 03: CONDITIONS .....	<a href="#">Chapter 3, Page 2</a>
SECTION 04: FINDINGS .....	<a href="#">Chapter 3, Page 2</a>
PART I .....	<a href="#">Chapter 3, Page 3</a>
PART II .....	<a href="#">Chapter 3, Page 21</a>
SECTION 05: RECOMMENDATIONS .....	<a href="#">Chapter 3, Page 33</a>
SECTION 06: CONCLUSIONS .....	<a href="#">Chapter 3, Page 33</a>
CHAPTER 04: COMPARATIVE STATISTICAL ANALYSIS .....	<a href="#">Chapter 4, Page 1</a>
SECTION 01: INTRODUCTION .....	<a href="#">Chapter 4, Page 1</a>
SECTION 02: STATUTORY REQUIREMENTS .....	<a href="#">Chapter 4, Page 2</a>
SECTION 03: CONDITIONS .....	<a href="#">Chapter 4, Page 2</a>
A. National .....	<a href="#">Chapter 4, Page 2</a>
B. Florida .....	<a href="#">Chapter 4, Page 4</a>
C. Ohio .....	<a href="#">Chapter 4, Page 4</a>
SECTION 04: FINDINGS .....	<a href="#">Chapter 4, Page 4</a>
A. National .....	<a href="#">Chapter 4, Page 4</a>
01. General Information .....	<a href="#">Chapter 4, Page 5</a>
02. Consumer Knowledge about Program .....	<a href="#">Chapter 4, Page 5</a>
03. Ineligible/Withdrawn Cases + .....	<a href="#">Chapter 4, Page 8</a>
04. Forty Day Time Limit + .....	<a href="#">Chapter 4, Page 8</a>
05. Resolution of Cases + .....	<a href="#">Chapter 4, Page 11</a>
06. Mediated Cases + .....	<a href="#">Chapter 4, Page 13</a>
07. Arbitrated Cases+ .....	<a href="#">Chapter 4, Page 16</a>
08. Consumer Satisfaction with Arbitrators .....	<a href="#">Chapter 4, Page 21</a>
09. Consumer Satisfaction with BBB .....	<a href="#">Chapter 4, Page 25</a>
B. Florida .....	<a href="#">Chapter 4, Page 27</a>
01. General Information .....	<a href="#">Chapter 4, Page 27</a>
02. Consumer Knowledge about Program .....	<a href="#">Chapter 4, Page 27</a>
03. Ineligible/Withdrawn Cases + .....	<a href="#">Chapter 4, Page 31</a>
04. Forty Day Time Limit + .....	<a href="#">Chapter 4, Page 31</a>
05. Resolution of Cases + .....	<a href="#">Chapter 4, Page 34</a>
06. Mediated Cases + .....	<a href="#">Chapter 4, Page 36</a>
07. Arbitrated Cases+ .....	<a href="#">Chapter 4, Page 39</a>

08. Consumer Satisfaction with Arbitrators . . . .	<a href="#">Chapter 4, Page 44</a>
09. Consumer Satisfaction with of BBB . . . . .	<a href="#">Chapter 4, Page 47</a>
C. Ohio . . . . .	<a href="#">Chapter 4, Page 50</a>
01. General Information . . . . .	<a href="#">Chapter 4, Page 50</a>
02. Consumer Knowledge about Program . . . .	<a href="#">Chapter 4, Page 50</a>
03. Ineligible/Withdrawn Cases + . . . . .	<a href="#">Chapter 4, Page 53</a>
04. Forty Day Time Limit + . . . . .	<a href="#">Chapter 4, Page 53</a>
05. Resolution of Cases + . . . . .	<a href="#">Chapter 4, Page 56</a>
06. Mediated Cases + . . . . .	<a href="#">Chapter 4, Page 58</a>
07. Arbitrated Cases+ . . . . .	<a href="#">Chapter 4, Page 61</a>
08. Consumer Satisfaction with Arbitrators . . . .	<a href="#">Chapter 4, Page 66</a>
09. Consumer Satisfaction with BBB . . . . .	<a href="#">Chapter 4, Page 69</a>
SECTION 05: RECOMMENDATIONS . . . . .	<a href="#">Chapter 4, Page 72</a>
A. National . . . . .	<a href="#">Chapter 4, Page 72</a>
B. Florida . . . . .	<a href="#">Chapter 4, Page 72</a>
C. Ohio . . . . .	<a href="#">Chapter 4, Page 72</a> <a href="#">Chapter 4, P</a>

APPENDIX F: OHIO ADMINISTRATIVE CODE ..... [Appendix F, Page. 1](#)

APPENDIX G: CONSUMER SURVEY QUESTIONS ..... [Appendix G, Page 1](#)

APPENDIX H: FORM NAMES ..... [Appendix H, Page 1](#)

**PREFACE**

**INCEPTIVE FINDINGS**







## SECTION 03: CONDITIONS

In addition to reviewing the BBB AUTO LINE Case Records for the 2006 year, as well as for the four preceding years, audits have been conducted by Morrison and Company in the early part of the calendar year, 2006, with the understanding that the activities of BBB AUTO LINE were reflective of the activities of the calendar year, 2006.

This section covers, in brief, information about four of the five chapters in this report; they are as follows:

- A. Manufacturer Warranty Materials
- B. Office Practices and Procedures
- C. Record-Keeping Procedures
- D. Comparative Statistical Analysis.

Following is a brief discussion examining the four specific areas of the audit listed above:

A. an evaluation of the **Manufacturer Warranty Materials** which are provided to the consumer and/or posted in the dealerships to provide notice of the availability of BBB AUTO LINE services at the point of sale or at the time a dispute arises; this section of the audit consists of the following information:

01. tables which list the information as noted below:

- a. manufacturers which require prior resort to BBB AUTO LINE before pursuing Magnuson-Moss Claims in court
- b. basic information statements required by Rule 703.2(b)
- c. additional information required by Rule 703.2(c)
- d. types of materials used to inform consumers about BBB AUTO LINE
- e. information from manufacturers re: BBB AUTO LINE

02. a listing of all manufacturer materials sent for evaluation to Morrison and Company.

B. an evaluation of **Office Practices and Procedures** of BBB AUTO LINE, consisting of a review of the following activities:

01. Arbitration Hearing Site

- a. the appropriateness of facilities
- b. the adequacy of personnel and equipment

## 02. Arbitration Process

- a. the openness of arbitration hearings
- b. the effectiveness of arbitration hearings
- c. the appropriateness of decision-making at arbitration hearings

C. an evaluation of **Record-Keeping Procedures** of BBB AUTO LINE. The evaluation consists of a review of the following activities:

01. the implementation of each related requirement in BBB AUTO LINE on a national basis
02. the implementation of each related requirement in BBB AUTO LINE in Florida
03. the implementation of each related requirement in BBB AUTO LINE in Ohio

D. a **Comparative Statistical Analysis** comparing the information provided by the telephone survey of consumers with the statistical information provided by BBB AUTO LINE. This chapter consists of the following:

01. The results of a telephone survey of a random sample of cases throughout the United States, until a total of 400 responses is recorded nation-wide
02. The results of a telephone survey of a random sample of cases throughout Florida, until a total of 100 responses is recorded for the state
03. The results of a telephone survey of a random sample of cases throughout Ohio, until a total of 100 responses is recorded for the state
04. The charting, the comparison, and the analysis of the information gained from the telephone survey and from BBB AUTO LINE statistics.

## **SECTION 04: FINDINGS**

(b) The warrantor and the sponsor of the Mechanism (if other than the warrantor) shall take all steps necessary to ensure that the Mechanism, and its members and staff, are sufficiently insulated from the warrantor and the sponsor, so that the decisions of the members and the performance of the staff are not influenced by either the warrantor or the sponsor. Necessary steps shall include, at a minimum, committing funds in advance, basing personnel

protect consumers:

01. CBBB's structure and operations are open to public scrutiny. A comprehensive website describes, not only the BBB's Informal Dispute Resolution Procedure, but all BBB services. The website also provides public access to the most recent audit reports. In addition, BBB AUTO LINE procedures, eligibility terms, and available remedies are published and distributed to each consumer prior to filing a claim.

02. BBB AUTO LINE complaint handling staff and arbitrators do not perform any functions for manufacturers other than resolving disputes.

03. CBBB requires its employees to abide by a conflict-of-interest policy, and requires its arbitrators to observe strict ethical standards.

04. BBB AUTO LINE hearings are held in neutral locations insulated from undue influence.

05. The even distribution of the ways in which cases are closed (mediation, arbitration, out-of-jurisdiction), and of decision outcomes (in favor of consumer, in favor of manufacturer) suggest no influence is exerted on individual complaints.

06. Survey results indicate consumers are very pleased with the impartiality and the quality of dispute resolution services of BBB AUTO LINE.

Rule § 703.3(c) clearly places a burden upon the Mechanism to impose all necessary requirements upon the operation of the Mechanism to ensure that all members and staff act fairly and expeditiously in the handling of all cases, while not allowing situations to arise which might give the appearance of conflict of interest between the manufacturer/warrantor and the Mechanism. The audit by Morrison and Company reviewed all of the activities of BBB AUTO LINE with these requirements in mind and found no situation of conflict or circumstance which might give rise to an impression that one exists. The observed structure and operation of the diverse functions of BBB AUTO LINE impressed Morrison and Company by their obvious efforts and by their success in protecting the independence of the Mechanism from interference from the manufacturers and from their personnel.

#### **A. Manufacturer Warranty Materials**

Those manufacturers which participate in BBB AUTO LINE nationwide and incorporate the program into their warranties are audited in this report. These manufacturers have supplied to Morrison and Company the materials which each manufacturer uses to inform consumers and dealers about BBB

## AUTO LINE.

In this year's audit, if the manufacturer materials were the same as in the preceding years, no new materials were required. Some manufacturers rely primarily on their warranty/owner's manuals to provide this information; others choose to publish special supplemental pamphlets informing consumers of the availability of BBB AUTO LINE. Some of the programs provide even more information.

### **B. Office Practices and Procedures**

Morrison and Company has audited the following programs for the 2006 audit:

01. the office in Sacramento, California
02. the office in Clearwater, Florida
03. the office in Canton, Ohio
04. the national BBB AUTO LINE program.

These program audits provide an opportunity to talk with personnel and to review program function in detail. Since Morrison and Company is now able to audit all Case Files electronically, it was not necessary to visit the central office in Arlington, Virginia, in person. All pertinent indexes and statistics, both annual and semi-annual were audited.

### **C. Record-Keeping Procedures**

Morrison and Company audited at least 50 BBB AUTO LINE case files from all states, including Florida and Ohio, in order to be certain that all information required is not only provided, but is in appropriate order in the files. Morrison and Company also made certain that Case Files for the previous four years were available electronically, and many of these were audited as well.

### **D. Comparative Statistical Analysis**

Before the telephone survey commenced, each potential survey participant was sent a letter from Morrison and Company explaining the purposes of the survey and informing the consumer that a Morrison and Company representative might be calling in the near future. A telephone number

The telephone survey results supplied feedback only from those consumers who utilized the program. What is not known is how many consumers with a warranty dispute were unaware of



there is an extremely high level of integrity in all functions and processes. BBB AUTO

# **CHAPTER ONE**

## **MANUFACTURER WARRANTY MATERIALS**

## CHAPTER 01: MANUFACTURER WARRANTY MATERIALS

### SECTION 01: INTRODUCTION

This chapter deals with the requirements for vehicle manufacturers which participate in BBB AUTO LINE. Morrison and Company evaluated how each of these parties carries out the mandate of sharing required information with the vehicle purchaser to insure that it is not only available to the consumer at the point of sale or at the time a warranty dispute arises, but that all information required by the regulations is included in the manner specified, and that the manufacturers follow all other requirements mandated by the statutes.

To handle the responsibilities of fulfilling warranties, manufacturers have developed consumer relations programs as an adjunct to selling new vehicles. These manufacturers have expended a great deal of effort and money to encourage consumers to utilize the selling dealership, or any dealer which represents that particular manufacturer, as their recourse in solving these problems.

In Rule § 703.2(a), there is specific language which clearly permits the manufacturer to encourage consumers to seek redress directly from the manufacturer, so long as the manufacturer does not exclusively require consumers to do so. At the same time, the manufacturer must also inform the consumer about any independent program of mediation/arbitration which is available to settle the differences between the parties. Some manufacturers, especially in certain states, incorporate the Informal Dispute Settlement Procedure as a necessary prerequisite to filing legal actions based upon Magnuson-Moss or upon the state's Lemon Law. This requirement is customarily referred to as "prior resort". Prior resort is extremely important to the manufacturers because this requirement provides the parties of an impending warranty dispute with an opportunity to solve the problem in such a way that the necessity of resorting to the court system is eliminated.

The sections of Rule 703 which are covered in this section, and upon which the section is designed, read as follows:

#### § 703.2 Duties of warrantor.

- (b) The warrantor shall disclose clearly and conspicuously at least the following information on the face of the written warranty:
  - (1) A statement of the availability of the informal dispute settlement mechanism;
  - (2) The name and address of the Mechanism, or the name and a telephone number of the Mechanism which consumers may use without charge;
  - (3) A statement of any requirement that the consumer resort to the Mechanism before exercising rights or seeking remedies created



**Rule § 703.7(b)(1) and § 703.2(a-d)**

**[Please refer to appendices for the complete text of all related laws, statutes, and regulations]**

**B. Florida**

**Florida Lemon Law § 681.103(2)(3)**

**Florida Administrative Code: § Rule 5J-11.002, § 11.003, § 11.004**

**[Please refer to appendices for the complete text of all related laws, statutes, and regulations]**

**C. Ohio**

**Ohio Administrative Code § 109:4-4-03**

**Ohio Lemon Law § 1345.71-78**

**[Please refer to appendices for the complete text of all related laws, statutes, and regulations]**

**SECTION 03: CONDITIONS**

**A. National**

The manufacturers which choose to participate in BBB AUTO LINE on a nation-wide basis, as well as one manufacturer which is certified in Florida, are listed below; only these manufacturers will be audited. The list is as follows:

01. AM General Sales Corporation (Hummer)
02. American Honda Motor Company (Honda/Acura)
03. Ford Motor Company
04. General Motors Corporation
05. Hyundai Motor America
06. Isuzu Motors America
07. Kia Motors America
08. Land Rover of North America
09. Nissan North America (Nissan/Infiniti)
10. Saab Cars USA
11. Saturn Corporation
12. Volkswagen of America (Volkswagen/Audi)
13. Workhorse Custom Chassis [BBB AUTO LINE Informal Dispute Settlement Procedure offered in most, but not all, states].

The above-listed manufacturers are those which Morrison and Company has reviewed for compliance with national regulations contained in Magnuson-

Moss and in Rule 703. With the exception of the states of Florida and of Ohio, this audit does not include a detailed review of notices required by other states. This does not mean that other state requirements were not reviewed; it means only that the national audit covers the entire United States, and that specific state audits cover only Florida and Ohio.

The following manufacturers participate in BBB AUTO LINE in some states, but not in others. These manufacturers' materials were not evaluated.

01. American Suzuki Motor Corporation
02. BMW of North America
03. Bentley Motors
04. Jaguar Cars
05. Lotus Cars USA
06. Mercedes-Benz USA
07. Subaru of America
08. Volvo North America
09. Winnebago Industries.

The list below defines the tables used to document manufacturer information and compliance with the regulations:

01. Table 1.01. Manufacturers which Require Prior Resort to BBB AUTO LINE before Pursuing Magnuson-Moss Claims in Court
02. Table 1.02. Basic Information Statements Required by Rule 703.2(b)
03. Table 1.03. Additional Information Required by Rule § 703.2(c)
04. Table 1.04. Types of Materials Used to Inform Consumers about BBB AUTO LINE
05. Table 1.05. Information from Manufacturers re: BBB AUTO LINE.

## **B. Florida**

In Florida, the requirements are very similar to those set out in Rule § 703.2. The Florida requirements are contained in the Florida Lemon Law and in the Florida Administrative Code. They are as follows:

01. The manufacturer must give to the office of the Attorney General, by January 1<sup>st</sup> of each year, complete copies of owner's manuals and any written warranty information for each make and model of motor vehicle which is to be sold in the state of Florida in the following year.
02. The selling dealer must give to the consumer, at the point of sale, a copy of the booklet, *Preserving Your Rights Under the Florida Lemon Law*, which is published by the office of the Attorney General. This booklet must include the following information:

- a. the toll-free number of the Informal Dispute Settlement Procedure which represents the manufacturer
- b. the toll-free number of the state of Florida's consumer hot line.

The office of the Attorney General is vigilant in monitoring the performance of the manufacturers and in monitoring the dealers' responsibility to deliver to each new vehicle purchaser a current copy of the above-listed requisite information. These provisions are therefore not discussed in this report.

The following is a list of the manufacturers which were certified for participation in BBB AUTO LINE in the state of Florida during 2006:

01. AM General Sales Corporation (Hummer)
02. American Honda Motor Company (Honda/Acura)
03. Bentley Motors (including certain Rolls-Royce vehicles)
04. Ford Motor Company
05. General Motors Corporation
06. Hyundai Motor America
07. Isuzu Motors America
08. Kia Motors America
09. Nissan North America (Nissan/Infiniti)
10. Saab Cars USA
11. Saturn Corporation
12. Volkswagen of America (Volkswagen/Audi).

### **C. Ohio**

The duties of the manufacturer are contained in the Ohio Administrative Code § 109:4-4-03, which contains the same information found in the federal rules, as well as additional requirements for the manufacturer. The Ohio Administrative Code § 109:4-4-03(C)(3)(4) outlines rights and responsibilities. The enforcement of this part of Ohio's regulations is under the jurisdiction of the Attorney General's office; therefore, they are not specifically delineated in this audit.

In the state of Ohio, specifically mandated notices are required which must be given to the consumer at the point of sale and/or must be posted in conspicuous locations in dealerships. When manufacturers have been certified by the state of Ohio as being compliant with both the federal requirements and with the Ohio requirements, these manufacturers are authorized by Ohio law to require a consumer to participate in an Informal Dispute Settlement Procedure as a prerequisite to filing a legal action under the Ohio lemon law.

The following is a list of the manufacturers which were certified to use

BBB AUTO LINE in the state of Ohio during 2006:

01. Ford Motor Company
02. General Motors Corporation
03. Hyundai Motor America
04. Isuzu Motors America
05. Kia Motors America
06. Saturn Corporation
07. Volkswagen of America (Volkswagen/Audi)
08. Workhorse Custom Chassis.

#### **SECTION 04: FINDINGS**

Below are tables which give a brief but descriptive view of manufacturer materials. In Table 1.01, Morrison and Company is looking for specific language which communicates a requirement that the consumer use BBB AUTO LINE before filing suit under Rule 703. The “yes/no” responses noted in Table 1.01 are based upon Morrison and Company’s interpretation of the warranty materials provided, and are not intended to state any legal conclusion as to whether that language is sufficient to require prior resort. These tables include all manufacturers who have been evaluated.








**TABLE 1.04**  
**Types of Materials Used to Inform Consumers**  
**about BBB AUTO LINE**

<b>MANUFACTURER</b>	<b>Warranty book/ Owner's Manual</b>	<b>Dealer Training Materials</b>	<b>Specific BBB AUTO LINE or Lemon Law Pamphlets or Information</b>	<b>Consumer Relations Training Materials with BBB AUTO LINE Information</b>	<b>Sample Letters to Consumers with BBB AUTO LINE Information</b>
<b>01. AM General</b>	yes	yes	no	no	yes
<b>02. American Honda Motor Co.</b>	yes	yes	no	yes	no
<b>03. Ford Motor Company</b>	yes	yes	yes	yes	no
<b>04. General Motors Corp.</b>	yes	yes	yes	yes	yes
<b>05. Hyundai Motor America</b>	yes	yes	yes	yes	yes
<b>06. Isuzu Motors America</b>	yes	yes	yes	yes	yes
<b>07. Kia Motors America</b>	yes	yes	yes	yes	yes

**TABLE 1.05**  
**Information from Manufacturers re: BBB AUTO LINE**

<b>MANUFACTURER</b>	<b>Special insert Page after Front Cover of Warranty Book</b>	<b>Listed in Table of Contents of Warranty Book as BBB AUTO LINE or other dispute resolution program</b>	<b>BBB AUTO LINE Name and Phone Number Listed</b>	<b>Warranty Book Suggests Consumer Use BBB AUTO LINE Information</b>
<b>01. AM General</b>	yes	yes	yes	yes
<b>02. American Honda Motor Co.</b>	no	no	yes	yes
<b>03. Ford Motor Company</b>	no	no	yes	yes
<b>04. General Motors Corp.</b>	no	no	yes	yes
<b>05. Hyundai Motor America</b>	no	no	yes	yes
<b>06. Isuzu Motors America</b>	yes	yes	yes	yes
<b>07. Kia Motors America</b>	no	no	yes	yes
<b>08. Land Rover of North America</b>	no	no	yes	yes
<b>09. Nissan North America</b>	no	no	yes	yes
<b>10. Saab Cars USA</b>	no	no	yes	yes
<b>11. Saturn Corp.</b>	no	no	yes	yes
<b>12. Volkswagen of America</b>	yes	yes	yes	yes
<b>13. Workhorse Custom Chassis</b>	no	yes	yes	yes

In order to determine how the manufacturers' information programs are working, Morrison and Company reviewed the materials which manufacturers supplied. Below is a description, by individual manufacturer, which describes exactly what materials each manufacturer sent to Morrison and Company for review. Where the manufacturer indicated that materials and policies for informing customers about BBB AUTO LINE had not changed since the previous year, Morrison and Company based the review on materials submitted for previous audits as representative of 2006 operations.

**A. AM General Sales Corporation (Hummer) [NATIONAL and FLORIDA]**

01. *Hummer 2006 Owner's Manual* [original book]
02. *AM General Corporation Hummer Service Policies and Procedures Manual* [original book with pertinent pages tabbed; additional copy]

07. Consumer DRP Card for distribution at dealerships, describing BBB AUTO LINE and giving contact information [original card]
08. Review Copy for future owner's guide reference to BBB AUTO LINE [copy of guide]
09. New Dispute Resolution Specialist Training Check Sheet [excerpt reproduced in e-mail submission]
10. Electronic Field Communications, informing field staff about BBB AUTO LINE and instructing them to inform dealer staff [excerpt reproduced in e-mail submission]
11. Ohio Lemon Law Notices [excerpt reproduced in e-mail submission]
12. Ohio Lemon Law Rights dealer sign [excerpt reproduced in e-mail submission]

03. sample letter to consumers regarding BBB AUTO LINE [copy of pertinent page]

**Hyundai Motor America materials are IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Florida Lemon Law, the Florida Administrative Code, the Ohio Lemon Law, and the Ohio Administrative Code.**

**F. Isuzu Motors America [NATIONAL, FLORIDA, AND OHIO]**

- 01. *Isuzu Ascender, 2006 Models, Isuzu Owner, Warranty Information* [copy]
- 02. *The Better Business Bureau: Notice to Purchasers and Lessees of Isuzu Motors America Inc. Vehicles* [Yellow Glove Box Insert (4x6) card for consumers] [original]
- 03. Notices to Consumers and Dealer Acknowledgment forms for selected states [AR, CA, ID, IA, MN, OH, AND WI] [Originals and copies]
- 04. sample consumer letters advising consumers of the availability of BBB AUTO LINE [copy of pertinent pages]
- 05. *Isuzu Motors America Inc. Service Policies and Procedures Manual* [copy of pertinent pages]
- 06.



**requirements of Magnuson-Moss, Rule  
703, the Florida Lemon Law, the  
Florida Administrative Code, the Ohio**

**requirements of Magnuson-Moss and  
Rule 703.**

**I. Nissan North America (Infiniti and Nissan) [NATIONAL and FLORIDA]**

01. *2006 Infiniti Warranty Information Booklet* [original book]
02. *Supplement to 2006 Infiniti Warranty Information Booklet & 2006 Nissan Owner's Manual: Customer Care/Lemon Law Information* [original book]
03. *Nissan 2006 Warranty Information Book* [original book]
04. *Supplement to 2006 Nissan Warranty Information Booklet & 2006 Nissan Owner's Manual: Customer Care/Lemon Law Information* [original book]
05. *Nissan/Infiniti BBB AUTO LINE and Lemon Law Procedures for Consumer Affairs* training materials [copy of pertinent pages]
06. sample consumer letter under Warranty Denial Procedure listing BBB AUTO LINE [copy of pertinent page]
07. materials used in training classes [copy of pertinent pages]
08. "Consumer Affairs Policies and Procedures, Warranty Denial Procedures" [posted on internal w.5(pnal)-14.3( w.5(pnal)-14.3( w.5((6(rrantw.5((6(r1c-0



10. Florida and Ohio VW and Audi Lemon Law Dealer Letters [copy]

**Volkswagen of America (Audi and Volkswagen) materials are IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule**

but others still do little more than inform consumers about the program through the warranty book.

### **A. National**

Morrison and Company recommends that the manufacturers continue to work to improve their performance in fully informing consumers of their rights to recourse in the case of a defective vehicle. All manufacturers do comply minimally with the mandate to disclose certain information about BBB AUTO LINE in the warranty materials. In addition, manufacturers which use BBB AUTO LINE should receive credit for offering a dispute resolution process administered by the Better Business Bureau, to which many consumers automatically turn when a marketplace dispute arises; however, a few of the participating manufacturers need to develop additional materials and/or procedures to accomplish this purpose.

To ensure compliance with the requirement, manufacturers should also adopt measures to further encourage dealerships to prominently display information about BBB AUTO LINE in strategic locations throughout the dealerships. These areas might include the following locations: the service area, the wall near the cashier, and the consumer lounge areas. Several manufacturers are doing this already; others need to follow suit.

It is obvious from the changes made in the last few years by a number of manufacturers which participate in BBB AUTO LINE that most manufacturers take very seriously the need to improve their services to the consumer. It is suggested that all manufacturers make greater efforts to promote the use of BBB AUTO LINE, since it serves consumers so effectively.

**with the specific requirements of Magnuson-Moss, Rule 703, the Florida Lemon Law, and the Florida Administrative Code.**

### **C. Ohio**

No specific recommendations have been made for Ohio. National recommendations should be referenced for Ohio as well.

**The above-listed named manufacturers' materials which are certified in Ohio are IN COMPLIANCE with the specific requirements of Magnuson-Moss and Rule 703, the Ohio Lemon Law, and the Ohio Administrative Code.**

### **SECTION 06: CONCLUSIONS**

From this review, Morrison and Company has determined that, in general, information is provided to consumers about FfBB AU L I NE,-4( L]TJ18.10 TD-.0034 Tc-0.0012 Tw[(



**CHAPTER TWO**

**OFFICE PRACTICES  
AND  
PROCEDURES**



## **CHAPTER 02: OFFICE PRACTICES AND PROCEDURES**

### **SECTION 01: INTRODUCTION**

As a part of the required audit, it is necessary to audit certain selected local offices of BBB AUTO LINE as well as the records maintained at the central BBB AUTO

in the Case File, wherein all actions are noted in order to keep a complete file.

04. The *Case File Notes* are the individual notes which accompany the computer record.

05. The *Bureau Case Processing Checklist* includes all the steps required in setting up, conducting, and completing the follow-up required in the arbitration hearing process.

06. The *Notice of Hearing Form* is the notice sent to all involved parties prior to the arbitration hearing which gives all pertinent information about the arbitration hearing.

07. The *Checklist for Arbitration Hearing Form* consists of a list of responsibilities for the following purposes:

- a. assisting in the coordination of setting up the initial arbitration process
- b. contributing to arbitration hearing efficiency
- c. serving as an excellent accountability tool.

The Case File also includes a separate *Checklist for Arbitration Hearing Form* which is completed by the local BBB staff and is returned to CBBB. When the signed form is returned, it is electronically filed. The hard copies of Case Files are generated by BBB. All Case Files information is provided to the states as requested. Local offices keep hard copies of only those files currently in progress since all files are stored electronically.

07. The *Checklist for Arbitration Hearing Form* consists of a list of responsibilities for the following purposes:

in the arbitration case. It is prepared by the arbitrator and is sent to the local BBB AUTO LINE staff, who copy it, and send it to the consumer and to the manufacturer. This form is now computerized and arbitrators enter the decision directly onto a computer template.

11. The *Performance Verification Record* is the final step in the mediation/arbitration process. This form is sent to the consumer to verify that the settlement agreed upon in mediation, or the decision rendered in arbitration, has been completed by the manufacturer. When the signed form is returned by the consumer, it is filed in the computer system as a closed case. In most cases, files which call for performance verification include a date when performance either was completed or was assumed to be completed. If no contact can be made with the consumer, BBB AUTO LINE staff mail a postcard to the consumer notifying him/her that unless he/she responds with fourteen days, BBB AUTO LINE staff may assume that performance is satisfactory. The assumed satisfaction is recorded in the Case File and is counted as a case in which performance is satisfactory for index tabulation purposes.

12. The *i*

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This form of mediation is different from ordinary mediation processes in that BBB AUTO LINE staff either will relay communications between the parties or will conduct a mediation teleconference. BBB AUTO LINE staff perform the function of a neutral third party to bring the parties together in an attempt to resolve the dispute. BBB AUTO LINE mediation is an integral part of the overall Informal Dispute Settlement Procedure, and is in operation at all times, up to, and including, the time of the arbitration hearing itself.

When an offer is made by the manufacturer, the consumer has the option to accept, to reject, or to make a counter offer in response to the

mock decisions based on cases presented; and analyzing case studies for in-depth analysis. The final approval for certifying arbitrators is based on candidate performance, with the final decision made by BBB AUTO LINE training staff.

CBBB staff begin the arbitration hearing process in all states, except in California and Florida, which do their intake process differently.

the arbitrator and/or the parties. This is typically done after the parties have made their presentations and after the arbitrator has questioned the parties. This process is very important to the arbitrator in evaluating the claim, in determining the condition of the vehicle, and in deciding whether a financial adjustment should be made. The consideration of the condition of the vehicle may be positive or negative, based upon a comparison of the current condition of the vehicle and of the normal condition of a like vehicle.

Cases in which a vehicle has been damaged can present a confusing issue for the arbitrator[s] and for BBB AUTO LINE staff to determine. The amount of money which is due to the consumer as a result of the arbitration decision may be reduced, based upon the mileage and the condition of the vehicle. This is known as the off-set, or the amount to which the manufacturer is entitled upon repurchase of the vehicle.

Rule § 703.8 (d) requires that “meetings of the members to hear and decide disputes shall be open to observers on reasonable and nondiscriminatory terms.” BBB AUTO LINE rules allow observers to be present during the arbitration hearing phase of the case, provided that they have obtained the permission of the consumer and of the arbitrator assigned to the case in advance of the arbitration hearing; however, these same observers, and the parties to the case, are not allowed to remain in the arbitration hearing room during the deliberations and the decision-making phases of the meeting (if a panel is used). It is very similar to the judicial system, in which court hearings are open to the public, but in which internal deliberations of judges and juries are not open.

### **c. Arbitration Decision**

The arbitrator prepares the Decision Form and the Reasons for Decision Form on a computer template and submits them to BBB AUTO LINE staff for review. After the case is heard, the staff are responsible for the processing of reimbursements and/or for the stipend, if applicable, to the arbitrator. The Record of Hearing Form, the Reasons for Decision Form, the Decision Form, and an audio-tape of the arbitration hearings are the principal documentation used in cases.

### **d. Post Arbitration Decision**

BBB AUTO LINE staff send a copy of the decision to the consumer and a copy to the manufacturer. After receipt of the Decision Form, if either party disagrees with the decision, each may request that the arbitrator reconsider his/her decision, albeit on very limited grounds. (This review is not permitted in California.)

The Performance Verification Record Form is used to log the action required of the manufacturer. The consumer's response to whether this has occurred is then logged into the consumer's Case File. This step is to determine whether the award has actually taken place and whether the performance has been satisfactory.

If no contact can be made with the consumer, BBB AUTO LINE staff mail a postcard to the consumer notifying him/her that, unless he/she responds within fourteen days, BBB AUTO LINE will assume that the manufacturer's performance has been satisfactory. The actual or assumed satisfaction is recorded in the computer Case File; this is then counted as a case in which performance was satisfactory for index tabulation purposes.

## **SECTION 02: STATUTORY REQUIREMENTS**

**Rule § 703.3(a)(b)(c)**

**Rule § 703.6(a)(f) and § 703.8(b)(c)(d)(e)(f)**

**Florida Administrative Code Rule 5J-11.010**

**Ohio Administrative Code § 109:4-4-04(D) and (E)**

**[Please refer to appendices for the complete text of all related statutes and regulations]**

## **SECTION 03: CONDITIONS**

Audits conducted by Morrison and Company during the 2006 calendar year included cases which were current at the time of the review. Morrison and Company completed audits at BBB AUTO LINE offices in Sacramento, California, on August 4, 2006; at BBB AUTO LINE offices in Clearwater, Florida, on March 13, 2006; and at BBB AUTO LINE offices in Canton, Ohio, on May 16, 2006. Morrison and Company also audited all pertinent BBB AUTO LINE records maintained by CBBB.

In evaluating the decisions of the arbitrators, it should be noted that it is not Morrison and Company's responsibility to determine whether the decision in itself was right or wrong. Rather, it is Morrison and Company's responsibility to evaluate the process which the arbitrator applied in order to arrive at a decision.

## **A. National**

**Council of Better Business Bureaus, Inc.**  
**Dispute Resolution Division**  
**4200 Wilson Boulevard, Suite 800**  
**Arlington, Virginia 22203-1838**  
**[www.adr.bbb.org](http://www.adr.bbb.org)**

The BBB AUTO LINE offices at CBBB are the heart of the entire BBB AUTO LINE operations. They house the phone banks for the entire nation (except in California and in Florida). These phone banks are responsible for the intake of all information from consumers nationwide. CBBB staff handle the conciliation and mediation stages of all claims (except in California and Florida) up until the point that the consumer goes to arbitration. At that point, pertinent information is sent to the local BBB office. CBBB is responsible for all arbitrator training and for oversight of all personnel for BBB AUTO LINE divisions of the Better Business Bureau offices nationwide. CBBB provides resource information for complex cases; they also provide expert witnesses and legal advice in legislative issues. CBBB is also responsible for electronically archiving all files required by Magnuson-Moss.

## **B. California**

**Better Business Bureau of Northeast California**  
**400 S Street**  
**Sacramento, California 95814**  
**[www.necal.bbb.org](http://www.necal.bbb.org)**

BBB AUTO LINE in Sacramento, California, is responsible for hearing arbitration cases in the northeastern California area. The procedures of BBB AUTO LINE in California differ in many respects from other local BBB AUTO LINE offices throughout the United States due to the many differences in California law; however, the basic procedures are relatively similar. These issues will be discussed in greater detail below.

## **C. Florida**

**Better Business Bureau of West Florida**  
**2653 McCormick Drive**  
**Clearwater, Florida 33759**  
**[www.bbbwestflorida.org](http://www.bbbwestflorida.org)**

This office has the unique responsibility for all cases processed in the



state of Florida. The Clearwater, Florida, BBB AUTO LINE handles its own preparation for arbitrations and provides consumer assistance for the Tampa Bay/Clearwater area, as well as for the west coast of Florida. The specific boundaries are determined by zip codes. The audit of the state of Florida is included separately due to state regulations in Florida, as discussed in an earlier chapter.

The Clearwater, Florida, BBB AUTO LINE is responsible for handling all mediating activity in the state of Florida, as opposed to other states, for which mediation is handled by CBBB. The staff conduct all arbitration hearings for the Clearwater/Tampa area. This office also supervises all hearings held in other Florida BBB AUTO LINE offices.

## **D. Ohio**

**Better Business Bureau of Canton and Greater West Virginia**  
**1434 Cleveland Avenue North**  
**Northwest Canton, Ohio 44703**  
<http://www.cantonbbb.org>

The BBB AUTO LINE office in Canton, Ohio, is responsible for hearing all arbitration cases in southern Ohio and all of West Virginia, except for the three eastern-most counties handled by the BBB of Washington, D.C. Other offices throughout Ohio cover remaining areas of the state. The audit of the state of Ohio is included separately due to state regulations in Ohio, as discussed in an earlier chapter. The procedures of the BBB AUTO LINE office in Canton, Ohio, are basically the same as in other local BBB AUTO LINE offices throughout the United States.

## **SECTION 04: FINDINGS**

This section has been divided into two segments for clarification purposes for each of the three office sites. The first segment deals with the office site itself, and the second segment deals with the process involved in an arbitration hearing, as follows:

01. Office Site
  - a. Facilities
  - b. Personnel
02. Arbitration Hearing Process
  - a. Openness of Arbitration Hearing
  - b. Effectiveness of Arbitration Hearing
  - c. Arbitration Decision
  - d. Post Arbitration Decision.

## **A. National**

### **01. Office Site**

Council of Better Business Bureaus, Inc.  
Dispute Resolution Division

required when an intake staff person takes his/her call. Consumers who call with complaints for vehicles not covered by the BBB AUTO LINE are given the appropriate number to call.

Consumers also have the option to inquire about filing a claim over the internet by going to the BBB's website at [www.bbb.org](http://www.bbb.org). This site guides the user through the necessary steps, as well as providing valuable information regarding BBB AUTO LINE and all services of the BBB.

**This segment of BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Florida Lemon Law, and the Florida Administrative Code, the Ohio Lemon Law, and the Ohio Administrative Code.**

## **B. California**

### **01. Office Site**

Better Business Bureau of Northeast California  
400 S Street  
Sacramento, California 95814  
[www.necal.bbb.org](http://www.necal.bbb.org)

#### **a. Facilities**

The offices, visited on August 4, 2006, were located at the edge of a large business complex in Sacramento, California. The conference room was not really extremely large in size, but is certainly sufficient for the needs of typical arbitration hearings. At the time Morrison and Company visited, plans were in progress to obtain a new and larger facility.

There was sufficient parking for consumers in a parking lot adjacent to the building and on the street. This situation is excellent for arbitration hearings, since consumers and the arbitrator have ready access to the consumer's vehicle for the test inspection, even in inclement weather.

**This segment of the BBB AUTO LINE**



### **b. Effectiveness of Arbitration Hearing**

In order to determine the efficiency of the arbitration hearing process, Morrison and Company discussed several arbitration hearings with Ms. Reid. During the interview with Morrison and Company, Ms. Reid explained in detail the procedures which were followed in the office. Although Morrison and Company was unable to observe a hearing, it may be concluded, from a review of Case Files, that hearings are conducted in a very effective manner, and no deficiencies were noted throughout the entire visit.

### **c. Decision-Making**

When Morrison and Company reviewed the Case Files, it was apparent that arbitration hearings were conducted in full compliance with BBB AUTO LINE procedures. From Morrison and Company's review of other Case Files, it was apparent that the arbitration hearings were being handled according to all guidelines.

**This segment of BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703.**

## **C. Florida**

### **01. Office Site**

This factor makes it easily accessible for those consumers who attend arbitration hearings since the arbitrator and the consumer can easily reach the vehicle for the inspection and test drive.

#### **b. Personnel**

While in the Clearwater, Florida, office, Morrison and Company met with the following people:

01. Karen Nalven, President, Better Business Bureau
02. Todd M. Eikenberry, Vice President and Regional BBB AUTO LINE Director
03. Eric Oglesby, Mediation Specialist
04. Diverse staff members.

When Morrison and Company staff visited this office, they found it to be run in an extremely efficient and consumer friendly manner. Morrison and Company was shown through all areas of operations and observed many of the staff members. Mr. Eikenberry noted that he still has an adequate pool of arbitrators from which to choose.

**This segment of BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Florida Lemon Law, and the Florida Administrative Code.**

## **02. Arbitration Hearing Process**

### **a. Openness of Arbitration Hearing**

Morrison and Company was able to audit a hearing during their visit in this office. All observed activity functioned in an open and conciliatory fashion. The arbitration hearing files, which were audited by Morrison and Company, had all the necessary information, which led the auditors to believe that the hearings appeared to have been carried out completely in accord with BBB AUTO LINE policies regarding outside observers and participants in the procedure.

### **b. Effectiveness of Arbitration Hearing**

The arbitration hearing observed by Morrison and Company was facilitated by the Mediation Specialist, Mr. Eric Oglesby. Although he does not remain present during the actual hearing, Mr. Oglesby opens the hearing and aids the arbitrator with any questions, and then returns to close the hearing.

In the arbitration hearing observed by Morrison and Company, the arbitrator acted in a very professional manner and made certain all parties understood the proceedings. The consumer was present and the manufacturer was represented by telephone. The presentation of evidence and the testimony of both parties were facilitated in a very professional manner by the arbitrator. Each party was given ample opportunity to present evidence and testimony, as well as time to question and to challenge the other party. The arbitrator was extremely careful to follow all protocol, and to make certain both parties had sufficient time to state all the information they wished to convey.

At the appropriate time, the arbitrator turned off the tape and left the hearing room with the consumer to inspect the vehicle. When this phase was completed, the arbitrator and the consumer returned and the tape was turned on again.

After all testimony was presented, the manufacturer's representative and the consumer each made concluding remarks; the arbitrator then closed the arbitration hearing, with the explanation that she would make a decision in a few days and that BBB AUTO LINE would notify the parties involved.

### **c. Decision-Making**

In the case of the arbitration hearings audited in Clearwater, Florida, and in other Case Files which Morrison and Company reviewed, it was very clear that this office staff

## **Law, and the Florida Administrative Code.**

### **D. Ohio**

#### **01. Office Site**

Better Business Bureau of Canton and Greater West Virginia  
1434 Cleveland Avenue North  
Northwest Canton, Ohio 44703  
<http://www.cantonbbb.org>

##### **a. Facilities**

The offices, visited on May 16, 2006, were located in a downtown office building in Canton, Ohio. The conference room was not extremely large in size, but is certainly sufficient for the needs of arbitration hearings.

There was ample parking for consumers in a parking lot directly behind the building. This situation is excellent for arbitration hearings, since consumers and the arbitrator have ready access to the consumer's vehicle for the test inspection, even in inclement weather.

**This segment of the BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Ohio Lemon Law, and the Ohio Administrative Code.**

##### **b. Personnel**

While in the Canton, Ohio office, Morrison and Company met with the following people:

01. Diana Hickle, Manager of Complaints and Arbitration
02. Michael Paris, President and CEO.

Ms. Hickle has been with the Better Business Bureau for many years and is very competent in her position. She was very aware of regulatory information and was familiar with all office procedures. She explained that Erica Phelps also assists with the



AUTO LINE Program. During the interview process, Morrison and Company discussed the voluntary arbitrator program and learned that the program had an adequate pool of arbitrators.

**This segment of the BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Ohio Lemon Law, and the Ohio Administrative Code.**

## **02. Arbitration Hearing Process**

### **a. Openness of Arbitration Hearing**

Although no arbitration hearing could be scheduled for the day of Morrison and Company's observation, it may be concluded that the arbitration hearings proceed without event or problem. The Case Files which were audited by Morrison and Company appeared to have been carried out completely in accord with BBB AUTO LINE policies regarding outside observers and participants in the procedure.

### **b. Effectiveness of Arbitration Hearings**

In order to determine the efficiency of the arbitration hearing process, Morrison and Company discussed several arbitration hearings with Ms. Hickle. During the interview with Morrison and Company, Ms. Hickle explained in detail the procedures which were followed in the office. Although Morrison and Company was unable to observe a hearing, it may be concluded, from a review of Case Files, that hearings are conducted in a very effective manner, and no deficiencies were noted throughout the entire visit.

### **c. Decision-Making**

When Morrison and Company reviewed the Case Files, it was apparent that arbitration hearings were conducted in full compliance with BBB AUTO LINE procedures. From Morrison and Company's review of other Case Files, it was apparent that the arbitration hearings were being handled according to all guidelines.

**This segment of BBB AUTO LINE activity is IN COMPLIANCE with the**

**specific requirements of Magnuson-Moss, Rule 703, the Ohio Lemon Law, and the Ohio Administrative Code.**

**SECTION 05: RECOMMENDATIONS**

The review of the Case Files disclosed that there were few cases which were not completed within the required 40 day time limit required under Rule 703. There were various conditions which contributed to this situation, but the major cause of this problem was the determination of the arbitrator at the hearing that an inspection of the vehicle by an independent technical expert was required to render a decision in the case. To complete this process usually requires ten or more days, which results in an untimely completion of the case. BBB AUTO LINE needs to continue its efforts to improve the timeliness of resolution of these cases.

Morrison and Company would also like to recommend that CBBB continue to work closely with local offices in setting dates for arbitration hearings. It should be kept in mind that CBBB is on Eastern time and this can cause problems with offices in states which begin and end their day later, if hearings are scheduled late in the day, especially on Fridays, since there are no specialists available to problem-solve. The time issue is a concern as well when documents need to be faxed and/or emailed and there is no staff to send or receive them due to time differences.

Morrison and Company noted that BBB AUTO LINE staff take into account the needs of the parties when choosing dates to schedule arbitration hearings to the extent that the regulations permit any flexibility. However, Morrison and Company strongly suggest

an even distribution of awards granted through arbitration hearings.

It should be noted that, in the cases which Morrison and Company reviewed, when a repurchase was ordered, the computation of the off-set amount for mileage and/or damage was properly accomplished, even though states use different formulas to arrive at the proper amount. The determination concerning mileage off-sets and the deductions for damage beyond normal wear

**This section of BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Florida Lemon Law, the Florida Administrative Code, the Ohio Lemon Law, and the Ohio Administrative Code.**

**CHAPTER THREE**

**RECORD-KEEPING  
PROCEDURES**

## **CHAPTER 03: RECORD-KEEPING PROCEDURES**

### **SECTION 01: INTRODUCTION**

One function of the BBB AUTO LINE audit, required under Rule 703, is to verify that the records kept by BBB AUTO LINE are accurate and are filed properly. As stated previously, Florida and Ohio have regulations which require individual state audits; however, no other state has these requirements. BBB AUTO LINE of Clearwater, Florida, is evaluated each year due to the fact that it performs many of the functions for the rest of the Florida BBB AUTO LINE offices. The BBB AUTO LINE office in Canton, Ohio, was chosen for the 2006 audit in order to rotate Ohio locations. All official records from Florida and Ohio are maintained by CBBB. Only those files currently in progress are kept at the local level.

Each section of the record-keeping statutes must be audited individually in order to assure that the requirements of that section are being met. Thus, this chapter is divided into segments based upon the individual segments of Rule 703, as follows:

#### **A. PART I**

In each of the first twelve segments listed below, Morrison and Company has audited the record-keeping procedures of BBB AUTO LINE. In order to meet the specific requirements of the Florida law and of the Ohio law, Morrison and Company has made separate notations under the Findings Section of this

**Rule § 703.7(b)(3)(i)**

**[Please refer to appendices for the complete text of all related laws, statutes, and regulations]**

**B. Florida**

**Florida Lemon Law § 681.108**

**Florida Administrative Code Rule § 5J-11.009**

**Florida Administrative Code Rule § 5J-11.010**

**[Please refer to appendices for the complete text of all related laws, statutes, and regulations]**

**C. Ohio**

**Ohio Lemon Law § 1345.71-78**

**Ohio Administrative Code § 109:4-4-04(D) and (E)**

**[Please refer to appendices for the complete text of all related laws, statutes, and regulations]**

**SECTION 03: CONDITIONS**

In order to audit PART I, a minimum of fifty randomly selected Case Files from each of the three audited programs have been thoroughly audited, as noted in each segment below. These files are now completely computerized and are stored electronically.

In order to audit PART II, all requisite indices and statistics, both annual and semi-annual, were evaluated by Morrison and Company. Individual BBBs do not maintain their own indices or statistics; rather, own indices and statistics; re sTJT0.0033 c-0.0008 Tw[(In

LINE procedures, as well as in compliance with Rule 703. All items were easy to locate and were found, as required, in the appropriate files as noted below. CBBB provided comprehensive indices and statistics, both annual and semi-annual, which covered all requisite information in detail.

## **PART I**

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**01. Ohio Administrative Code § 109:4-4-04(D)(1)(a)**

(a) Name, address and telephone number of the consumer;

**01. Florida Lemon Law § 681.108(3)(b)**

(b) Name of the manufacturer and address of the dealership from which the motor vehicle was purchased;

**b. Discussion**

This requirement has one feature which is not contained in

(3)Brand name and model number of the product involved

**b. Discussion**

Morrison and Company found the brand name and the model number of each vehicle clearly reported in every Case File audited. No files were audited which did not contain the required information.

**02. Florida**

**a. Statutes**

This particular requirement is not contained in the Florida statutes or regulations; however, it is covered under Rule 703 by reference.

**b. Discussion**

The information required for Rule § 703.6(a)(3) was easily located in every Case File audited. No files were audited which did not contain the required information.

**03. Ohio**

**a. Statutes**

**01. Ohio Administrative Code § 109:4-4-04(D(1)(c)**

(c)Makes, models and vehicle identification numbers of the motor vehicles;

**b. Discussion**

Morrison and Company found the make, the model, and the vehicle identification number for each vehicle clearly reported in every Case File. No files were audited which did not contain the required information.

**Segment 03 of BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Florida Lemon Law, the Florida Administrative Code, the Ohio Lemon Law, and the Ohio Administrative Code.**

## **D. Segment 04**

### **01. National**

#### **a. Statutes**

##### **01. Rule § 703.6(a)(4)**

(4)The date of receipt of the dispute and the date of disclosure to the consumer of the decision

#### **b. Discussion**

BBB AUTO LINE considers the date of receipt of the dispute to be the date it receives a completed Customer Claim Form from the consumer (except in California and Florida, where the date when the consumer first contacts BBB AUTO LINE is considered to be the opening date of the file). The date of disclosure of a decision is the same date on which the decision is sent to the consumer and to the manufacturer. When Morrison and Company audited Case Files, this information was found in one or more locations and was clearly stated in each Case File. No files were audited which did not contain the required information.

### **02. Florida**

#### **a. Statutes**

##### **01. Florida Lemon Law § 681.108(3)(c)**

(c) Date the claim was received and the location of the procedure office that handled the claim;

#### **b. Discussion**

This date is different in Florida, which recognizes the date of receipt as the date of first contact, which is usually the first phone call the consumer makes to BBB AUTO LINE. When Morrison and Company audited Case Files, this information was found in one or more locations and was clearly stated in each Case File audited. No files were audited which did not contain the required information.

### **03. Ohio**

#### **a. Statutes**

**01. Ohio Administrative Code § 109:4-4-04(D(1)(d)**

(d) The date of receipt of the dispute and the date of disclosure to the consumer of the decision;

**b. Discussion**

Ohio's required information for this segment is the same as that found in Rule § 703.6(a)(4). The information was easily located in every Case File audited. No files were audited which did not contain the required information.

**Segment 04 of BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Florida Lemon Law, the Florida Administrative Code, the Ohio Lemon Law, and the Ohio Administrative Code.**

**E. Segment 05**

**01. National**

**a. Statutes**

**01. Rule § 703.6(a)(5)**

(5)All letters or other written documents submitted by either party

**b. Discussion**

Since there are no objective standards against which to measure the information in Rule § 703.6(a)(5), Morrison and Company could draw no absolute conclusions. Rather, the existence of the materials was noted. The audited Case Files and the similarity of materials led Morrison and Company to the conclusion that a concerted effort was made to comply with these requirements in every Case File audited. No files were audited in which information appeared to be missing or out of order.

**02. Florida**

**a. Statutes**

This particular requirement is not contained in the Florida statutes or regulations; however, it is covered under Rule 703 by reference.

**b. Discussion**

As noted above, there is no absolute way to verify the precise information in Rule § 703.6(a)(5) without direct interview. The audited Case Files and the similarity of materials led Morrison and Company to the conclusion that a concerted effort was made to comply with these requirements in every Case File audited. No files were audited in which information appeared to be missing or out of order.

**03. Ohio**

**a. Statutes**

**01. Ohio Administrative Code § 109:4-4-04(D(1)(e)**

(e) All letters or other written documents submitted by either party;

**b. Discussion**

Ohio's required information for this segment is the same as that found in Rule § 703.6(a)(5). As noted above, there is no absolute way to verify the precise information without direct interview. The audited Case Files and the similarity of materials led Morrison and Company to the conclusion that a concerted effort was made to comply with these requirements in every Case File audited. No files were audited in which information appeared to be missing or out of order.

**Segment 05 of BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Florida Lemon Law, the Florida Administrative Code, the Ohio Lemon Law, and the Ohio Administrative Code.**

**F. Segment 06**

**01. National**

**a. Statutes**

**01. Rule § 703.6(a)(6)**

## **b. Discussion**

Ohio's required information for this segment is the same as that found in Rule § 703.6(a)(6). Given the same auditing concern, all information appeared to be present. The audited Case Files and the similarity of materials led Morrison and Company to the conclusion that a concerted effort was made to comply with these requirements in every Case File audited. No files were audited in which information appeared to be missing or out of order.

**Segment 06 of BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Florida Lemon Law, the Florida Administrative Code, the Ohio Lemon Law, and the Ohio Administrative Code.**







**Board administered by the Office of the Attorney General. To obtain information about eligibility for the state-run arbitration program, the consumer should contact the Division of Consumer Services' Lemon Law Hotline at 1-800-321-5366. PLEASE BE ADVISED that Section 681.109(4), F.S., provides that the consumer must file the Request for Arbitration no later than 60 days after the expiration of the Lemon Law rights period, or within 30 days after the final action of a certified dispute-settlement procedure, whichever date occurs later.**

(f) The address of the Division of Consumer Services, Lemon Law Section.

(g) If it is determined that the certified dispute-

Case File audited. This information was found in the Decision Form, the Reasons for Decision Form, and/or the Decision Notification cover letter. Parts of this information were also found in the Record of Hearing Form. No files were audited which did not contain the required information.

**Segment 08 of BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Florida Lemon Law, the Florida Administrative Code, the Ohio Lemon Law, and the Ohio Administrative Code.**

## **I. Segment 09**

### **01. National**

#### **a. Statutes**

##### **01. Rule § 703.6(a)(9)**

(9) A copy of the disclosure to the parties of the decision

#### **b. Discussion**

The Decision Form meets the requirement for disclosure to the parties, since the final draft of the decision utilizes the Decision Form, which serves as the decision disclosure. The Decision Form is sent to each party along with the Reasons for Decision Form. When Morrison

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and the Reasons for Decision Form. No files were audited which did not contain the required information.

### **3. Ohio**

#### **a. Statutes**

##### **01. Ohio Administrative Code § 109:4-4-04(D(1)(i)**

(l) A copy of the disclosure to the parties of the decision;

#### **b. Discussion**

Ohio's required information for this segment is the same as that found in Rule § 703.6(a)(9). The disclosure is contained in the Case File, which clearly showed the Decision Form and the Reasons for Decision

on the Acceptance or Rejection of Decision Form.

In the randomly audited Case Files, it was very clear that manufacturer compliance with BBB AUTO LINE decisions was the primary response. The paperwork explaining the manufacturer's reasons for failing to comply with the decision must be extensive. This paperwork is maintained as a part of the permanent Case File in such cases.

Any refusal to comply with a decision would involve circumstances where performance of the decision would not be possible or where the decision clearly exceeded program limitations. Because of the extensive paper trail that would be created in such a situation, there is no reason for a special form to explain the manufacturer's refusal to comply with BBB AUTO LINE's arbitration decision. This procedure has been confirmed by CBBB's attorney. No files were audited in which manufacturers did not comply.

## **02. Florida**

### **a. Statutes**

#### **01. Florida Lemon Law § 681.101 - Legislative Intent**

In the Florida Lemon Law § 681.101, reference is made to the following:

. . . .the intent of the Legislature that a good faith motor vehicle warranty complaint by a consumer be resolved by the manufacturer within a specified period of time.

### **b. Discussion**

This specific language does not appear in the Florida Statutes, but in reading the entire Florida Statutes, there are numerous references to the duty of the manufacturer to carry out its responsibilities to the consumers of its products. No files were audited in which manufacturers did not comply.

## **03. Ohio**

### **a. Statutes**

#### **01. Ohio Administrative Code § 109:4-4-04(C)(12)**

(12) Decisions of the board shall be legally binding on the warrantor, which must perform its obligations pursuant to any such decisions if the consumer so elects.

**b. Discussion**

Although worded differently, this statute is similar to Rule § 703.6(a)(10). No files were audited in which manufacturers did not comply.

From the audit of Case Files, the records pertaining to Rule § 703.6(a)(11) appeared to be complete and had been processed properly. The audited Case Files and the similarity of materials led Morrison and Company to the conclusion that a concerted effort was made to comply with these requirements in every Case File audited. No files were audited in which information appeared to be missing or out of order.

### **03. Ohio**

#### **a. Statutes**

##### **01. Ohio Administrative Code § 109:4-4-04(D(1)(j))**

(j) Copies of follow-up letters (or summaries of relevant and material portions of follow-up telephone calls) to the consumer and responses thereto; and

#### **b. Discussion**

Ohio's required information for this segment is the same as that found in Rule § 703.6(a)(11), and contains the same auditing problems. The audited Case Files and the similarity of materials led Morrison and Company to the conclusion that a concerted effort was made to comply with these requirements in every Case File audited. No files were audited in which information appeared to be missing or out of order.

**Segment 11 of BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Florida Lemon Law, the Florida Administrative Code, the Ohio Lemon Law, and the Ohio Administrative Code.**

### **L. Segment 12**

#### **01. National**

#### **a. Statutes**

##### **01. Rule § 703.6(a)(12)**

(12) Any other documents and communications (or summaries of relevant and material portions of oral



communications) relating to the dispute.

**b. Discussion**

As with the above requirements, this segment requires any other

## **b. Discussion**

Ohio's required information for this segment is the same as that found in Rule § 703.6(a)(12), and contains the same auditing problems. The audited Case Files and the similarity of materials led Morrison and Company to the conclusion that a concerted effort was made to comply with these requirements in every Case File audited. No files were audited in which information appeared to be missing or out of order.

**Segment 12 of BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Florida Lemon Law, the Florida Administrative Code, the Ohio Lemon Law, and the Ohio Administrative Code.**

## **PART II**

From this point on, Rule 703 mandates that BBB AUTO LINE maintain certain composite indices and statistics. This section of the report is very valuable in determining the performance level of BBB AUTO LINE. As stated before, the statistics are kept both on a semi-annual basis and on an annual basis by BBB AUTO LINE. Some are also available to the general public on the BBB website.

## **M. Segment 13**

### **01. National**

#### **a. Statutes**

##### **01. Rule § 703.6(b)**

(b)The Mechanism shall maintain an index of each warrantor's disputes grouped under brand name and sub grouped under product model.

#### **b. Discussion**

Morrison and Company's audit of the index supplied by BBB AUTO LINE has determined that the statistical index is comprehensive and is consistent with the regulatory requirements. No deficiencies were found.

### **02. Florida**

**a. Statutes**

**01. Florida Lemon Law § 681.108(4)**

(4) Any manufacturer establishing or applying to establish a certified procedure must file with the division a copy of the annual audit required under the provisions of Rule 703, together with any additional information required for

## **Administrative Code.**

### **N. Segment 14**

#### **01. National**

##### **a. Statutes**

###### **01. Rule § 703.6(c)**

(c)The Mechanism shall maintain an index for each warrantor as will show:

1. All disputes in which the warrantor has promised some performance (either by settlement or in response to a Mechanism decision) and has failed to comply;
2. All disputes in which the warrantor has refused to abide by a Mechanism decision.

##### **b. Discussion**

Morrison and Company's audit of the index supplied by BBB AUTO LINE has determined that the statistical index is comprehensive and is consistent with the regulatory requirements. No deficiencies were found.

#### **02. Florida**

##### **a. Statutes**

###### **01. Florida Lemon Law § 681.108(4)**

(4) Any manufacturer establishing or applying to establish a certified procedure must file with the division a copy of the annual audit required under the provisions of Rule 703, together with any additional information required for purposes of certification, including the number of refunds and replacements made in this state pursuant to the provisions of this chapter by the manufacturer during the period audited.

##### **b. Discussion**

Morrison and Company's audit of the index supplied by BBB AUTO LINE has determined that the statistical index is comprehensive

and is consistent with the regulatory requirements. No deficiencies were found.

### **03. Ohio**

#### **a. Statutes**

##### **01. Ohio Administrative Code § 109:4-4-04(D)(3)**

(3) The board shall maintain an index for each warrantor which will show:

(a) All disputes in which the warrantor has agreed to perform any obligations as part of a settlement reached after notification of the dispute or has been ordered to perform any obligations as the result of a decision under paragraph (C)(5) of this rule and has failed to comply; and

(b) All disputes in which the warrantor has refused to abide by an arbitration decision.

#### **b. Discussion**

Morrison and Company's audit of the index supplied by BBB AUTO LINE has determined that the statistical index is comprehensive and is consistent with the regulatory requirements. No deficiencies were found.

**Segment 14 of BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Florida Lemon Law, the Florida Administrative Code, the Ohio Lemon Law, and the Ohio Administrative Code.**

### **O. Segment 15**

#### **01. National**

##### **a. Statutes**

##### **01. Rule § 703.6(d)**

(d)The Mechanism shall maintain an index as will show all disputes delayed beyond 40 days.

## **b. Discussion**

Morrison and Company's audit of the index supplied by BBB AUTO LINE has determined that the statistical index is comprehensive and is consistent with the regulatory requirements. No deficiencies were found.

## **02. Florida**

### **a. Statutes**

#### **01. Florida Lemon Law § 681.108(4)**

(4) Any manufacturer establishing or applying to establish a certified procedure must file with the division a copy of the annual audit required under the provisions of Rule 703, together with any additional information required for purposes of certification, including the number of refunds and replacements made in this state pursuant to the provisions of this chapter by the manufacturer during the period audited.

## **b. Discussion**

Morrison and Company's audit of the index supplied by BBB AUTO LINE has determined that the statistical index is comprehensive and is consistent with the regulatory requirements. No deficiencies were found.

## **03. Ohio**

### **a. Statutes**

#### **01. Ohio Administrative Codes § 109:4-4-04(D)(4)**

(4) The board shall maintain an index that will show all disputes delayed beyond forty days.

## **b. Discussion**

The requirement is basically the same in Ohio as it is in Rule § 703.6(d). Morrison and Company's audit of the index supplied by

deficiencies were found.

**Segment 15 of BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Florida Lemon Law, the Florida Administrative Code, the Ohio Lemon Law, and the Ohio Administrative Code.**

## **P. Segment 16**

### **01. National**

#### **a. Statutes**

##### **01. Rule § 703.6(e)**

(e) The Mechanism shall compile semi-annually and maintain statistics which show the number and percent of disputes in each of the following categories:

1. Resolved by staff of the Mechanism and warrantor has complied;
2. Resolved by staff of the Mechanism, time for compliance has occurred, and warrantor has not complied;
3. Resolved by staff of the Mechanism and time for compliance has not yet occurred;
4. Decided by members and warrantor has complied;
5. Decided by members, time for compliance has occurred, and warrantor has not complied;
6. Decided by members and time for compliance has not yet occurred;
7. Decided by members adverse to the cons s

The semi-annual statistics maintained by BBB AUTO LINE addressed completely all of the requirements of the subsections, and thereby met all of the requirements of the full section. BBB AUTO LINE provided Morrison and Company with semi-annual statistics and annual statistics for 2006 showing the numbers and percentages of cases in each of the specified categories. No deficiencies were found.

## **02. Florida**

### **a. Statutes**

#### **01. Florida Lemon Law § 681.108(4)**

(4) Any manufacturer establishing or applying to establish a certified procedure must file with the division a copy of the annual audit required under the provisions of Rule 703, in effect October 1, 1983, together with any additional information required for purposes of certification, including the number of refunds and replacements made in this state pursuant to the provisions of this chapter by the manufacturer during the period audited.

#### **02. Rule 5J-11.010 Required Annual Audit of Dispute Resolution Mechanisms**

(1) Each manufacturer establishing a certified dispute-settlement procedure shall file with the Division an annual report relating to Florida consumers for the period ending December 31 of each year. The report shall be filed with the Division on or before July 1 of the following year.

(2) The annual report shall contain the following information relative to Florida consumers for the period audited:

(a) The information required under the provisions of 16 CFR § 703.7, relating to an annual audit;

(b) The number of disputes filed by consumers with the administrator of a certified dispute-settlement procedure, including the number of disputes dismissed or withdrawn by the consumer;

(c) The total number of decisions rendered under the certified dispute-settlement procedure broken down to specifically reference the number of decisions: ordering refunds; ordering additional repair attempts; ordering or recognizing trade assists; ordering partial refunds; concluding that the certified dispute-settlement procedure has no jurisdiction to decide the



dispute; dismissing the dispute filed by the consumer; ordering a replacement of the consumer's motor vehicle; ordering any other relief not specifically listed in this rule.

**b. Discussion**

The Florida law is more inclusive than Magnuson-Moss, since it requires everything which Rule § 703.6(e) requires, in addition to all of the information mentioned above. In these sections there is a duplication of the information requested; however, the statistics provided all information. The information in which Florida shows a special interest is the number of refunds and replacements made in this state. All information was located in the statistics. No deficiencies were found.

The following information was provided to Morrison and Company by BBB AUTO LINE staff below for evaluating record-keeping under the provisions of § 5J-11.010. The review of this information met the requirements of this section of the Florida Rules.

**Table 3.01**  
**Florida Annual Report, Part I: January through December, 2006**

<b>All Claims</b>	<b>All Manufacturers</b>		<b>Certified Manufacturers</b>	
Mediations	1,268	38.63%	1,265	38.83%
Arbitrations	813	24.77%	808	24.80%
No jurisdiction	784	23.89%	775	23.79%
Withdrawn	417	12.71%	410	12.58%
<b>Total of all filed claims</b>	<b>3,282</b>	<b>100.00%</b>	<b>3,258</b>	<b>100.00%</b>

**Table 3.02**  
**Florida Annual Report, Part II: January through December, 2006**

<b>Arbitrations</b>	<b>All Manufacturers</b>		<b>Certified Manufacturers</b>	
Full Repurchase	255	31.36%	253	31.31%
Partial repurchase	25	03.07%	24	02.97%
Replacement	33	04.06%	33	04.08%
Repair	63	07.75%	63	07.80%
Trade Assist	09	01.11%	08	00.99%
Other award	03	00.37%	03	00.37%
No award	425	52.28%	424	52.48%
<b>Total</b>	<b>813</b>	<b>100.00%</b>	<b>808</b>	<b>100.00%</b>

**03. Ohio**

**a. Statutes**

**01. Ohio Administrative Code § 109:4-4-04(D)(5)**

(5) The board shall compile semiannually and, maintain and file with the attorney general a compilation of the semiannual statistics which show the number and per cent of the total number of warranty disputes received in each of the following categories (which shall total one hundred per cent of the total number of warranty disputes received):

- (a) Resolved by staff of the board without arbitration and the warrantor has complied;

- (b) Resolved by staff of the board, without arbitration, time for compliance has expired, and the warrantor has not complied;
- (c) Resolved by staff of the board without arbitration, and time for compliance has not yet expired;
- (d) Decided by arbitration and the party required to perform has complied, specifying whether the party required to perform is the consumer or the warrantor or both;
- (e) Decided by arbitration, time for compliance has expired, and the party required to perform has not complied, specifying whether the party required to perform is the consumer or the warrantor or both;
- (f) Decided by arbitration and time for compliance has not yet expired;
- (g) Decided by arbitration in which neither party was awarded anything;
- (h) No jurisdiction;
- (i) Decision delayed beyond forty days under paragraph (C)(8)(a) of this rule;
- (j) Decision delayed beyond forty days under paragraph (C)(8)(b) of this rule;
- (k) Decision delayed beyond forty days under paragraph (C)(8)(c) of this rule;
- (l) Decision delayed beyond forty days under paragraph (C)(8)(d) of this rule;
- (m) Decision delayed beyond forty days for any other reason; and
- (n) Decision is pending and the forty-day limit has not expired.

In addition, the board shall compile semiannually and maintain and file with the attorney general a compilation of the semiannual statistics which show the number and per cent of the total number of disputes received (which need not add up to one hundred per cent of all disputes received) in which:

- (o) Consumer requested a refund or replacement for a motor vehicle within the first year or eighteen thousand miles of operation;
- (p) Vehicle refund or replacement was awarded, specifying whether the award was made by arbitration or through settlement;
- (q) Vehicle refund or replacement decisions complied

with by the manufacturer, specifying whether the decision was made by arbitration or through settlement;

(r) Decisions in which additional repairs were the most prominent remedy, specifying whether the decision was made by arbitration or through settlement;

(s) Decisions in which a warranty extension was the most prominent remedy, specifying whether the decision was made by arbitration or through settlement;

(t) Decisions in which reimbursement for expenses or compensation for losses was the most prominent remedy, specifying whether the decision was made by arbitration or through settlement;

(u) Vehicle refund or replacement arbitration awards accepted by the consumer; and

(v) Non-repurchase or replacement arbitration decisions accepted by the consumer.

## **b. Discussion**

Ohio's law is also more comprehensive than Rule § 703.6(e) requires; this regulation requires all the information listed above, in addition to that in Rule 703. Morrison and Company's audit of the statistics supplied by CBBB has determined that the compilation is comprehensive and is consistent with the regulatory requirements. No deficiencies were found.

**01. Rule § 703.6(f)**

(f) The Mechanism shall retain all records specified in paragraphs (a) - (e) of this section for at least 4 years after final disposition of the dispute.

**b. Discussion**

This requirement deals specifically with the retention of the Case Files and all records. As a function of the audit, Morrison and Company has found that

**Segment 17 of BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Florida Lemon Law, the Florida Administrative Code, the Ohio Lemon Law, and the Ohio Administrative Code.**

**R. Segment 18**

**01. National**

**a. Statutes**

**01. Rule § 703.7(3)(b)(i)**

(i) adequacy of the Mechanism's complaint and other forms

**b. Discussion**

At the outset, it should be made clear that all forms utilized by BBB AUTO LINE were developed by CBBB, and as a result, are uniform throughout the program with very few exceptions. Morrison and Company audited

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annual audit required under the provisions of Rule 703, together with any additional information required for purposes of certification, including the number of refunds and replacements made in this state pursuant to the provisions of this chapter by the manufacturer during the period audited.

**b. Discussion**

The Florida statute also mandates an evaluation of the Mechanism's complaint forms and other forms. The discussion located in the national segment above, on forms and documents, applies equally to the Florida program. Since Florida uses the forms provided by CBBB, all documents are uniform.

**03. Ohio**

**a. Statutes**

**01. Ohio Administrative Code § 109:4-4-04(E)(2)(i)**

(2) Each audit provided for in paragraph (E)(1) of this rule shall include at a minimum the following:

(i) adequacy of the board's complaint and other forms, investigation, mediation and follow-up efforts and other aspects of complaint handling;

**b. Discussion**

The Ohio statute also mandates an evaluation of the Mechanism's complaint forms and other forms. The discussion located in the national segment above, on forms and documents, applies equally well to the Ohio program. Since Ohio uses the forms provided by CBBB, all documents are uniform.

**Segment 18 of BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Florida Lemon Law, the Florida Administrative Code, the Ohio Lemon Law, and the Ohio Administrative Code.**

**SECTION 05: RECOMMENDATIONS**

BBB AUTO LINE has maintained its standard of excellence in its record-keeping procedures. For this reason, Morrison and Company does not have any recommendations in this area.

## **SECTION 06: CONCLUSIONS**

As stated directly above, BBB AUTO LINE and CBBB have continued a standard of excellence which should serve as a role model for other dispute resolution programs. The efforts to show uniformity in use of forms and transparency of operations in all areas is significant. In addition, CBBB has endeavored to address many of the concerns of the local BBB offices. Hopefully, these improvements will continue to make the jobs of staff in the local offices even easier.

In the view of Morrison and Company,

**This entire section of BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Florida Lemon Law, the Florida Administrative Code, the Ohio Lemon Law, and the Ohio Administrative Code.**



# **CHAPTER FOUR**

## **COMPARATIVE STATISTICAL ANALYSIS**

## **CHAPTER 04: COMPARATIVE STATISTICAL ANALYSIS**

### **SECTION 01: INTRODUCTION**

#### **A. National**

Morrison and Company is mandated to evaluate the adequacy of BBB AUTO LINE complaint handling procedures and to substantiate the accuracy of BBB AUTO LINE's record-keeping and reporting through the use of composite statistics. Morrison and Company must also compare and report any discrepancies and/or disparities found between BBB AUTO LINE records and

consumers were also sampled as a part of the national portion as they appeared

total of 84 letters was returned out of the 2,193 letters mailed.

This letter explained that the consumer was likely to receive a telephone call from Morrison and Company and the consumer was invited to participate in the interview when the call was received. A telephone number and an e-mail address to reach Morrison and Company were listed. Several consumers took advantage of the opportunity to ask questions and/or to offer input. Most calls averaged four minutes for completion when Morrison and Company reached the consumer.

The list below denotes the categories used in the survey of consumers as well as the information from BBB AUTO LINE. The notation, "+", is an indication that regulations require BBB AUTO LINE to keep similar records:

01. General Information
02. Consumer Knowledge About BBB AUTO LINE
03. Ineligible/Withdrawn Cases +
04. Forty Day Time Limit +
05. Resolution of Cases +
06. Mediated Cases +
07. Arbitrated Cases +
08. Consumer Satisfaction with Arbitrators
09. Consumer Satisfaction with BBB AUTO LINE staff.

Telephone interviews were conducted by Morrison and Company between August 01, 2006, and April 15, 2007. Morrison and Company attempted to contact a total of 2,193 consumers, randomly drawn by BBB AUTO LINE from the total 20,658 disputes which were closed in the year 2006. Some consumers were called multiple times and at different numbers and different times of the day. Morrison and Company made a total of 8,865 phone calls, of which 600 were eventually available and agreed to complete the interview process. This resulted in a 06.77% response rate for completed calls. Due to the increase in automated answering devices, more calls need to be made each year in order to reach the requisite number of 600 completed survey responses. Phone calls could be divided into the following categories:

- a. the consumer was unavailable
- b. the consumer declined to respond
- c. the consumer responded to the survey.

## **02. Division of Cases**

The outcome of cases was divided into three categories, each of which will be discussed in detail in the Findings Section, as follows:

- a. Ineligible/Withdrawn
- b. Mediated
- c. Arbitrated.

## **B. Florida**

Of the 600 total calls, 100 calls were completed to Florida consumers because Florida's BBB AUTO LINE and audit are governed by state regulations which are not identical to the federal regulations in every case. The results of all phone calls versus completed survey calls made to Florida consumers only were approximately the same as stated above for national calls. The audit results for Florida are reported in a separate segment of this chapter.

## **C. Ohio**

The same situation applies in Ohio as it does in Florida; 100 of the 600 total calls were completed with Ohio consumers. The results of all phone calls versus completed survey calls made to Ohio consumers only were approximately the same as stated above for national calls. The audit results for Ohio are also reported in a separate segment of this chapter.

## **SECTION 04: FINDINGS**

### **A. National**

Several segments of this section include a comparison of statistics

most likely due to the fact that consumers were quite often confused about the circumstances of their specific case, as well as unknowledgeable regarding specific language in regard to cases. On occasion, consumers actually reversed answers as the survey progressed. Morrison and Company did a complete audit of all statistics presented and found no reason to suspect that the BBB AUTO LINE statistics and indices are not accurate as presented. This statement should be considered true for all charts and tables presented below.

**01. General Information**

This segment establishes the year of the vehicle involved in the consumer complaint. All consumers who responded to the survey were asked Question Numbers 01 through 04.

01. What is the year of the vehicle involved in the complaint you filed with BBB AUTO LINE?

2007	2006	2005	2004	2003 or earlier	DK/DR	TOTAL
78	156	69	43	52	02	<b>400</b>
19.50%	39.00%	17.25%	10.75%	13.00%	00.50%	<b>100.00%</b>

**02. Consumer Knowledge about Program**

02. How did you first learn about BBB AUTO LINE?

BBB	Internet	Friend/Family	Attorney	Media	Dealer	Mfr. Rep.	Owner's Manual or other Mfr. Information	DK/DR	Te3-a809.6(t

c1(.)JTJ3884


03. How many times, if any, did the dealer or manufacturer attempt to repair your







### 03. Ineligible/Withdrawn Cases +

All consumers who responded to the survey were asked Question Number 07.

07. Was your case determined to be ineligible or did you choose to withdraw your claim?

Yes	No	DK/DR	TOTAL
173	227	00	<b>400</b>
43.25%	56.75%	00%	<b>100.00%</b>

Only those consumers who responded “Yes” to Question Number 07 were asked Question Number 08.

08. Why was your case considered ineligible or what caused you to withdraw your claim?

Outside Program's Jurisdiction	Settled/Car was Repaired	Consumer Sold Vehicle	Consumer Initiated Legal Action	Consumer Did Not Want to Pursue	DK/DR	TOTAL
125	08	08	04	28	00	<b>173</b>
72.25%	04.62%	04.62%	02.32%	16.19%	00.00%	<b>100.00%</b>

### 04. Forty Day Time Limit +

Rule § 703.6(e) 9-11 requires BBB AUTO LINE to record the reasons for delay of cases beyond 40 days in accordance with Rule § 703.5(e)(1,2), as follows:

under paragraph (d) of this section beyond the 40 day time limit:

- (1) Where the period of delay is due solely to failure of a consumer to provide promptly his or her name and address, brand name and model number of the product involved, and a statement as to the nature of the defect or other complaint;
- or
- (2) For a 7 day period in those cases where the consumer has made no attempt to seek redress directly from the warrantor.

BBB AUTO LINE does not delay cases as a result of missing consumer information described in Rule § 703.5(e)(1). However, when



11. How many days did your case require?

<b>40 Days or Less</b>	<b>More than 40 Days</b>	<b>DK/DR</b>	<b>TOTAL</b>
35	12	00	<b>47</b>
74.47%	25.53%	00.00%	<b>100.00%</b>

Table 4.02 is a compilation of information from Question Numbers 10 and 11.

**Table 4.02 [National]  
Cases Delayed Beyond/Within 40 Days**

<b>Case File Records</b>		<b>40 Days or Less</b>	<b>More than 40 Days</b>	<b>TOTAL</b>
<b>Consumers who Agreed with Case File Records</b>	<b>#</b>	135	45	<b>180</b>
	<b>%</b>	75.00%	25.00%	<b>100.00%</b>
<b>Consumers Who Disagreed with Case File Records</b>	<b>#</b>	35	12	<b>47</b>
	<b>%</b>	74.47%	25.53%	<b>100.00%</b>
<b>Total</b>	<b>#</b>	<b>170</b>	<b>57</b>	<b>227</b>
	<b>%</b>	<b>74.89%</b>	<b>25.11%</b>	<b>100.00%</b>

Only those consumers who responded that their cases went beyond 40 days in Question Number 10 and 11 were asked Question Number 12.

12. What was the reason for going beyond 40 days in your case?

<b>Request of, or Action by, .w[40010.io]</b>					

**TABLE 4.03 [National]  
Yearly Comparison of Reasons for Exceeding 40 Days**

Reason for Delay		2006	2005	2004	2003
<b>Request of, or Action by, Consumer</b>	#	15	05	04	06
	%	26.32%	06.02%	13.79%	08.11%
<b>Action by BBB AUTO LINE</b>	#	07	11	05	14
	%	12.28%	13.25%	13.16%	18.92%
<b>Request of, or Action by, Manufacturer</b>	#	13	21	10	23
	%	22.81%	25.30%	26.32%	31.08%
<b>Additional Inf. or Technical Inspection by Arbitrator</b>	#	22	32	05	18
	%	38.59%	38.56%	15.79%	24.32%
<b>DK/DR</b>					


**TABLE 4.04 [National]  
Comparison of Resolution of Cases**

Method of Resolution		Morrison and Company	BBB AUTO LINE
Mediated	#	133	6,585
	%	32.25%	31.88%
Arbitrated	#	94	5,431
	%	23.50%	26.29%
Ineligible/Withdrawn	#	173	8,642
	%	43.25%	41.83%
TOTAL	#	<b>400</b>	<b>20,658</b>
	%	<b>100.00%</b>	<b>100.00%</b>

Table 4.05 shows a comparison of consumer surveys from prior years in comparison with BBB AUTO LINE statistics.

**TABLE 4.05 [National]  
Yearly Comparison of Resolution of Cases**

Method of Resolution		2006		2005		2004		2003	
		Morrison and Company	BBB AUTO LINE	Morrison and Company	BBB AUTO LINE	Morrison and Company	BBB AUTO LINE	Morrison and Company	BBB AUTO LINE
Mediation	#	133	6,585	147	8,246	120	7,234	190	8,218
	%	32.25%	31.88%	36.75%	34.83%	30.00%	36.55%	47.50%	37.60%
Arbitration	#	94	5,431	101	6,031	119	4,250	75	4,585
	%	23.50%	26.29%	25.25%	25.48%	29.75%	21.47%	18.75%	20.98%
Ineligible/withdrawn	#	173	8,642	152	9,395	161	8,309	131	9,056
	%	43.25%	41.83%	38.00%	39.69%	40.25%	41.98%	32.75%	41.42%
TOTAL	#	<b>400</b>	<b>20,658</b>	<b>400</b>	<b>23,672</b>	<b>400</b>	<b>19,793</b>	<b>400</b>	<b>21,859</b>
	%	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## 06. Mediated Cases +

Only those consumers who responded that their cases were resolved through mediation in Question Number 13 were asked Question Numbers 14 through 18.

14. Which statement best describes your mediation settlement?

Repurchase or Replacement	Repair	Other Settlement	DK/DR	TOTAL
51	50	32	00	<b>133</b>
38.35%	37.59%	24.06%	00.00%	<b>100.00%</b>

**Table 4.06 [National]  
Comparison of Mediation Settlements**

Settlement		Morrison and Company	BBB AUTO LINE
Repurchase/Replacement	#	51	2,564
	%	38.35%	38.94%
Repair	#	50	2,626
	%	37.59%	39.89%
Other Award	#	32	1,394
	%	24.06%	21.17%
TOTAL	#	<b>133</b>	<b>6,584</b>
	%	<b>100.00%</b>	<b>100.00%</b>



**TABLE 4.08 [National]  
Yearly Comparison of Manufacturer Compliance with Mediation Settlement**

Manufacturer Compliance								





**07. Arbitrated Cases+**

Only those consumers who responded that their cases were resolved through arbitration in Question Number 13 were asked Question Numbers 19 through 21.

19. Did you receive written notice of the scheduled date, time, and place for your arbitration hearing?

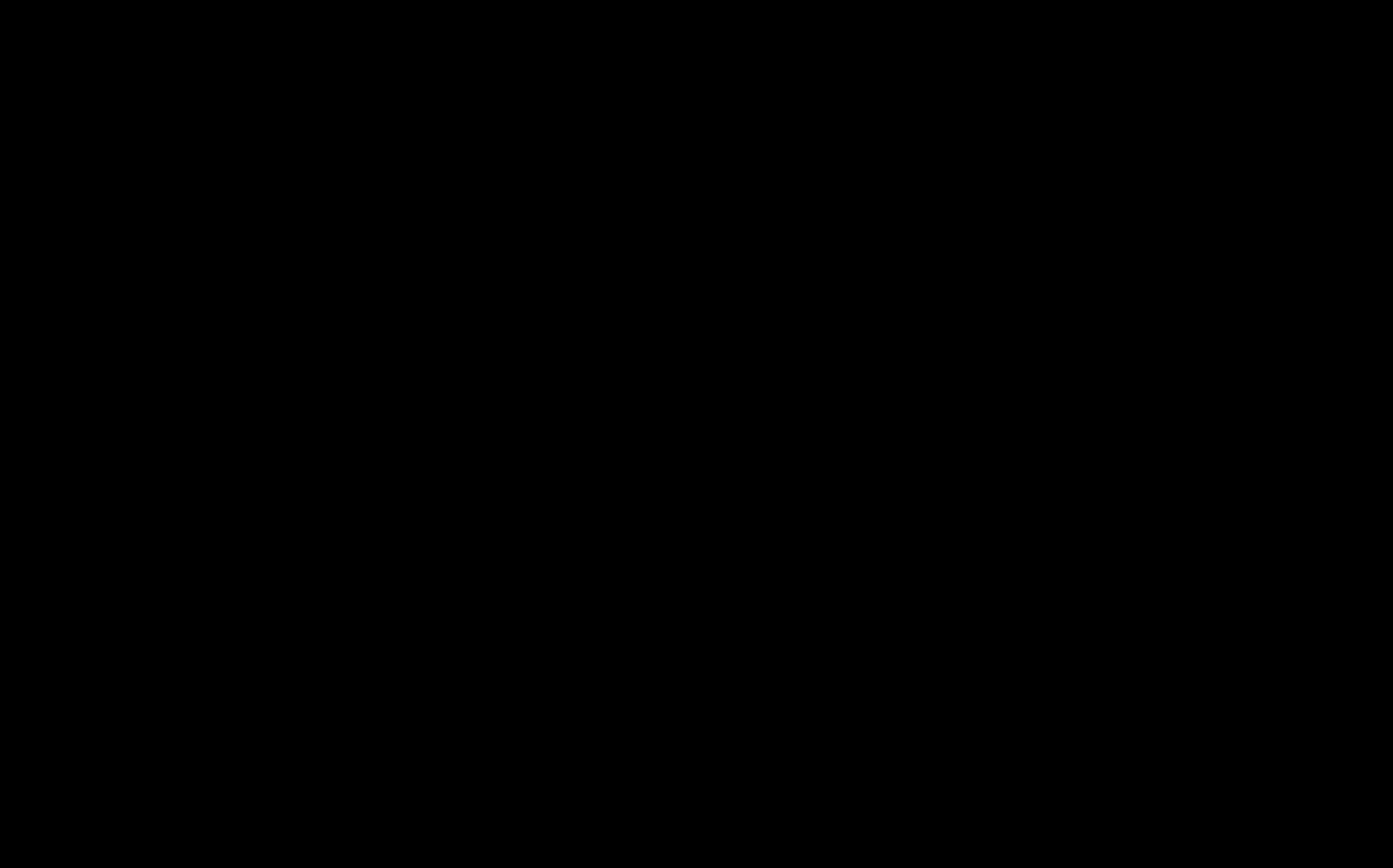
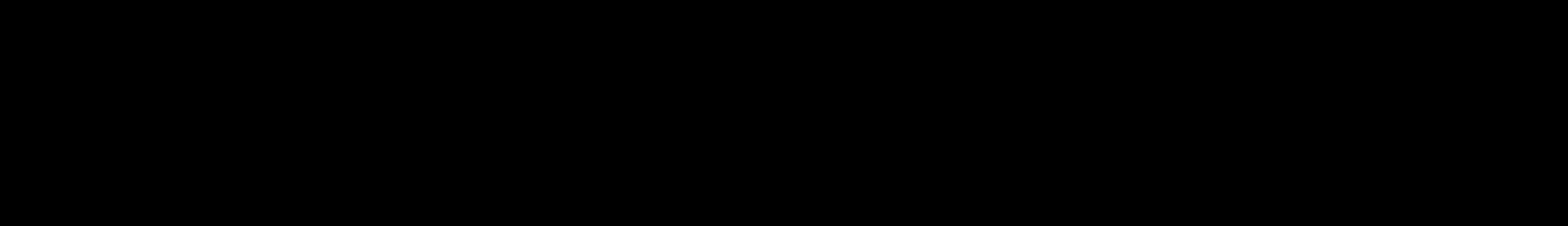
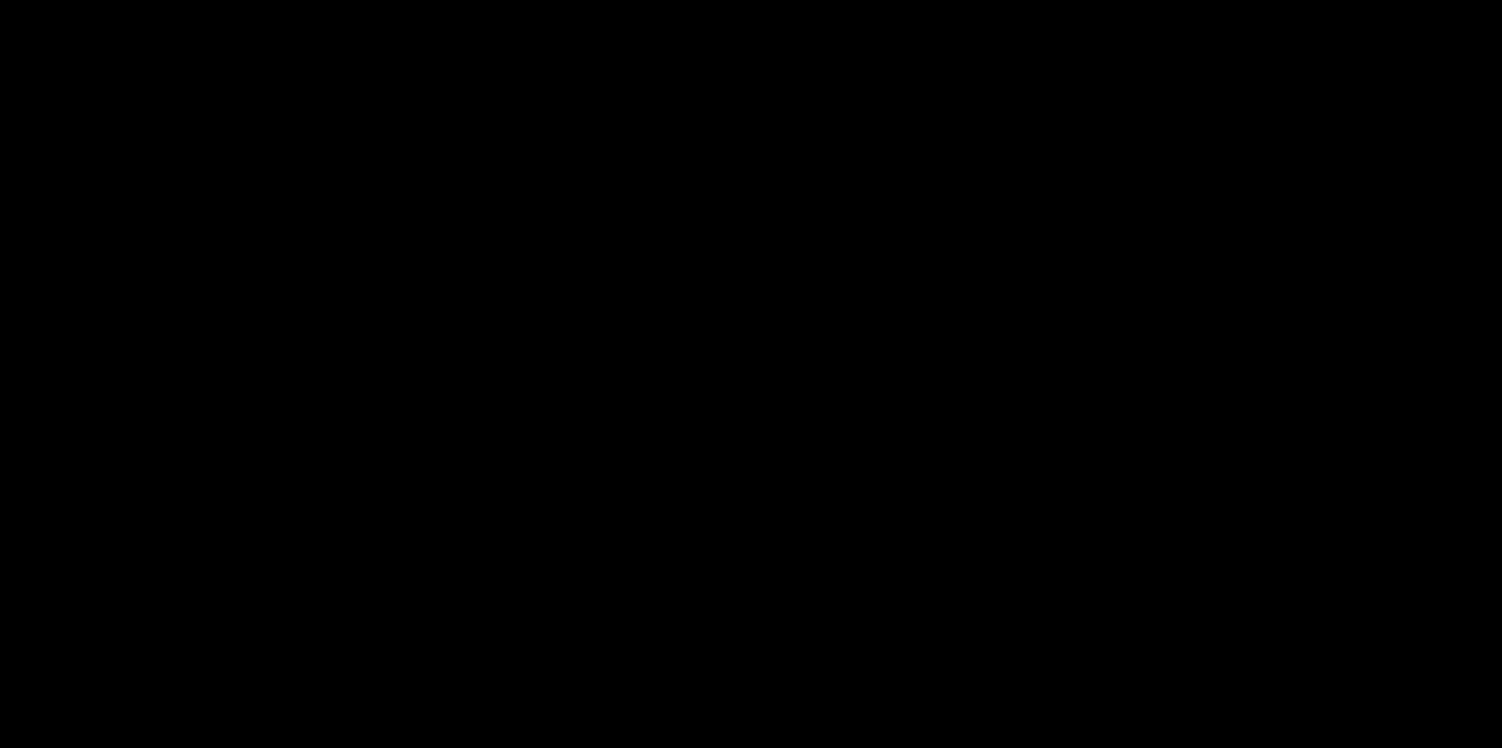
<b>Yes</b>	<b>No</b>	<b>DK/DR</b>	<b>TOTAL</b>
94	00	00	<b>94</b>
100.00%	00.00%	00.00%	<b>100.00%</b>

20. After the arbitration hearing, was a copy of the decision sent to you?

<b>Yes</b>	<b>No</b>	<b>DK/DR</b>	<b>TOTAL</b>
94	00	00	<b>94</b>
100.00%	00.00%	00.00%	<b>100.00%</b>

21. Which statement best describes your arbitration decision?

<b>Repurchase or Replacement</b>	<b>Repair</b>	<b>Other Award</b>	<b>No Award</b>	<b>DK/DR</b>	<b>TOTAL</b>
30	13	03	48	00	<b>94</b>
31.92%	13.83%	03.19%	51.06%	00.00%	<b>100.00%</b>





Incomplete participation in BBB AUTO LINE by certain consumer representatives seems to defeat the purpose of informal dispute settlement Mechanisms, as envisioned by Congress and by the Federal Trade Commission, to encourage early and informal resolution of warranty disputes without having to resort to the courts. As noted under the Recommendations section below, Morrison and Company suggests that the Federal Trade Commission review the provisions of its regulations relating to oral presentations and the authority of the Mechanism to gather information necessary for a fair decision.

**Table 4.11 [National]  
Comparison of Arbitrations Based on Representation**

BBB AUTO LINE Arbitration		All Arbitration Awards	Arbitration Awards when Presented in Person or by Telephone	Arbitration Awards when Presented in Writing
Repurchase/Replacement	#	1,716	1,596	120
	%	31.60%	35.78%	12.36%
Repair	#	848	765	83
	%	15.61%	17.15%	08.55%
Other award	#	161	151	10
	%	02.96%	03.39%	01.03%
Subtotal: Awards	#	<b>2,725</b>	<b>2,512</b>	<b>213</b>
	%	<b>50.17%</b>	<b>56.32%</b>	<b>21.94%</b>
No Award	#	2,706	1,948	758
	%	49.83%	43.68%	78.06%
TOTAL Arbitrations	#	<b>5,431</b>	<b>4,460</b>	<b>971</b>
	%	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Only those consumers who responded that they received an arbitration award in Question Number 21 were asked Question Number 22.



Only those consumers who responded that they accepted an arbitration award in Question Number 22 were asked Question Number 24.

24. Did you later talk to BBB AUTO LINE staff or receive a letter from BBB AUTO LINE staff about whether the manufacturer carried out the terms of the arbitration decision?

Talked with Staff	Received a Letter	Both	Neither	DK/DR	TOTAL
01	02	36	00	00	<b>39</b>
02.56%	05.13%	92.31%	00.00%	00.00%	<b>100.00%</b>

Only those consumers who responded that they received no award in Question Number 21 or that they rejected an award in Question Number 22 were asked Question Number 25.

25. After your arbitration decision, did you pursue the dispute any further?



Morrison and Company would like to note that the difference in opinion between consumers surveyed regarding arbitrators and BBB AUTO LINE staff appeared to result from unsatisfactory resolution of individual cases. Those consumers who received an award appeared to be far more favorable towards their arbitrator than those who received no award.

It should be noted here that only the more complex cases ever reach arbitration now, due to the mediation efforts of BBB AUTO LINE staff, and to those manufacturers who have made efforts to resolve claims before they reach the arbitration stage. Even when consumers were not




30. What grade would you give the arbitrator on coming to a reasoned and well thought-out decision?

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>F</b>	<b>DK/DR</b>	<b>TOTAL</b>
23	16	13	22	20	00	<b>94</b>
24.47%	17.02%	13.83%	23.41%	21.28%	00.00%	<b>100.00%</b>

Table 4.13 has been determined by averaging the separate areas graded [Understanding the Facts, Objectivity and Fairness, Rendering Impartial Decisions, and Rendering Reasonable and Well Thought-out Decision] into one number.

**Table 4.13 [National]  
Composite Arbitrator Grade**

<b>Grade</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>F</b>	<b>DK/DR</b>	<b>TOTAL</b>
<b>#</b>	21.50	17.25	14.00	21.25	20.00	00.00	<b>94</b>
<b>%</b>	22.87%	18.35%	14.89%	22.61%	21.28%	00.00%	<b>100.00%</b>



**TABLE 4.14 [National]  
Yearly Comparison of Arbitrator Satisfaction [Composite]**

<b>Grade</b>		<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>A</b>	<b>#</b>	21.50	22.75	36.75	29.50
	<b>%</b>	22.87%	22.53%	30.88%	39.33%
<b>B</b>	<b>#</b>	17.25	16.25	18.50	10.25
	<b>%</b>	18.35%	16.09%	15.55%	13.67%
<b>C</b>	<b>#</b>	14.00	14.25	11.50	10.75
	<b>%</b>	14.89%	14.11%	9.66%	14.34%
<b>D</b>	<b>#</b>	21.25	28.00	19.00	12.25
	<b>%</b>	22.61%	27.72%	15.97%	16.33%
<b>F</b>	<b>#</b>	20.00	19.75	33.25	12.25
	<b>%</b>	21.28%	19.55%	27.94%	16.33%
<b>DK/DR</b>	<b>#</b>	00.00	00.00	00.00	00.00
	<b>%</b>	00.00%	00.00%	00.00%	00.00%
<b>TOTAL</b>	<b>#</b>	<b>94</b>	<b>101</b>	<b>119</b>	<b>75</b>
	<b>%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Table 4.15 [National]  
Yearly Comparison of Satisfactory Arbitrator Grades**

Satisfactory Grade		2006	2005	2004	2003
<b>A</b>	#	21.50	22.75	36.75	29.50
	%	22.87%	22.53%	30.88%	39.33%
<b>B</b>	#	17.25	16.25	18.50	10.25
	%	18.35%	16.09%	15.55%	13.67%
<b>C</b>	#	14.00	14.25	11.50	10.75
	%	14.89%	14.11%	9.66%	14.34%
<b>TOTAL/Out of #</b>	#	<b>52.75/94</b>	<b>53.25/101</b>	<b>66.75/119</b>	<b>50.50/75</b>
<b>Out of 100.00%</b>	%	<b>56.12%</b>	<b>52.73%</b>	<b>56.09%</b>	<b>67.34%</b>

**09. Consumer Satisfaction with BBB AUTO LINE staff**

Consumers who responded that their cases were resolved through mediation or arbitration in Question Number 13 were asked Question Numbers 31 through 34.

31. What grade would you give BBB AUTO LINE staff on objectivity and fairness?

A	B	C	D	F	DK/DR	TOTAL
157	53	04	09	04	00	<b>227</b>
69.16%	23.35%	01.76%	03.97%	01.76%	00.00%	<b>100.00%</b>

32. What grade would you give BBB AUTO LINE staff on their efforts to assist you in resolving your claim?

A	B	C	D	F	DK/DR	TOTAL
159	49	05	12	02	00	<b>227</b>
70.04%	21.59%	02.20%	05.29%	00.88%	00.00%	<b>100.00%</b>

33. Overall, what grade would you give BBB AUTO LINE?

A	B	C	D	F	DK/DR	TOTAL
161	51	03	10	02	00	<b>227</b>
70.93%	22.47%	01.31%	04.41%	00.88%	00.00%	<b>100.00%</b>

**Table 4.16 [National]  
Composite Comparison of BBB AUTO LINE Staff Efforts**

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>F</b>	<b>DK/DR</b>	<b>TOTAL</b>
159.00	51.00	04.00	10.33	02.67	00	<b>227</b>
70.04%	22.47%	01.76%	04.55%	01.18%	00.00%	<b>100.00%</b>

**TABLE 4.17 [National]  
Yearly Comparison of BBB AUTO LINE Staff Efforts**

<b>Grade</b>		<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>A</b>	<b>#</b>	159.00	162.00	155.00	194.00
	<b>%</b>	70.04%	65.32%	64.85%	73.21%
<b>B</b>	<b>#</b>	51.00	55.00	47.67	34.00
	<b>%</b>	22.47%	22.18%	19.95%	12.83%
<b>C</b>	<b>#</b>	04.00	13.00	15.33	11.33
	<b>%</b>	01.76%	05.24%	06.41%	04.28%
<b>D</b>	<b>#</b>	10.33	11.33	12.00	14.67
	<b>%</b>	04.55%	04.57%	05.02%	05.53%
<b>F</b>	<b>#</b>	02.67	06.67	09.00	08.00
	<b>%</b>	01.18%	02.69%	03.77%	03.02%
<b>DK/DR</b>	<b>#</b>	00.00	00.00	00.00	03.00
	<b>%</b>	00.00%	00.00%	00.00%	01.13%
<b>TOTAL</b>	<b>#</b>	<b>227</b>	<b>248</b>	<b>239</b>	<b>265</b>
	<b>%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Table 4.18 represents the satisfactory grades [A, B, and C] from Table 4.17, which were then averaged into one single "Satisfactory" grade.

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## B. Florida

As noted in the national segment, this segment is devoted to the statistical data provided through the Florida consumer survey. It is required that Florida consumers be specifically surveyed, in addition to those drawn for the national survey.

### 01. General Information

This segment establishes the year of the vehicle involved in the consumer complaint. All consumers who responded to the survey were asked Question Numbers 01 through 04.

01. What is the year of the vehicle involved in the complaint you filed with BBB AUTO LINE?

2007	2006	2005	2004	2003 or earlier	DK/DR	TOTAL
00	24	31	33	12	00	<b>100</b>
00.00%	24.00%	31.00%	33.00%	12.00%	00.00%	<b>100.00%</b>

### 02. Consumer Knowledge about Program

02. How did you first learn about BBB AUTO LINE?

BBB	Internet	Friend/ Family	Attorney	Media	Dealer	Mfr. Rep.	Owner's Manual or other Mfr. Inf.	DK/DR	TOTAL
03	18	19	05	00	24	00	28	03	<b>100</b>
03.00%	18.00%	19.00%	05.00%	00.00%	24.00%	00.00%	28.00%	03.00%	<b>100.00%</b>

Table 4.19 is a comparison of the results of consumer surveys from the years 2003 through 2006; all yearly comparison tables will use the same survey years.

**TABLE 4.19 [Florida]  
Yearly Comparison of How the Consumer Learned about BBB AUTO LINE**

<b>Method/Year</b>		<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>Better Business Bureau</b>	#	03	02	00	12
	%	03.00%	02.00%	00.00%	12.00%
<b>Internet</b>	#	18	19	14	10
	%	18.00%	19.00%	14.00	10.00%
<b>Friend/Family</b>	#	19	21	22	11
	%	19.00%	21.00%	22.00%	11.00%
<b>Attorney</b>	#	05	03	00	02
	%	05.00%	03.00%	00.00%	02.00%
<b>Media</b>	#	00	00	00	03
	%	00.00%	00.00%	00.00%	03.00%
<b>Dealer</b>	#	24	22	22	11
	%	24.00%	22.00%	22.00%	11.00%
<b>Manufacturer's Representative</b>	#	00	00	00	06
	%	00.00%	00.00%	00.00%	06.00%
<b>Owner's Manual/ Mfr. Inf.</b>	#	28	23	29	45
	%	28.00%	23.00%	29.00%	45.00%
<b>DK/DR</b>	#	03	10	13	00
	%	03.00%	10.00%	13.00%	00.00%
<b>TOTAL</b>	#	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
	%	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>






09. BBB AUTO LINE records show that your case required \_\_\_\_\_ days to complete.  
Does that seem correct to you?

<b>Yes</b>	<b>No</b>	<b>DK/DR</b>	<b>TOTAL</b>
58	14	00	72



**Table 4.20 [Florida]  
Cases Delayed Beyond 40 Days**

Case File Records		40 Days or Less	More than 40 Days	TOTAL
Consumers who Agreed with Case File Records	#	47	11	58
	%	81.03%	18.97%	100%
Consumers Who Disagreed with Case File Records	#	11	03	14
	%	78.57%	21.43%	100%
TOTAL	#	58	14	72
	%	80.56%	19.44%	100.00%

Only those consumers who responded that their cases went beyond 40 days in Question Numbers 10 and 11 were asked Question Number 12.

12. What was the reason for going beyond 40 days in your case?

Request of, or Action by, Consumer	Action by BBB AUTO LINE	Request of, or Action by, Manufacturer	Additional Information or Technical Inspection Requested by Arbitrator	DK/DR	TOTAL
08	01	02	03	00	14
57.14%	07.14%	14.29%	21.43%	00.00%	100.00%

**TABLE 4.21 [Florida]  
Yearly Comparison of Reasons for Exceeding 40 Days**

Reason for Delay		2006	2005	2004	2003
Request of, or Action by, Consumer	#	08	07	00	01
	%	57.14%	58.33%	00.00%	08.33%
Action by BBB AUTO LINE	#	01	03	00	02
	%	07.14%	25.00%	00.00%	16.67%
Request of, or Action by, Manufacturer	#	02	00	00	04
	%	14.29%	00.00%	00.00%	33.33%
Additional Inf. or Technical Inspection by Arbitrator	#	03	02	00	04
	%	21.43%	16.67%	00.00%	33.33%
DK/DR	#	00	00	03	01
	%	00.00%	00.00%	42.86%	08.34%
<b>TOTAL</b>	#	<b>14</b>	<b>12</b>	<b>07</b>	<b>12</b>
	%	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**05. Resolution of Cases +**

All consumers who responded to the survey were asked Question Number 13.

13. Which stponded to th


**TABLE 4.22 [Florida]  
Comparison of Resolution of Cases**

Method of Resolution		Morrison and Company	BBB AUTO LINE
Mediated	#	43	1,268
	%	43.00%	38.63%
Arbitrated	#	29	813
	%	29.00%	24.77%
Ineligible/Withdrawn	#	28	1,201
	%	28.00%	36.59%
DK/DR	#	00.00	00
	%	00.00%	00.00%
TOTAL	#	<b>100</b>	<b>3,282</b>
	%	<b>100.00%</b>	<b>100.00%</b>

Table 4.23 shows a comparison of consumer surveys from prior years in comparison with BBB AUTO LINE statistics.

**TABLE 4.23 [Florida]  
Yearly Comparison of Resolution of Cases**

Method of Resolution		2006		2005		2004		2003	
		Morrison and Company	BBB AUTO LINE	Morrison and Company	BBB AUTO LINE	Morrison and Company	BBB AUTO LINE	Morrison and Company	BBB AUTO LINE
Mediation	#	43	1,268	45	1,500	36	1,295	56	1,606
	%	43.00%	38.63%	45.00%	46.45%	36.00%	45.12%	56.00%	47.49%
Arbitration	#	29	813	26	671	27	681	19	793
	%	29.00%	24.77%	26.00%	20.78%	27.00%	23.73%	19.00%	23.45%
Ineligible Withdrawn	#	28	1,201	29	1,058	37	894	25	983
	%	28.00%	36.59%	29.00%	32.77%	37.00%	31.15%	25.00%	29.06%


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**TABLE 4.25 [Florida]  
Yearly Comparison of Mediation Settlements**

Mediation Settlement		2006		2005		2004		2003	
		Morrison and Company	BBB AUTO LINE	Morrison and Company	BBB AUTO LINE	Morrison and Company	BBB AUTO LINE	Morrison and Company	BBB AUTO LINE
Repurchase/ Replacement	#	17	445	12	418	14	401	17	544
	%	39.53%	35.09%	26.67%	27.87%	38.89%	30.98%	30.36%	33.87%
Repair	#	16	682	27	918	22	700	27	829
	%	37.21%	53.79%	60.00%	61.20%	61.11%	54.10%	48.21%	51.62%
Other	#	10	141	06	164	00	193	12	233
	%	23.26%	11.12%	13.33%	10.93%	00.00%	14.92%	21.43%	14.51%
DK/DR	#	00	N/A	00	N/A	00	N/A	00	N/A
	%	00.00%	N/A	00.00%	N/A	00.00%	N/A	00.00%	N/A
<b>TOTAL</b>	#	<b>43</b>	<b>1,268</b>	<b>45</b>	<b>1,500</b>	<b>36</b>	<b>1294</b>	<b>56</b>	<b>1606</b>
	%	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>



**TABLE 4.26 [Florida]**

**Yearly Comparison of Manufacturer Compliance with Mediation Settlement**

Manufacturer Compliance		2006		2005		2004		2003	
		Morrison and Company	BBB AUTO LINE	Morrison and Company	BBB AUTO LINE	Morrison and Company	BBB AUTO LINE	Morrison and Company	BBB AUTO LINE
Yes, Within the Specified Time	#	37	1,195	37	1,454	29	1,243	44	1,551
	%	86.05%	94.47%	82.22%	97.00%	80.56%	95.98%	78.57%	96.57%
Yes, After the Specified Time	#	05	09	06	12	06	05	08	10
	%	11.63%	00.71%	13.33%	00.80%	16.67%	00.39%	14.29%	00.62%
No	#	01	39	02	23	00	22	02	26
	%	02.32%	03.08%	04.44%	01.53%	00.00%	01.70%	03.57%	01.62%
DK/DR	#	00	N/A	00	N/A	01	N/A	02	N/A
	%	00.00%	N/A	00.00%	N/A	02.77%	N/A	03.57%	N/A
Nonperf. due to consumer or time for perf. has not occurred	#	N/A	22	N/A	10	N/A	25	N/A	19
	%	N/A	01.74%	N/A	00.67%	N/A	01.93%	N/A	01.18%
<b>TOTAL</b>	#	<b>43</b>	<b>1,265</b>	<b>45</b>	<b>1,499</b>	<b>36</b>	<b>1,295</b>	<b>56</b>	<b>1,606</b>
	%	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

17. Did you later talk to BBB AUTO LINE staff or receive a letter from BBB AUTO LINE staff about whether the manufacturer carried out the terms of the settlement?

Talked with Staff	Received a Letter	Both	Neither	DK/DR	TOTAL
01	02	40	00	00	<b>43</b>
02.33%	04.65%	93.02%	00.00%	00.00%	<b>100.00%</b>

Only those consumers who responded "No" in Question Number 16 were asked Question Number 18.

18. Did you continue your case with BBB AUTO LINE after this point?

Yes	No	DK/DR	TOTAL
00	01	00	<b>01</b>
00.00%	100.00%	00.00%	<b>100.00%</b>

**07. Arbitrated Cases+**

Only those consumers who responded that their cases were resolved through arbitration in Question Number 13 were asked Question Numbers 19 through 21.

19. Did you receive written notice of the scheduled date, time, and place for your arbitration hearing?

Yes	No	DK/DR	TOTAL
29	00	00	29
100.00%	00.00%	00.00%	100.00%

20. After the arbitration hearing, was a copy of the decision sent to you?

Yes	No	DK/DR	TOTAL
29	00	00	29
100.00%	00.00%	00.00%	100.00%

21. Which statement best describes your arbitration decision?

15	156	Tf-30.66	-1.94	TD032	Tc[(100.00%)	-6047.3(00.00%)	3.6(i)3(00.00%)	]TJ/TT2	1	37.930	0.029







mechanisms, as envisioned by Congress and the Federal Trade Commission, to encourage early and informal resolution of warranty disputes without having to resort to the courts. As noted under the Recommendations section to this chapter, Morrison and Company suggests that the Federal Trade Commission and Florida regf238.32 335.76ida # 33vegf238.e5(rrante)-0.provrrida re



Only those consumers who responded that they accepted an arbitration award in Question Number 22 were asked Question Numbers 23 through 24.

23. Did the manufacturer carry out the terms of the arbitration decision?

Yes, Wi74(T(th74(T()-0.92 tho))TJ1.0127 T1.127 4TD0.0038Tc-0.0012 Tc[(YSp)0.81(ci)-25(f)4.29()-25(ed)0.				







**Table 4.31 [Florida]  
Composite Arbitrator Grade**

<b>Grade</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>F</b>	<b>DK/DR</b>	<b>TOTAL</b>
<b>#</b>	04.75	07.25	03.25	07.75	06.00	00	<b>29</b>
<b>%</b>	16.38%	25.00%	11.21%	26.72%	20.69%	00.00%	<b>100.00%</b>

**TABLE 4.32 [Florida]  
Yearly Comparison of Arbitrator Satisfaction [Composite]**

<b>Grade</b>		<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>A</b>	<b>#</b>	04.75	03.25	06.00	10.00
	<b>%</b>	06.38%	12.50%	22.22%	52.64%
<b>B</b>	<b>#</b>	07.25	06.00	07.00	01.50
	<b>%</b>	25.00%	23.08%	25.93%	10.45%
<b>C</b>	<b>#</b>	03.25	02.00	00.00	03.50
	<b>%</b>	11.21%	07.69%	00.00%	18.42%
<b>D</b>	<b>#</b>	07.75	05.00	00.00	01.00
	<b>%</b>	26.72%	19.23%	00.00%	05.26%
<b>F</b>	<b>#</b>	06.00	09.75	14.00	03.00
	<b>%</b>	20.69%	37.50%	51.85%	15.79%

01 T50036253 (03.25)-56467.3 (005.26%) 396.00 (005.26%) 396.00 (005.26%) 396.00 (005.26%) .16 -1.94 TD0.5(46











**C. Ohio**

As noted above, this segment is devoted to the statistical data provided through the consumer survey for Ohio. It is required that Ohio consumers be surveyed, in addition to those drawn for the national survey.

**01. General Information**

This segment establishes the year of the vehicle involved in the consumer complaint. All consumers who responded to the survey were asked Question Numbers 01 through 04.

01. What is the year of the vehicle involved in the complaint you filed with BBB AUTO LINE?

2006	2005	2004	2003	2002 or earlier	DK/DR	TOTAL
00	02	57	27	14	00	100
00.00%	02.00%	57.00%	27.00%	14.00%	00.00%	100.00%

**02. Consumer Knowledge about Program**

02. How did you first learn about BBB AUTO LINE?

BBB	Internet	Friend/Family	Attorney	Media	Dealer	Mfr. Rep.	Owner's Manual or other Mfr. Information	DK/DR	TOTAL	AF

**TABLE 4.37 [Ohio]  
Yearly Comparison of How the Consumer Learned about BBB AUTO LINE**





### 03. Ineligible/Withdrawn Cases +

All consumers who responded to the survey were asked Question Number 07.

07. Was your case determined to be ineligible or did you choose to withdraw your claim?

Yes	No	DK/DR	TOTAL
39	61	00	100
39.00%	61.00%	00.00%	100.00%

Only those consumers who responded “Yes” to Question Number 07 were asked Question Number 08.

08. Why was your case considered ineligible or what caused you to withdraw your claim?

Outside Program's Jurisdiction	Settled/Car was Repaired	Consumer Sold Vehicle	Consumer Initiated Legal Action	Consumer Did Not Want to Pursue	DK/DR	TOTAL
11	05	01	13	09	00	39
28.21%	12.82%	02.56%	33.33%	23.08%	00.00%	100.00%

### 04. Forty Day Time Limit +

This section discusses the mandated time limit of 40 days in which BBB AUTO LINE is required to close all cases. BBB AUTO LINE does not delay cases as a result of missing consumer information described in Rule § 703.5(e)(1) and Ohio certification regulations §109:4-4-04(C)(8). However, when there is missing consumer information other than the specified minimum, the staff continues the process based upon information provided at any time by the consumer.

Only those consumers who indicated they had an eligible case in Question Number 07 were asked Question Number 09.


**Table 4.38 [Ohio]  
Cases Delayed Beyond 40 Days**

Case File Records		40 Days or Less	More than 40 Days	TOTAL
Consumers who Agreed with Case File Records	#	40	13	53
	%	75.47%	24.53%	%
Consumers Who Disagreed with Case File Records	#	06	02	08
	%	75.00%	25.00%	100%
TOTAL	#	46	15	61
	%	75.41%	24.59%	100.00%

Only those consumers who responded that their cases went beyond 40 days in Question Numbers 10 and 11 were asked Question Number 12.

12. What was the reason for going beyond 40 days in your case?

Request of, or Action by, Consumer	Action by BBB AUTO LINE	Request of, or Action by, Manufacturer	Additional Information or Technical Inspection Requested by Arbitrator	DK/DR	TOTAL
02	01	01	11	00	15
13.33%	06.67%	06.67%	73.33%	00.00%	100.00%



**TABLE 4.39 [Ohio]  
Yearly Comparison of Reasons for Exceeding 40 Days**

Reason for Delay		2006	2005	2004	2003
<b>Request of, or Action by, Consumer</b>	#	02	02	00	02
	%	13.33%	10.00%	00.00%	11.76%
<b>Action by BBB AUTO LINE</b>	#	01	01	00	04
	%	06.67%	05.00%	00.00%	23.53%
<b>Request of, or Action by, Manufacturer</b>	#	01	00	21	05
	%	06.67%	00.00%	100.00%	29.42%
<b>Additional Inf. or Technical Inspection by Arbitrator</b>	#	11	17	00	02
	%	73.33%	85.00%	00.00%	11.76%
<b>DK/DR</b>	#	00	00	00	04
	%	00%	00.00%	00.00%	23.53%
<b>TOTAL</b>	#	<b>15</b>	<b>20</b>	<b>21</b>	<b>17</b>
	%	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**05. Resolution of Cases +**

13. Which statement best reflects the resolution in your case?

Your claim was settled through mediation without having a hearing	Your claim was decided by an arbitrator after a hearing	[Withdrawn or ineligible from Question 07]	DK/DR	TOTAL
32	29	39	00	<b>100</b>
32.00%	29.00%	39.00%	00.00%	<b>100.00%</b>


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**06. Mediated Cases +**

Only those consumers who responded that their cases were resolved through mediation in Question Number 13 were asked Question Numbers 14 through 18.

14. Which statement best describes your mediation settlement?

Repurchase or Replacement	Repair	Other Settlement	DK/DR	TOTAL
13	09	10	00	<b>32</b>
40.63%	28.13%	31.24%	00.00%	<b>100.00%</b>

**Table 4.42 [Ohio]  
Comparison of Mediation Settlements**

Mediation Settlement		Morrison and Company	BBB AUTO LINE
Repurchase/Replacement	#	13	175
	%	40.63%	41.67%
Repair	#	09	119
	%	28.13%	28.33%
Other	#	10	126
	%	31.24%	30.00%
DK/DR	#	00	N/A
	%	00.00%	N/A
TOTAL	#	<b>32</b>	<b>420</b>
	%	<b>100.00%</b>	<b>100.00%</b>

**TABLE 4.43 [Ohio]  
Yearly Comparison of Mediation Settlements**

Mediation Settlement		2006		2005		2004		2003	
		Morrison and Company	BBB AUTO LINE	Morrison and Company	BBB AUTO LINE	Morrison and Company	BBB AUTO LINE	Morrison and Company	BBB AUTO LINE
Repurchase Replacement	#	13	175	15	219	23	217	14	261
	%	40.63%	41.67%	45.45%	46.90%	63.89%	47.00%	28.00%	42.00%
Repair	#	09	119	10	127	07	116	24	179
	%	28.13%	28.33%	30.31%	27.19%	19.44%	25.00%	48.00%	29.00%
Other Award	#	10	126	08	121	06	127	12	182
	%	31.24%	30.00%	24.24%	25.91%	16.67%	28%	24.00%	29.00%
DK/DR	#	00	N/A	00	N/A	00	N/A	00	N/A
	%	00.00%	N/A	00.00%	N/A	00.00%	N/A	00.00%	N/A
TOTAL	#	<b>32</b>	<b>420</b>	<b>33</b>	<b>467</b>	<b>36</b>	<b>460</b>	<b>50</b>	<b>622</b>
	%	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

15. After you reached a settlement, did you receive a letter from BBB AUTO LINE staff about the settlement terms?

Yes	No	DK/DR	TOTAL
31	01	00	<b>32</b>
96.88%	03.12%	00.00%	<b>100.00%</b>

16. Did the manufacturer carry out the terms of your settlement?

Yes, Within the Specified Time	Yes, After the Specified Time	No	DK/DR	TOTAL
28	03	01	00	<b>32</b>
87.50%	09.38%	03.12%	00.00%	<b>100.00%</b>

**TABLE 4.44 [Ohio]**





## 07. Arbitrated Cases+

Only those consumers who responded that their cases were resolved through arbitration in Question Number 13 were asked Question Numbers 19 through 21.

19. Did you receive written notice of the scheduled date, time, and place for your arbitration hearing?

Yes	No	DK/DR	TOTAL
28	00	01	29
96.55%	00.00%	03.45%	100.00%

20. After the arbitration hearing, was a copy of the decision sent to you?

Yes	No	DK/DR	TOTAL
29	00	00	29
100.00%	00.00%	00.00%	100.00%

21. Which statement best describes your arbitration decision?

Repurchase or Replacement	Repair	Other Award	No Award	DK/DR	TOTAL
10	01	01	17	00	29
34.48%	03.45%	03.45%	58.62%	00.00%	100.00%

**Table 4.45 [Ohio]  
Comparison of Arbitration Awards**

<b>Arbitration Award</b>		<b>Morrison and Company</b>	<b>BBB AUTO LINE</b>
<b>Repurchase/Replacement</b>	<b>#</b>	10	122
	<b>%</b>	34.48%	35.26%
<b>Repair</b>	<b>#</b>	01	22
	<b>%</b>	03.45%	06.36%
<b>Other award</b>	<b>#</b>	01	16
	<b>%</b>	03.45%	04.62%
<b>SUB-TOTAL</b> [those consumers who received an award]	<b>#</b>	<b>12</b>	<b>160</b>
	<b>%</b>	<b>41.38%</b>	<b>46.24%</b>
<b>No Award</b>	<b>#</b>	17	186
	<b>%</b>	58.62%	53.76%
<b>DK/DR</b>	<b>#</b>	00	N/A
	<b>%</b>	00.00%	ice-5415/ an a 54LI.9(6)0(b)9(6)0(

**TABLE 4.46 [Ohio]  
Yearly Comparison of Arbitration Awards**



representatives seems to defeat the purpose of informal dispute settlement mechanisms, as envisioned by Congress and the Federal Trade Commission, to encourage early and informal resolution of warranty disputes without having to resort to the courts. As noted under the Recommendations section to this chapter, Morrison and Company suggests that the Federal Trade Commission and Ohio regulators review the provisions of their regulations relating to oral presentations and the authority of the Mechanism to gather information necessary for a fair decision.

**Table 4.47 [Ohio]  
Comparison of Arbitrations Based on Method of Presentation of Case**

<b>BBB AUTO LINE Arbitration</b>		<b>All Arbitration Awards</b>	<b>Arbitration Awards when Presented in Person or by Telephone</b>	<b>Arbitration Awards when Presented in Writing</b>
<b>Repurchase/Replacement</b>	<b>#</b>	122	104	18
	<b>%</b>	35.26%	42.80%	17.48%
<b>Repair</b>	<b>#</b>	22	19	03
	<b>%</b>	06.36%	07.82%	02.91%
<b>Other award</b>	<b>#</b>	16	12	04
	<b>%</b>	04.62%	04.94%	03.88%
<b>TOTAL Arbitration Awards</b>	<b>#</b>	<b>160</b>	<b>135</b>	<b>25</b>
	<b>%</b>	<b>46.24%</b>	<b>55.56%</b>	<b>24.27%</b>
<b>TOTAL No Award Arbitrations</b>	<b>#</b>	186	108	78
	<b>%</b>	53.76%	44.44%	75.73%
<b>TOTAL Arbitrations</b>	<b>#</b>	<b>346</b>	<b>243</b>	<b>103</b>

|






**Table 4.51 [Ohio]  
Yearly Comparison of Satisfactory Arbitrator Grades**

Satisfactory Grade		2006	2005	2004	2003
<b>A</b>	#	07.50	07	08	06.25
	%	25.86%	23.33%	27.59%	34.72%
<b>B</b>	#	01.75	01	01	03.75
	%	06.04%	03.33%	03.44%	20.83%
<b>C</b>	#	04.75	04	04	02.50
	%	16.38%	13.34%	13.79%	13.89%
<b>TOTAL/Out of #</b>	#	<b>14/29</b>	<b>12/30</b>	<b>13/29</b>	<b>12.5/18</b>
<b>Out of 100.00%</b>	%	<b>48.28%</b>	<b>40.00%</b>	<b>44.83%</b>	<b>69.44%</b>

**09. Consumer Satisfaction with BBB AUTO LINE staff**

Consumers who responded that their cases were resolved through mediation or arbitration in Question Number 13 were asked Question Numbers 31 through 34.

31. What grade would you give BBB AUTO LINE staff on objectivity and fairness?

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>F</b>	<b>DK/DR</b>	<b>TOTAL</b>
36	09	08	04	04	00	<b>61</b>
59.02%	14.75%	13.11%	06.56%	06.56%	00.00%	<b>100.00%</b>





**Table 4.54 [Ohio]  
Yearly Comparison of Satisfactory BBB AUTO LINE Grades**

Satisfactory Grade		2006	2005	2004	2003
<b>A</b>	#	36.33	37	56	46
	%	59.57%	58.73%	86.15%	67.55%
<b>B</b>	#	08.33	08	04	11
	%	13.66%	12.70%	06.06%	16.18%
<b>C</b>	#	08.33	11	00	06
	%	13.66%	17.46%	00.00%	08.82%
<b>TOTAL/Out of #</b>	#	<b>52.99/61</b>	<b>56/63</b>	<b>60/65</b>	<b>63/68</b>
<b>Out of 100.00%</b>	%	<b>86.87%</b>	<b>88.89%</b>	<b>92.31%</b>	<b>92.65%</b>

34. Would you recommend BBB AUTO LINE to a friend or family member who is experiencing automotive problems?

Yes	No	Don't Know	TOTAL
56	05	00	61
91.80%	08.20%	00.00%	100.00%

**This segment of BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-Moss, Rule 703, the Ohio Lemon Law, and the Ohio Administrative Code.**



## **SECTION 05: RECOMMENDATIONS**

### **A. National**

Morrison and Company would like to recommend that BBB AUTO LINE continue its efforts to work with regulators in the area discussed above regarding incomplete participation by certain consumer representatives. It is recommended by Morrison and Company that BBB AUTO LINE look at avenues for making information on this free program more readily available to the general public.

It should also be stressed that consumers can access this program without legal assistance and at no charge to the consumer throughout the entire process. Morrison and Company also recommends that the Federal Trade Commission review the effectiveness of certain provisions of Rule 703, with the goal of encouraging oral presentations by the parties and reinforcing the authority of Mechanisms to gather information necessary for a fair decision.

### **B. Florida**

No recommendations specific to Florida are being made. BBB AUTO LINE staff should continue to work with CBBB to improve the seamless nature of the procedures already in place.

### **C. Ohio**

No recommendations specific to Ohio are being made. BBB AUTO LINE staff should continue to work with CBBB to improve the seamless nature of the procedures already in place.

## **SECTION 06: CONCLUSIONS**

The proportion of mediated cases has steadily increased over the years. This shows that consumers with stronger cases are reaching settlements more frequently. A larger percentage of the cases being arbitrated may not be strong cases. This results in lower numbers of satisfied consumers than would be expected when evaluating the adversarial aspect of the Informal Dispute Settlement Procedure process. Fewer of these consumers are obtaining the relief they seek in arbitration and are, thereby, less happy with their decision makers.

Morrison and Company analyzed the BBB AUTO LINE sta.5(-2.38 TD0.0016n2(on19.82 -1.18

AUTO LINE is to be commended for its thorough record-keeping procedures by improving on an already excellent program!

**This section of BBB AUTO LINE activity is IN COMPLIANCE with the specific requirements of Magnuson-**

# **CHAPTER FIVE**

## **SUMMARY**

## **CHAPTER 05: SUMMARY**

### **SECTION 01: INTRODUCTION**

As stated throughout this document, this audit is mandated on an annual basis by the requirements of Magnuson-Moss, Rule 703, the Florida Lemon Law, the Florida Administrative Code, the Ohio Lemon Law, and the Ohio Administrative Code. This audit covers cases which were closed during the 2006 calendar year.

### **SECTION 02: STATUTORY REQUIREMENTS**

**[Please refer to appendices for the complete text of all related laws, statutes, and regulations]**

### **SECTION 03: CONDITIONS**

All requirements for this audit have been completed by Morrison and Company as carefully as possible. Information has been researched, and this document has been made as complete and as accurate as possible. On-site visits have been made to assure program quality and consistent record keeping.

### **SECTION 04: FINDINGS**

#### **A. Manufacturer Warranty Materials**

Morrison and Company's review of the documentation from the manufacturers provided support to meet the basic requirements of Rule 703; however, the greater majority of manufacturer materials went beyond the minimum compliance requirements and provided more information than required to the consumer. There still remains a tendency on the part of a few manufacturers to place the information about BBB AUTO LINE in diverse areas of the warranty materials under various headings without specific notation of BBB AUTO LINE in the Index and/or the Table of Contents of the publications supplied to the consumer at the time of purchase.

#### **B. Office Practices and Procedures**

As has been noted in previous audits, the office practices and procedures of CBBB and of the local BBBs were found to be operating very smoothly and efficiently, and well within the requirements of Magnuson-Moss, with no clear violation of rules or regulations. In this year's audit as in past

There is abundant evidence of BBB AUTO LINE's effort to maintain a high standard of service to consumers.

### **C. Record-Keeping Procedures**

The record-keeping procedures of the national offices of BBB AUTO LINE and the local BBB AUTO LINE offices continue to be outstanding. All Case Files reviewed by Morrison and Company were found to have been handled properly. The procedures which were in place provided consumers prompt and competent attention.

This outstanding performance has continued to improve each year in which Morrison and Company has reviewed the program. It should be remembered that only the most difficult cases ever arrive at BBB AUTO LINE; the others are all resolved before they ever get to this stage.

### **D. Comparative Statistical Analysis**

BBB AUTO LINE statistics and indices were accurate and complete and were simple to use when comparing them with the telephone survey figures. The telephone survey of consumers continues to provide helpful information and a comparison with BBB AUTO LINE's more complete statistics. It should be noted that consumers sometimes are not accurate in their recollections of data pertaining to their case, and in some instances, do not understand the intricacies of the process clearly enough to determine the correct response to the survey questions. BBB AUTO LINE should be commended for its planning, and for the execution of a very difficult task.

## **SECTION 05: RECOMMENDATIONS**

### **A. Manufacturer Warranty Materials**

Morrison and Company continues to recommend strongly that certain manufacturers improve their efforts to help consumers learn about BBB AUTO LINE, particularly when consumers contact the manufacturers directly. Those manufacturers which meet only the bare minimum requirements s2rw[(thei)-14.4(nd C)5.4(o)TJ

Morrison and Company would like to recommend that CBBB continue to assist the local BBB offices with the daily problems which they encounter in working with BBB AUTO LINE. No serious issues arose during the program audits made by Morrison and Company.

### **C. Record-Keeping Procedures**

Morrison and Company has no recommendations to make regarding record-keeping procedures, due to the extremely high quality of record-keeping already in place. BBB AUTO LINE should serve as a role model for other dispute resolution programs.

### **D. Comparative Statistical Analysis**

One recommendation Morrison and Company would like to offer is that BBB AUTO LINE continue its efforts to improve the number of days it requires to resolve cases, although improvement is made annually in this regard. Morrison and Company is aware of the problems inherent in the strict time limits set forth by Rule 703.

Morrison and Company would also like to recommend that CBBB continue to work with regulators about the increasingly serious problem of incomplete participation in dispute resolution by certain consumer representatives, since it is obvious from the statistics that it is affecting the number of positive decisions for the consumer. Since the intent of Magnuson-Moss is to provide a free process which consumers can easily access, this trend is detrimental to the spirit and intent of the original language of Congress. Morrison and Company understands that the options available to BBB AUTO LINE to address this problem are limited by applicable regulations.

## **SECTION 06: CONCLUSIONS**

This review of BBB AUTO LINE resulted in only very few minor areas of concern. Most of these items are currently in the process of being corrected. Those items which need improvement should be addressed by those directly involved in order to maintain compliance.

In conclusion, BBB AUTO LINE continues to show an outstanding level of excellence in its performance of duties; therefore, Morrison and Company can state with confidence that BBB AUTO LINE

**IS IN COMPLIANCE  
WITH ALL RELATED REQUIREMENTS  
FOR THE PURPOSES OF**



# **APPENDICES**

**A - H**



# **APPENDIX A**

## **APPENDIX A**

### **MAGNUSON-MOSS WARRANTY ACT**

Public Law 93-637

93<sup>rd</sup> Congress, S. 356

January 4, 1975

An Act

To provide minimum disclosure standards for written consumer product warranties; to define minimum Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act may be cited as the "Magnuson-Moss Warranty–Federal Trade Commission Improvement Act"*

#### **TITLE I - CHAPTER 50 - CONSUMER PRODUCT WARRANTIES**

##### **DEFINITIONS**

Sec.

§ 2301. Definitions.

§ 2302. Rules governing contents of warranties.

(a) Full and conspicuous disclosure of terms and conditions; additional requirements for contents.

(b) Availability of terms to consumer; manner and form for presentation and display of information; duration; extension of period for written warranty or service contract.

- (d) Remedy without charge.
- (e) Incorporation of standards to products designated with full warranty for purposes of judicial actions.
- § 2305. Full and limited warranting of a consumer product.
- § 2306. Service contracts; rules for full, clear and conspicuous disclosure of terms and conditions; addition to or in lieu of written warranty.
- § 2307. Designation of representatives by warrantor to perform duties under written or implied warranty.
- § 2308. Implied warranties.
  - (a) Restrictions on disclaimers or modifications.
  - (b) Limitation on duration.
  - (c) Effectiveness of disclaimers, modifications, or limitations.
- § 2309. Procedures applicable to promulgation of rules by Commission.
  - (a) Oral presentation.
  - (b) Warranties and warranty practices involved in sale of used motor vehicles.
- § 2310. Remedies in consumer disputes.
  - (a) Informal dispute settlement procedures; establishment; rules setting forth minimum requirements; effect of compliance by warrantor; review of informal procedures or implementation by Commission; application to existing informal procedures.
  - (b) Prohibited acts.
  - (c) Injunction proceedings by Attorney General or Commission for deceptive warranty, noncompliance with requirements, or violating prohibitions; procedures; definitions.
  - (d) Civil action by consumer for damages, etc.; jurisdiction; recovery of costs and expenses; cognizable claims.
  - (e) Class actions; conditions; procedures applicable.
  - (f) Warrantors subject to enforcement of remedies.
- § 2311. Applicability to other laws.
  - (a) Federal Trade Commission Act and Federal Seed Act.
  - (b) Rights, remedies, and liabilities.
  - (c) State warranty laws.
  - (d) Other Federal warranty laws.
- § 2312. Effective dates.
  - (a) Effective date of chapter.
  - (b) Effective date of section 2302(a).
  - (c) Promulgation of rules.
- Sec. 2301. Definitions
  - For the purposes of this chapter:
    - (1) The term "consumer product" means any tangible personal property which is distributed in commerce and which is normally used for personal, family, or household purposes(including any such property intended to be attached to or installed in any real property without regard to whether it is so attached or installed).
    - (2) The term "Commission" means the Federal Trade Commission.



except that the warrantor may not elect refund unless

- (i) the warrantor is unable to provide replacement and repair is not commercially practicable or cannot be timely made, or
- (ii) the consumer is willing to accept such refund.

(11) The term "replacement" means furnishing a new consumer product which is identical or reasonably equivalent to the warranted consumer product.

(12) The term "refund" means refunding the actual purchase price (less reasonable depreciation based on actual use where permitted by rules of the Commission).

(13) The term "distributed in commerce" means sold in commerce, introduced or delivered for introduction into commerce, or held for sale or distribution after introduction into commerce.

(14) The term "commerce" means trade, traffic, commerce, or transportation -

- (A) between a place in a State and any place outside thereof, or
- (B) which affects trade, traffic, commerce, or transportation described in subparagraph (A).

(15) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Canal Zone, or American Samoa. The term "State law" includes a law of the United States applicable only to the District of Columbia or only to a territory or possession of the United States; and the term "Federal law" excludes any State law.

#### Sec. 232. Rules governing contents of warranties

(a) Full and conspicuous disclosure of terms and conditions; additional requirements for contents In order to improve the adequacy of information available to consumers, prevent deception, and improve competition in the marketing of consumer products, any warrantor warranting a consumer product to a consumer by means of a written warranty shall, to the extent required by rules of the Commission, fully and conspicuously disclose in simple and readily understood language the terms and conditions of such warranty. Such rules may require inclusion in the written warranty of any of the following items among others:

- (1) The clear identification of the names and addresses of the warrantors.
- (2) The identity of the party or parties to whom the warranty is extended.
- (3) The products or parts covered.
- (4) A statement of what the warrantor will do in the event of a defect, malfunction, or failure to conform with such written warranty - at whose expense - and for what period of time.
- (5) A statement of what the consumer must do and expenses he must bear.
- (6) Exceptions and exclusions from the terms of the warranty.
- (7) The step-by-step procedure which the consumer should take in order

to obtain performance of any obligation under the warranty, including the identification of any person or class of persons authorized to perform the obligations set forth in the warranty.

(8) Information respecting the availability of any informal dispute settlement procedure offered by the warrantor and a recital, where the warranty so provides, that the purchaser may be required to resort to such procedure before pursuing any legal remedies in the courts.

(9) A brief, general description of the legal remedies available to the consumer.

(10) The time at which the warrantor will perform any obligations under the warranty.

(11) The period of time within which, after notice of a defect, malfunction, or failure to conform with the warranty, the warrantor will perform any obligations under the warranty.

(12) The characteristics or properties of the products, or parts thereof, that are not covered by the warranty.

(13) The elements of the warranty in words or phrases which would not mislead a reasonable, average consumer as to the nature or scope of the warranty.

(b) Availability of terms to consumer; manner and form for presentation and display of information; duration; extension of period for written warranty or service contract

(1) (A) The Commission shall prescribe rules requiring that the terms of any written warranty on a consumer product be made available to the consumer(or prospective consumer) prior to the sale of the product to him.

(B) The Commission may prescribe rules for determining the manner and form in which information with respect to any written warranty of a consumer product shall be clearly and conspicuously presented or displayed so as not to mislead the reasonable, average consumer, when such information is contained in advertising, labeling, point-of-sale material, or other representations in writing.

(2) Nothing in this chapter(other than paragraph (3) of this subsection) shall be deemed to authorize the Commission to prescribe the duration of written warranties given or to require that a consumer product or any of its components be warranted.

(3) The Commission may prescribe rules for extending the period of time a written warranty or service contract is in effect to correspond with any period of time in excess of a reasonable period(not less than 10 days) during which the consumer is deprived of the use of such consumer product by reason of failure of the product to conform with the written warranty or by reason of the failure of the warrantor(or service contractor) to carry out such warranty(or service contract) within the period specified

in the warranty(or service contract).

(c) Prohibition on conditions for written or implied warranty; waiver by Commission No warrantor of a consumer product may condition his written or implied warranty of such product on the consumer's using, in connection with such product, any article or service(other than article or service provided without charge under the terms of the warranty) which is identified by brand, trade, or corporate name; except that the prohibition of this subsection may be waived by the Commission if -

(1) the warrantor satisfies the Commission that the warranted product will function properly only if the article or service so identified is used in connection with the warranted product, and

(2) the Commission finds that such a waiver is in the public interest. The Commission shall identify in the Federal Register, and permit public comment on, all applications for waiver of the prohibition of this subsection, and shall publish in the Federal Register its disposition of any such application, including the reasons therefor.

(d) Incorporation by reference of detailed substantive warranty provisions The Commission may by rule devise detailed substantive warranty provisions which warrantors may incorporate by reference in their warranties.

(e) Applicability to consumer products costing more than \$5 The provisions of this section apply only to warranties which pertain to consumer products actually costing the consumer more than \$5.

#### Sec. 2303. Designation of written warranties

(a) Full(statement of duration) or limited warranty Any warrantor warranting a consumer product by means of a written warranty shall clearly and conspicuously designate such warranty in the following manner, unless exempted from doing so by the Commission pursuant to subsection(c) of this section:

(1) If the written warranty meets the Federal minimum standards for warranty set forth in section 2304 of this title, then it shall be conspicuously designated a "full(statement of duration) warranty".

(2) If the written warranty does not meet the Federal minimum standards for warranty set forth in section 2304 of this title, then it shall be conspicuously designated a "limited warranty".

(b) Applicability of requirements, standards, etc., to representations or statements of customer satisfaction This section and sections 2302 and 2304 of this title shall not apply to statements or representations which are similar to expressions of general policy concerning customer satisfaction and which are not subject to any specific limitations.

(c) Exemptions by Commission In addition to exercising the authority pertaining to disclosure granted in section 2302 of this title, the Commission may by rule

as full warranties The provisions of subsections(a) and(c) of this section apply only to warranties which pertain to consumer products actually costing the consumer more than \$10 and which are not designated "full(statement of duration) warranties".

Sec. 2304. Federal minimum standards for warranties

(a) Remedies under written warranty; duration of implied warranty; exclusion or limitation on consequential damages for breach of written or implied warranty; election of refund or replacement In order for a warrantor warranting a consumer product by means of a written warranty to meet the Federal minimum standards for warranty -

(1) such warrantor must as a minimum remedy such consumer product within a reasonable time and without charge, in the case of a defect, malfunction, or failure to conform with such written warranty;

(2) notwithstanding section 2308(b) of this title, such warrantor may not impose any limitation on the duration of any implied warranty on the product;

(3) such warrantor may not exclude or limit consequential damages for breach of any written or implied warranty on such product, unless such exclusion or limitation conspicuously appears on the face of the warranty; and

(4) if the product(or a component part thereof) contains a defect or malfunction after a reasonable number of attempts by the warrantor to remedy defects or malfunctions in such product, such warrantor must permit the consumer to elect either a refund for, or replacement without charge of, such product or part(as the case may be). The Commission may by rule specify for purposes of this paragraph, what constitutes a reasonable number of attempts to remedy particular kinds of defects or malfunctions under different circumstances. If the warrantor replaces a component part of a consumer product, such replacement shall include installing the part in the product without charge.

(b) Duties and conditions imposed on consumer by warrantor

(1) In fulfilling the duties under subsection(a) of this section respecting a written warranty, the warrantor shall not impose any duty other than notification upon any consumer as a condition of securing remedy of any consumer product which malfunctions, is defective, or does not conform to the written warranty, unless the warrantor has demonstrated in a rule-making proceeding, or can demonstrate in an administrative or judicial enforcement proceeding(including private enforcement), or in an informal dispute settlement proceeding, that such a duty is reasonable.

(2) Notwithstanding paragraph(1), a warrantor may require, as a condition to replacement of, or refund for, any consumer product under subsection(a) of this section, that such consumer product shall be made available to the warrantor free and clear of liens and other encumbrances, except as otherwise provided by rule or order of the Commission in cases



in which such a requirement would not be practicable.

(3) The Commission may, by rule define in detail the duties set forth in subsection(a) of this section and the applicability of such duties to warrantors of different categories of consumer products with "full(statement of duration)" warranties.

(4) The duties under subsection (a) of this section extend from the warrantor to each person who is a consumer with respect to the consumer product.

(c) Waiver of standards The performance of the duties under subsection(a) of this section shall not be required of the warrantor if he can show that the defect, malfunction, or failure of any warranted consumer product to conform with a written warranty, was caused by damage(not resulting from defect or malfunction) while in the possession of the consumer, or unreasonable use(including failure to provide reasonable and necessary maintenance).

(d) Remedy without charge For purposes of this section and of section 2302(c) of this title, the term "without charge" means that the warrantor may not assess the consumer for any costs the warrantor or his representatives incur in connection with the required remedy of a warranted consumer product. An obligation under subsection(a)(1)(A) of th

Sec. 2307. Designation of representatives by



section. If the Commission finds that such procedure or its implementation fails to comply with the requirements of the rules under paragraph(2), the Commission may take appropriate remedial action under any authority it may have under this chapter or any other provision of law.

(5) Until rules under paragraph(2) take effect, this subsection shall not affect the validity of any informal dispute settlement procedure respecting consumer warranties, but in any action under subsection(d) of this section, the court may invalidate any such procedure if it finds that such procedure is unfair.

(b) Prohibited acts It shall be a violation of section 45(a)(1) of this title for any person to fail to comply with any requirement imposed on such person by this chapter(or a rule thereunder) or to violate any prohibition contained in this chapter(or a rule thereunder).

(c) Injunction proceedings by Attorney General or Commission for deceptive warranty, noncompliance with requirements, or violating prohibitions; procedures; definitions

(1) The district courts of the United States shall have jurisdiction of any action brought by the Attorney General(in his capacity as such), or by the Commission by any of its attorneys designated by it for such purpose, to restrain

(A) any warrantor from making a deceptive warranty with respect to a consumer product, or

(B) any person from failing to comply with any requirement imposed on such person by or pursuant to this chapter or from violating any prohibition contained in this chapter. Upon proper showing that, weighing the equities and considering the

Commission's or Attorney General's likelihood of success, the court may grant an injunction against the person or persons named in the complaint.

- (i) contains an affirmation, promise, description, or representation which is either false or fraudulent, or which, in light of all of the circumstances, would mislead a reasonable individual exercising due care; or
  - (ii) fails to contain information which is necessary in light of all of the circumstances, to make the warranty not misleading to a reasonable individual exercising due care;
- or

(B) a written warranty created by the use of such terms as "guaranty" or "warranty", if the terms and conditions of such warranty so limit its scope and application as to deceive a reasonable individual.

(d) Civil action by consumer for damages, etc.; jurisdiction; recovery of costs and expenses; cognizable claims

(1) Subject to subsections(a)(3) and(e) of this section, a consumer who is damaged by the failure of a supplier, warrantor, or service contractor to comply with any obligation under this chapter, or under a written warranty, implied warranty, or service contract, may bring suit for damages and other legal and equitable relief -

(A) in any court of competent jurisdiction in any State or the District of Columbia; or

(B) in an appropriate district court of the United States, subject to paragraph(3) of this subsection.

(2) If a consumer finally prevails in any action brought under paragraph(1) of this subsection, he may be allowed by the court to recover as part of the judgment a sum equal to the aggregate amount of cost and expenses(including attorneys' fees based on actual time expended) determined by the court to have been reasonably incurred by the plaintiff for or in connection with the commencement and prosecution of such action, unless the court in its discretion shall determine that such an award of attorneys' fees would be inappropriate.

(3) No claim shall be cognizable in a suit brought under paragraph(1)(B) of this subsection -

(A) if the amount in controversy of any individual claim is less than the sum or value of \$25;

(B) if the amount in controversy is less than the sum or value of \$50,000(exclusive of interests and costs) computed on the basis of all claims to be determined in this suit; or

(c) if the action is brought as a class action, and the number of named plaintiffs is less than one hundred.

(e) Class actions; conditions; procedures applicable No action(other than a class action or an action respecting a warranty to which subsection(a)(3) of this section applies) may be brought under subsection(d) of this section for failure to comply with any obligation under any written or implied warranty or service

contract, and a class of consumers may not proceed in a class action under such subsection with respect to such a failure except to the extent the court determines necessary to establish the representative capacity of the named plaintiffs, unless the person obligated under the warranty or service contract is afforded a reasonable opportunity to cure such failure to comply. In the case of such a class action (other than a class action respecting a warranty to which subsection (a)(3) of this section applies) brought under subsection (d) of this section for breach of any written or implied warranty or service contract, such reasonable opportunity will be afforded by the named plaintiffs and they shall at that time notify the defendant that they are acting on behalf of the class. In the case of such a class action which is brought in a district court of the United States, the representative capacity of the named plaintiffs shall be established in the application of rule 23 of the Federal Rules of Civil Procedure.

(f) Warrantors subject to enforcement of remedies For purposes of this section, only the warrantor actually making a written affirmation of fact, promise, or undertaking shall be deemed to have created a written warranty, and any rights arising thereunder may be enforced under this section only against such warrantor and no other person.

#### Sec. 2311. Applicability to other laws

##### (a) Federal Trade Commission Act and Federal Seed Act

(1) Nothing contained in this chapter shall be construed to repeal, invalidate, or supersede the Federal Trade Commission Act (15 U.S.C. 41 et seq.) or any statute defined therein as an Antitrust Act.

(2) Nothing in this chapter shall be construed to repeal, invalidate, or supersede the Federal Seed Act (7 U.S.C. 1551 et seq.) and nothing in this chapter shall apply to seed for planting.

##### (b) Rights, remedies, and liabilities

(1) Nothing in this chapter shall invalidate or restrict any right or remedy of any consumer under State law or any other Federal law.

(2) Nothing in this chapter (other than sections 2308 and 2304(a)(2) and (4) of this title) shall

(A) affect the liability of, or impose liability on, any person for personal injury, or

(B) supersede any provision of State law regarding consequential damages for injury to the person or other injury.

##### (c) State warranty laws

(1) Except as provided in subsection (b) of this section and in paragraph (2) of this subsection, a State requirement -

(A) which relates to labeling or disclosure with respect to written warranties or performance thereunder;

(B) which is within the scope of an applicable requirement of sections 2302, 2303, and 2304 of this title (and rules implementing such sections), and

(c) which is not identical to a requirement of section 2302, 2303, or 2304 of this title (or a rule thereunder), shall not be applicable to

written warranties complying with such sections(or rules thereunder).

(2) If, upon application of an appropriate State agency, the Commission determines(pursuant to rules issued in accordance with section 2309 of this title) that any requirement of such State covering any transaction to which this chapter applies

(A) affords protection to consumers greater than the requirements of this chapter and

(B) does not unduly burden interstate commerce, then such State requirement shall be applicable(notwithstanding the provisions of paragraph(1) of this subsection) to the extent specified in such determination for so long as the State administers and enforces effectively any such greater requirement.

(d) Other Federal warranty laws This chapter(other than section 2302(c) of this title) shall be inapplicable to any written warranty the making or content of which is otherwise governed by Federal law. If only a portion of a written warranty is so governed by Federal law, the remaining portion shall be subject to this chapter.

#### Sec. 2312. Effective dates

(a) Effective date of chapter Except as provided in subsection(b) of this section, this chapter shall take effect 6 months after January 4, 1975, but shall not apply to consumer products manufactured prior to such date.

(b) Effective date of section 2302(a) Section 2302(a) of this title shall take effect 6 months after the final publication of rules respecting such section; except that the Commission, for good cause shown, may postpone the applicability of such sections until one year after such final publication in order to permit any designated classes of suppliers to bring their written warranties into compliance with rules promulgated pursuant to this chapter.

(c) Promulgation of rules The Commission shall promulgate rules for initial implementation of this chapter as soon as possible after January 4, 1975, but in no event later than one year after such date.

# **APPENDIX B**





(e) "Mechanism" means an informal dispute settlement procedure which is incorporated into the terms of a written warranty to which any provision of Title I of the Act applies, as provided in section 110 of the Act.

(f) "Members" means the person or persons within a Mechanism actually deciding disputes.

(g) "Consumer" means a buyer (other than for purposes of resale) of any consumer product, any person to whom such product is transferred during the duration of a written warranty applicable to the product, and any other person who is entitled by the terms of such warranty or under applicable state law to enforce against the warrantor the obligations of the warranty.

(h) On the face of the warranty means:

(1) If the warranty is a single sheet with printing on both sides of the sheet, or if the warranty is comprised of more than one sheet, the page on which the warranty text begins;

(2) If the warranty is included as part of a longer document, such as a use and care manual, the page in such document on which the warranty text begins.

#### § 703.2 Duties of warrantor.

(b) The warrantor shall disclose clearly and conspicuously at least the following information on the face of the written warranty:

(1) A statement of the availability of the informal dispute settlement mechanism;

(2) The name and address of the Mechanism, or the name and a telephone number of the Mechanism which consumers may use without charge;

(3) A statement of any requirement that the consumer resort to the Mechanism before exercising rights or seeking remedies created by Title I of the Act; together with the disclosure that if a consumer chooses to seek redress by pursuing rights and remedies not created by Title I of the Act, resort to the Mechanism would not be required by any provision of the Act; and

(4) A statement, if applicable, indicating where further information on the Mechanism can be found in materials accompanying the product, as provided in § 703.2(c) of this section.

(c) The warrantor shall include in the written warranty or in a separate section of materials accompanying the product, the following information:

(1) Either

(i) a form addressed to the Mechanism containing spaces requesting the information which the Mechanism may require for prompt resolution of warranty disputes; or

(ii) a telephone number of the Mechanism which consumers may use without charge;

(2) The name and address of the Mechanism;

(3) A brief description of Mechanism procedures;

- (4) The time limits adhered to by the Mechanism; and
  - (5) The types of information which the Mechanism may require for prompt resolution of warranty disputes.
- (d) The warrantor shall take steps reasonably calculated to make consumers aware of the Mechanism's existence at the time consumers experience warranty disputes. Nothing contained in paragraphs (b), (c), or (d) of this section shall limit the warrantor's option to encourage consumers to seek redress directly from the warrantor as long as the warrantor does not expressly require consumers to seek redress directly from the warrantor. The warrantor shall proceed fairly and expeditiously to attempt to resolve all disputes submitted directly to the warrantor.
- (e) Whenever a dispute is submitted directly to the warrantor, the warrantor shall, within a reasonable time, decide whether, and to what extent, it will satisfy the consumer, and inform the consumer of its decision. In its notification to the consumer of its decision, the warrantor shall include the information required in § 703.2 (b) and (c) of this section.
- (f) The warrantor shall:
- (1) Respond fully and promptly to reasonable requests by the Mechanism for information relating to disputes;
  - (2) Upon notification of any decision of the Mechanism that would require action on the part of the warrantor, immediately notify the Mechanism whether, and to what extent, warrantor will abide by the decision; and
  - (3) Perform any obligations it has agreed to.
- (g) The warrantor shall act in good faith in determining whether, and to what extent, it will abide by a Mechanism decision.
- (h) The warrantor shall comply with any reasonable requirements imposed by the Mechanism to fairly and expeditiously resolve warranty disputes.

#### MINIMUM REQUIREMENTS OF THE MECHANISM

##### § 703.3 Mechanism organization.

- (a) The Mechanism shall be funded and competently staffed at a level sufficient to ensure fair and expeditious resolution of all disputes, and shall not charge consumers any fee for use of the Mechanism.
- (b) The warrantor and the sponsor of the Mechanism (if other than the warrantor) shall take all steps necessary to ensure that the Mechanism, and its members and staff, are sufficiently insulated from the warrantor and the sponsor, so that the decisions of the members and the performance of the staff are not influenced by either the warrantor or the sponsor. Necessary steps shall include, at a minimum, committing funds in advance, basing personnel decisions solely on merit, and not assigning conflicting warrantor or sponsor duties to Mechanism staff persons.
- (c) The Mechanism shall impose any other reasonable requirements necessary to ensure that the members and staff act fairly and expeditiously in each dispute.

##### § 703.4 Qualification of members.

- (a) No member deciding a dispute shall be:

(1) A party to the dispute, or an employee or agent of a party other than for purposes of deciding disputes; or

materials. The Mechanism shall not require any information not reasonably necessary to decide the dispute.

(d) If the dispute has not been settled, the Mechanism shall, as expeditiously as possible but at least within 40 days of notification of the dispute, except as provided in paragraph (e) of this section:

(1) Render a fair decision based on the information gathered as described in paragraph (c) of this section, and on any information submitted at an oral presentation which conforms to the requirements of paragraph (f) of this section (A decision shall include any remedies appropriate under the circumstances, including repair, replacement, refund, reimbursement for expenses, compensation for damages, and any other remedies available under the written warranty or the Act (or rules thereunder); and a decision shall state a specified reasonable time for performance);

(2) Disclose to the warrantor its decision and the reasons therefor;

(3) If the decision would require action on the part of the warrantor, determine whether, and to what extent, warrantor will abide by its decision; and

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- (e) Upon request the Mechanism shall provide to either party to a dispute:
  - (1) Access to all records relating to the dispute; and
  - (2) Copies of any records relating to the dispute, at reasonable cost.
- (f) The Mechanism shall make available to any person upon request, information relating to the qualifications of Mechanism staff and members.

# **APPENDIX C**

## APPENDIX C

### FLORIDA STATUTES CHAPTER 681 MOTOR VEHICLE SALES WARRANTIES

681.10	Short title.
681.101	Legislative Intent.
681.102	Definitions.
681.103	Duty of manufacturer to conform a motor vehicle to the warranty.
681.104	Non-conformity of motor vehicle.
681.106	Bad faith claims.
681.108	Dispute settlement procedures.
681.109	Florida New Motor Vehicle Arbitration Board; dispute eligibility.
681.1095	Florida New Motor Vehicle Arbitration Board; creation and function.
681.110	Compliance and disciplinary actions.
681.111	Unfair or deceptive trade practice.
681.112	Consumer remedies.
681.113	Dealer liability.
681.114	Resale of returned vehicles.
681.115	Certain agreements void.
681.116	Preemption.
681.117	Fee.
681.118	Rule-making authority.

§ 681.10 Short title.--

This chapter shall be known and may be cited as the "Motor Vehicle Warranty Enforcement Act."

§ **681.101 Legislative intent.**--

The Legislature recognizes that a motor vehicle is a major consumer purchase and that a defective motor vehicle undoubtedly creates a hardship for the consumer. The Legislature further recognizes that a duly franchised motor

As used in this chapter, the term:

(1) "Authorized service agent" means any person, including a franchised motor vehicle dealer, who is authorized by the manufacturer to service motor vehicles. In the case of a recreational vehicle when there are two or more manufacturers, an authorized service agent for any individual manufacturer is any person, including a franchised motor vehicle dealer, who is authorized to service the items warranted by that manufacturer. The term does not include a rental car company authorized to repair rental vehicles.

(2) "Board" means the Florida New Motor Vehicle Arbitration Board.

(3) "Collateral charges" means those additional charges to a consumer wholly incurred as a result of the acquisition of the motor vehicle. For the purposes of this chapter, collateral charges include, but are not limited to, manufacturer-installed or agent-installed items or service charges, earned finance charges, sales taxes, and title charges.

(4) "Consumer" means the purchaser, other than for purposes of resale, or the lessee, of a motor vehicle primarily used for personal, family, or household purposes; any person to whom such motor vehicle is transferred for the same purposes during the duration of the Lemon Law rights period; and any other person entitled by the terms of the warranty to enforce the obligations of the warranty.

(5) "Days" means calendar days.

(6) "Department" means the Department of Legal Affairs.

(7) "Division" means the Division of Consumer Services of the Department of Agriculture and Consumer Services.

(8) "Incidental charges" means those reasonable costs to the consumer which are directly caused by the nonconformity of the motor vehicle.

(9) "Lease price" means the aggregate of the capitalized cost, as defined in § 521.003(2), and each of the following items to the extent not included in the capitalized cost:

(a) Lessor's earned rent charges through the date of repurchase.

(b) Collateral charges, if applicable.

(c) Any fee paid to another to obtain the lease.

(d) Any insurance or other costs expended by the lessor for the benefit of the lessee.

(e) An amount equal to state and local sales taxes, not otherwise included as collateral charges, paid by the lessor when the vehicle was initially purchased.

(10) "Lemon Law rights period" means the period ending 24 months after the date of the original delivery of a motor vehicle to a consumer.

(11) "Lessee" means any consumer who leases a motor vehicle for 1 year or more pursuant to a written lease agreement which provides that the lessee is responsible for repairs to such motor vehicle or any consumer who leases a motor vehicle pursuant to a lease-purchase agreement.

(12) "Lessee cost" means the aggregate deposit and rental payments previously paid to the lessor for the leased vehicle but excludes debt from any other transaction.

(13) "Lessor" means a person who holds title to a motor vehicle that is leased to a lessee under a written lease agreement or who holds the lessor's rights under such agreement.

(14) "Manufacturer" means any person, whether a resident or nonresident of this state, who manufactures or assembles motor vehicles, or who manufactures or assembles chassis for recreational vehicles, or who manufactures or installs on previously assembled truck or recreational vehicle chassis special bodies or equipment which, when installed, forms

amount is not acceptable to the consumer and manufacturer, then the trade-in allowance shall be an amount equal to 100 percent of the retail price of the trade-in vehicle as reflected in the NADA Official Used Car Guide (Southeastern Edition) or NADA Recreation Vehicle Appraisal Guide, whichever is applicable, in effect at the time of the trade-in. The manufacturer shall be responsible for providing the applicable NADA book.

(20) "Reasonable offset for use" means the number of miles attributable to a consumer up to the date of a settlement agreement or arbitration hearing, whichever occurs first, multiplied by the purchase price of the vehicle and divided by 120,000, except in the case of a recreational vehicle, in which event it shall be divided by 60,000.

(21) "Recreational vehicle" means a motor vehicle primarily designed to provide temporary living quarters for recreational, camping, or travel use, but does not include a van conversion.

(22) "Replacement motor vehicle" means a motor vehicle which is identical or reasonably equivalent to the motor vehicle to be replaced, as the motor vehicle to be replaced existed at the time of acquisition.

"Reasonably equivalent to the motor vehicle to be replaced" means the manufacturer's suggested retail price of the replacement vehicle shall not exceed 105 percent of the manufacturer's suggested retail price of the motor vehicle to be replaced. In the case of a recreational vehicle, "reasonably equivalent to the motor vehicle to be replaced" means the retail price of the replacement vehicle shall not exceed 105 percent of the purchase price of the recreational vehicle to be replaced.

(23) "Warranty" means any written warranty issued by the manufacturer, or any affirmation of fact or promise made by the manufacturer, excluding statements made by the dealer, in connection with the sale of a motor vehicle to a consumer which relates to the nature of the material or workmanship and affirms or promises that such material or workmanship is free of defects or will meet a specified level of performance.

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after the consumer's receipt of the response. The manufacturer



written request for a refund and evidence that the sales tax was paid when the vehicle was purchased and that the manufacturer refunded the sales tax to the consumer, lienholder, or lessor.

(3) It is presumed that a reasonable number of attempts have been undertaken to conform a motor vehicle to the warranty in3,,durnngthe ]TJT0.00346Tc[(u ononformt;or l]TJT0.00346Tc[0.00134Tw[((3b) lTe meriase

and where to file a claim with such procedure pursuant to § 681.103(3), the provisions of § 681.104(2) apply to the consumer only if the consumer has first resorted to such procedure. The decision-makers for a certified procedure shall, in rendering decisions, take into account all legal and equitable factors germane to a fair and just decision, including, but not limited to, the warranty; the rights and remedies conferred under 16 C.F.R. part 703, in effect October 1, 1983; the provisions of this chapter; and any other equitable considerations appropriate under the circumstances. Decision-makers and staff of a procedure shall be trained in the provisions of this chapter and in 16 C.F.R. part 703, in effect October 1, 1983. In an action brought by a consumer concerning an alleged nonconformity, the decision that results from a certified procedure is admissible in evidence.

(2) A manufacturer may apply to the division for certification of its procedure. After receipt and evaluation of the application, the division shall certify the procedure or notify the manufacturer of any deficiencies in the application or the procedure.

(3) A certified procedure or a procedure of an applicant seeking certification shall submit to the division a copy of each settlement approved by the procedure or decision made by a decision-maker within 30 days after the settlement is reached or the decision is rendered. The decision or settlement must contain at a minimum the:

- (a) Name and address of the consumer;
- (b) Name and address of the certified procedure.

seeking certification, and, for a period not to exceed 1 year, shall grant certification to, or renew certification for, those manufacturers whose procedures substantially comply with the provisions of 16 C.F.R. part 703, in effect October 1, 1983, and with the provisions of this chapter and rules adopted under this chapter. If certification is revoked or denied, the division shall state the reasons for such action. The reports and records of actions taken with respect to certification shall be public records.

(6) A manufacturer whose certification is denied or revoked is entitled to a hearing pursuant to chapter 120.

(7) If federal preemption of state authority to regulate procedures occurs, the provisions of subsection (1) concerning prior resort do not apply.

(8) The division shall adopt rules to implement this section.

**§ 681.109 Florida New Motor Vehicle Arbitration Board; dispute eligibility.—**

(1) If a manufacturer has a certified procedure, a consumer claim arising during the Lemon Law rights period must be filed with the certified procedure no later than 60 days after the expiration of the Lemon Law rights period. If a decision is not rendered by the certified procedure within 40 days of filing, the consumer may apply to the division to have the dispute removed to the board for arbitration.

(2) If a manufacturer has a certified procedure, a consumer claim arising during the Lemon Law rights period must be filed with the certified procedure no later than 60 days after the expiration of the Lemon Law rights period. If a consumer is not satisfied with the decision or the manufacturer's compliance therewith, the consumer may apply to the division to have the dispute submitted to the board for arbitration. A manufacturer may not seek review of a decision made under its procedure.

(3) If a manufacturer has no certified procedure or if a certified procedure does not have jurisdiction to resolve the dispute, a consumer may apply directly to the division to have the dispute submitted to the board for arbitration.

(4) A consumer must request arbitration before the board with respect to a claim arising during the Lemon Law rights period no later than 60 days after the expiration of the Lemon Law rights period, or within 30 days after the final action of a certified procedure, whichever date occurs later.

(5) The division shall screen all requests for arbitration before the board to determine eligibility. The consumer's request for arbitration before the board shall be made on a form prescribed by the department. The division shall forward to the board all disputes that the division determines are potentially entitled to relief under this chapter.

(6) The division may reject a dispute that it determines to be fraudulent or outside the scope of the board's authority. Any dispute deemed by the division to be ineligible for arbitration by the board due to insufficient

evidence may be reconsidered upon the submission of new information regarding the dispute. Following a second review, the division may reject a dispute if the evidence is clearly insufficient to qualify for relief. Any dispute rejected by the division shall be forwarded to the department and a copy shall be sent by registered mail to the consumer and the manufacturer, containing a brief explanation as to the reason for rejection.

(7) If the division rejects a dispute, the consumer may file a lawsuit to enforce the remedies provided under this chapter. In any civil action arising under this chapter and relating to a matter considered by the division, any determination made to reject a dispute is admissible in evidence.

(8) The department shall have the authority to adopt reasonable rules to carry out the provisions of this section.

**§ 681.1095 Florida New Motor Vehicle Arbitration Board; creation and function.--**

(1) There is established within the Department of Legal Affairs, the Florida New Motor Vehicle Arbitration Board, consisting of members appointed by the Attorney General for an initial term of 1 year. Board members may be reappointed for additional terms of 2 years. Each board member is accountable to the Attorney General for the performance of the member's duties and is exempt from civil liability for any act or omission which occurs while acting in the member's official capacity. The Department of Legal Affairs shall defend a member in any action against the member or the board which arises from any such act or omission. The Attorney General may establish as many regions of the board as necessary to carry out the provisions of this chapter.

(2) The boards shall hear cases in various locations throughout the state so any consumer whose dispute is approved for arbitration by the division may attend an arbitration hearing at a reasonably convenient location and present a dispute orally. Hearings shall be conducted by panels of three board members assigned by the department. A majority vote of the three-member board panel shall be required to render a decision. Arbi

pursuant to § 112.061, and shall be compensated at a rate or wage prescribed by the Attorney General.

(4) Before filing a civil action on a matter subject to § 681.104, the consumer must first submit the dispute to the division, and to the board if such dispute is deemed eligible for arbitration.

(5) Manufacturers shall submit to arbitration conducted by the board if such arbitration is requested by a consumer and the dispute is deemed

circuit court to seek imposition of a fine up to \$1,000 per day against the manufacturer until the amount stands at twice the purchase price of the motor vehicle, unless the manufacturer provides clear and convincing evidence that the delay or failure was beyond its control or was acceptable to the consumer as evidenced by a written statement signed by the consumer. If the manufacturer fails to provide such evidence or fails to pay the fine, the department shall initiate proceedings against the manufacturer for failure to pay such fine. The proceeds from the fine herein imposed shall be placed in the Motor Vehicle Warranty Trust Fund in the department for implementation and enforcement of this chapter. If the manufacturer fails to comply with the provisions of this subsection, the court shall affirm the award upon application by the consumer.

(11) All provisions in this section and § 681.109 pertaining to compulsory arbitration before the board, the dispute eligibility screening by the division, the proceedings and decisions of the board, and any appeals thereof, are exempt from the provisions of chapter 120.

(12) An appeal of a decision by the board to the circuit court by a consumer or a manufacturer shall be by trial de novo. In a written petition to appeal a decision by the board, the appealing party must state the action requested and the grounds relied upon for appeal. Within 30 days of final disposition of the appeal, the appealing party shall furnish the department with notice of such disposition and, upon request, shall furnish the department with a copy of the order or judgment of the court.

(13) If a decision of the board in favor of the consumer is upheld by the court, recovery by the consumer shall include the pecuniary value of the award, attorney's fees incurred in obtaining confirmation of the award, and all costs and continuing damages in the amount of \$25 per day for each day beyond the 40-day period following the manufacturer's receipt of the board's decision. If a court determines that the manufacturer acted in bad faith in bringing the appeal or brought the appeal solely for the purpose of harassment or in complete absence of a justiciable issue of law or fact, the court shall double, and may triple, the amount of the total award.

(14) When a judgment affirms a decision by the board in favor of a consumer, appellate review may be conditioned upon payment by the manufacturer of the consumer's attorney's fees and giving security for costs and expenses resulting from the revipurpose p8 T[(pu be col)-14.3.6(er'n2ent .c-j-

- (b) Purchase price refund requests;
- (c) Replacement motor vehicles obtained in pre-hearing settlements;
- (d) Purchase price refunds obtained in pre-hearing settlements;
- (e) Replacement motor vehicles awarded in arbitration;
- (f) Purchase price refunds awarded in arbitration;
- (g) Board decisions neither complied with in 40 days nor petitioned for appeal within 30 days;
- (h) Board decisions appealed;
- (i) Appeals affirmed by the court; and
- (j) Appeals found by the court to be brought in bad faith or solely for the purpose of harassment.

The statistics compiled under this subsection are public information.

(16) When requested by the department, a manufacturer must verify the settlement terms for disputes that are approved for arbitration but are not decided by the board.

**§ 681.1096 Pilot RV Mediation and Arbitration Program; creation and qualifications.--**

(1) This section and § 681.1097 shall apply to disputes determined eligible under this chapter involving recreational vehicles acquired on or after October 1, 1997, and shall remain in effect until September 30, 2001, at which time recreational vehicle disputes shall be subject to the provisions of § 681.109 and § 681.1095. The Attorney General shall report annually to the President of the Senate, the Speaker of the House of Representatives, the Minority Leader of each house of the Legislature, and appropriate legislative committees regarding the efficiency and cost-effectiveness of the pilot program.

(2) Each manufacturer of a recreational vehicle involved in a dispute that is determined eligible under this chapter, including chassis and component manufacturers which separately warrant the chassis and components and which otherwise meet the definition of manufacturer set forth in § 681.102(14), shall participate in a mediation and arbitration program that is deemed qualified by the department.

(3) In order to be deemed qualified by the department, the mediation and arbitration program must, at a minimum, meet the following requirements:

- (a) The program must be administered by an administrator and staff that is sufficiently insulated from the manufacturer to ensure impartial mediation and arbitration services.
- (b) Program administration fees must be paid by the manufacturer and no such fees shall be charged to a consumer.
- (c) The program must be adequately staffed at a level sufficient to ensure the provision of fair and expeditious dispute resolution services.

(d) Program mediators and arbitrators must be sufficiently insulated from a manufacturer to ensure the provision of impartial mediation and arbitration of disputes.

(e) Program mediators and arbitrators shall not be employed by a manufacturer or a motor vehicle dealer.

(f) Program mediators must complete a Florida Supreme Court certified circuit or county mediation training program, or other mediation training program approved by the department, in addition to a minimum of one-half day of training on this chapter conducted by the department.



pursuant to chapter 120.

(6) The program administrator, mediators, and arbitrators are exempt from civil liability arising from any act or omission in connection with any mediation or arbitration conducted under this chapter.

(7) The program administrator shall maintain records of each dispute submitted to the program, including the recordings of arbitration hearings. All records maintained by the program under this chapter shall be public records and shall be available for inspection by the department upon reasonable notice. The records for disputes closed as of September 30 of each year shall be turned over to the department by the program administrator by no later than October 30 of the same year, unless a later date is specified by the department.

(8) The department shall have the authority to adopt reasonable rules to carry out the provisions of this section.

**§ 681.1097 Pilot RV Mediation and Arbitration Program; dispute eligibility and program function.--**

(1) Before filing a civil action on a matter subject to § 681.104, a consumer who acquires a recreational vehicle must first submit the dispute to the department, and to the program if the dispute is deemed eligible. Such consumer is not required to resort to a procedure certified pursuant to § 681.108, notwithstanding that one of the manufacturers of the recreational vehicle has such a procedure. Such consumer is not required to resort to arbitration conducted by the board, except as provided in § 681.1096(4) and in this section.

(2) A consumer acquiring a recreational vehicle must apply to participate in this program with respect to a claim arising during the Lemon Law rights period by filing the application in subsection (3) with the department no later than 60 days after the expiration of the Lemon Law rights period.

(3) The consumer's application for participation in the program must be on a form prescribed or approved by the department. The department shall screen all applications to participate in the program to determine eligibility. The department shall forward to the program administrator all applications the department determines are potentially entitled to relief under this chapter.

(a) If the department determines the application lacks sufficient information from which a determination of eligibility can be made, the department shall request additional information from the consumer and, upon review of such additional information, shall determine whether the application is eligible or reject the application as incomplete.

(b) The department shall reject any application it determines to be fraudulent or outside the scope of this chapter.

(c) The consumer and the manufacturer shall be notified in writing by the department if an application is rejected. Such notification of



has been submitted to the program, such settlement must be reduced to writing, signed by the consumer and all involved manufacturers, and filed with the program administrator. The program administrator shall send a copy to the department. All settlements must contain, at a minimum, the following information:

1. Name and address of the consumer.
2. Name and address of each involved manufacturer.
3. Year, make, model, and vehicle identification number of the subject recreational vehicle.
4. Name and address of the dealership from which the recreational vehicle was acquired.
5. Date the claim was received by the program administrator.
6. Name of the mediator and/or arbitrator, if any.
7. Statement of the terms of the agreement, including, but not limited to: whether the vehicle is to be reacquired by a manufacturer and the identity of the manufacturer that will reacquire the vehicle; the amount of any moneys to be paid by the consumer and/or a manufacturer; the year, make, and model of any replacement motor vehicle or motor vehicle accepted by the consumer as a trade-assist; and a time certain for performance not to exceed 40 days from the date the settlement agreement is signed by the parties.

(g) If a manufacturer fails to perform within the time required in any settlement agreement, the consumer must notify the program administrator of such failure in writing within 10 days of the required performance date. Within 10 days of receipt of such notice, the program administrator shall notify the department of the manufacturer's failure in compliance and shall schedule the matter for an arbitration hearing pursuant to subsection (5).

(5) If the mediation ends in an impasse, or if a manufacturer fails to comply with the settlement entered into between the parties, the program administrator shall schedule the dispute for an arbitration hearing. Arbitration proceedings shall be open to the public on reasonable and nondiscriminatory terms.

(a) The arbitration hearing shall be conducted by a single arbitrator assigned by the program administrator. The arbitrator shall not be the same person as the mediator who conducted the prior mediation conference in the dispute. The parties may factually object to an arbitrator based on the arbitrator's past or present relationship with a party or a party's attorney, direct or indirect, whether financial, professional, social, or of any other kind. The program administrator shall consider any such objection, determine its validity, and notify the parties of any determination. If the

objection is determined valid, the program administrator shall assign another arbitrator to the case.

(b) The arbitrator may issue subpoenas for the attendance of witnesses and for the production of records, documents, and other evidence. Subpoenas so issued shall be served and, upon application to the court by a party to the arbitration, enforced in the manner provided by law for the service and enforcement of subpoenas in civil actions. Fees for attendance as a witness shall be the same as for a witness in the circuit court.

(c) At all program arbitration proceedings, the parties may present oral and written testimony, present witnesses and evidence relevant to the dispute, cross-examine witnesses, and be represented by counsel. The arbitrator shall record the arbitration hearing and shall have the power to administer oaths. The arbitrator may inspect the vehicle if requested by a party or if the arbitrator considers such inspection appropriate.

(d) The program arbitrator may continue a hearing on his or her own motion or upon the request of a party for good cause shown. A request for continuance by the consumer constitutes a waiver of the time period set forth in § 681.1096(3)(k) for completion of all proceedings under the program.

(e) Where the arbitration is the result of a manufacturer's failure to perform in accordance with a mediation agreement, any relief to the consumer granted by the arbitration will be no less than the relief agreed to by the manufacturer in the settlement agreement.

(f) The arbitrator shall grant relief if a reasonable number of attempts have been undertaken to correct a nonconformity or non-conformities.

(g) The program arbitrator shall render a decision within 10 days of the closing of the hearing. The decision shall be in writing on a form prescribed or approved by the department. The program administrator shall send a copy of the decision to the consumer and each involved manufacturer by registered mail. The program administrator shall also send a copy of the decision to the department within 5 days of mailing to the parties.

(h) A manufacturer shall comply with an arbitration decision within 40 days of the date the manufacturer receives the written decision. Compliance occurs on the date the consumer receives delivery of an acceptable replacement motor vehicle or the refund specified in the arbitration award. If a manufacturer fails to comply within the time required, the consumer must notify the program administrator in writing within 10 days. The program administrator shall notify the department of a manufacturer's failure to comply. The department shall have the authority to enforce compliance with arbitration

decisions under this section in the same manner as is provided for enforcement of compliance with board decisions under § 681.1095(10). In any civil action arising under this chapter and relating to a dispute arbitrated pursuant to this section, the decision of the arbitrator is admissible in evidence.

(6) Except as otherwise provided, all provisions in this section pertaining to mandatory mediation and arbitration, eligibility screening, mediation proceedings, arbitration hearings and decisions, and any appeals thereof are exempt from the provisions of chapter 120.

(7) Either party may make application to the circuit court for the county in which one of the parties resides or has a place of business or, if neither party resides or has a place of business in this state, the county where the arbitration hearing was held, for an order confirming, vacating,









# **APPENDIX D**

**APPENDIX D**

**FLORIDA ADMINISTRATIVE CODE ANNOTATED  
TITLE 5 DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES  
DIVISION OF CONSUMER SERVICES**

**CHAPTER 5J-11 DISPUTE-SETTLEMENT PROCEDURE CERTIFICATION**

**Rule 5J-11.001 Purpose of Rules Governing Dispute Resolution Mechanisms**

These rules implement and make specific the provisions of § 681.108, Florida Statutes, and establish regulations, procedures and requirements for dispute settlement procedures in the state of Florida.

Enacted eff. December 6, 1993

**Rule 5J-11.002 Definitions Pertaining to Dispute-Resolution Mechanisms**



**Vehicle Arbitration Board administered by the Office of the Attorney General. To obtain information about eligibility for the state-run arbitration program, the consumer should contact the Division of Consumer**

Florida consumer. The files for Florida consumers shall be maintained in a manner separate from other governmental jurisdictions. The Division shall have full access at all reasonable business hours to the records maintained pursuant to the certified dispute-settlement procedure.

Enacted eff. December 6, 1993, Amended eff. March 14, 1995

**Rule 5J-11.010 Required Annual Audit of Dispute Resolution Mechanisms**

(1) Each manufacturer establishing a certified dispute-settlement procedure shall file with the Division an annual report relating to Florida consumers for the period ending December 31 of each year. The report shall be filed with the Division on or before July 1 of the following year.

(2) The annual report shall contain the following information relative to Florida consumers for the period audited:

(a) The information required under the provisions of 16 CFR § 703.7, relating to an annual audit;

(b) The number of disputes filed by consumers with the administrator of a certified dispute-settlement procedure, including the number of disputes dismissed or withdrawn by the consumer;

(c) The total number of decisions rendered under the certified dispute-settlement procedure broken down to specifically reference the number of decisions: ordering refunds; ordering additional repair attempts; ordering or recognizing trade assists; ordering partial refunds; concluding that the certified dispute-settlement procedure has no jurisdiction to decide the dispute; dismissing the dispute filed by the consumer; ordering a replacement of the consumer's motor vehicle; ordering any other relief not specifically listed in this rule.

Enacted eff. December 6, 1993, Amended eff. March 14, 1995

**Rule 5J-11.011 Hearings or Meetings of Dispute Resolution Mechanism**

(1) The administrator shall mail or provide written notification to the consumer at least 10 days prior to any hearing. The notice shall state the time, date and location of the hearing.

(2) The consumer and manufacturer shall be entitled to appear in person or by representative at any hearing or meeting held pursuant to a certified dispute-settlement procedure. The consumer and manufacturer shall be entitled to participate or offer evidence in any hearing or meeting held pursuant to a certified dispute-settlement procedure.

(3) No hearing shall be held more than 75 miles from the consumer's residence. The administrator may file a written request with the Division to waive this requirement based upon good cause shown, or a consumer may waive the mileage requirement in writing. The filing of a written request by the administrator shall not toll the 40-day time limit for rendering a determination pursuant to a certified dispute-settlement procedure.

(4) If both parties agree in writing, either party may attend any hearing or

meeting by phone. The other party may elect to attend in person or by phone.

(5) All hearings or meetings held under a certified dispute-settlement procedure shall be open to observers.

Enacted eff. December 6, 1993

**Rule 5J-11.012 Impartiality of Mechanism's Employees and Decision-Makers**

(1) No decision-maker shall be an employee of the manufacturer, a dealer or other person who distributes the manufacturer's products, other than for purposes of the certified dispute settlement procedure, except as provided in 16 CFR Sec.703.4

(2) No employee of an administrator shall be an agent, employee, or representative of the manufacturer, a dealer or other person who distributes the manufacturer's products, other than for purposes of the dispute settlement procedure.

Enacted eff. December 6, 1993

# **APPENDIX E**

**APPENDIX E**

**OHIO REVISED CODE ANNOTATED  
[OHIO LEMON LAW]**

Bill Number: Amended Sub. House Bill 21

Effective Date: 09/15/99

§ 1345.71 Definitions

**Text of Statute**

As used in sections 1345.71 to 1345.77 of the Revised Code:

(A) "Consumer" means any of the following:

- (1) The purchaser, other than for purposes of resale, of a motor vehicle;
- (2) Any lessee of a motor vehicle in a contractual arrangement under which a charge is made for the use of the vehicle at a periodic rate for a term of thirty days or more, and title to the vehicle is in the name of a person other than the user;
- (3) Any person to whom the motor vehicle is transferred during the duration of the express warranty that is applicable to the motor vehicle;
- (4) Any other person who is entitled by the terms of the warranty to enforce the warranty.

(B) A corporation that forces the warranty on a consumer is not a consumer.



vehicle, and all finance, credit insurance, warranty, and service contract charges incurred by the consumer.

(G) "Buyback" means a motor vehicle that has been replaced or repurchased by a manufacturer as the result of a court judgment, a determination of an informal dispute settlement mechanism, or a settlement agreed to by a consumer regardless of whether it is in the context of a court, an informal dispute settlement mechanism, or otherwise, in this or any other state, in which the consumer has asserted that the motor vehicle does not conform to the warranty, has presented documentation to establish that a nonconformity exists pursuant to section 1345.72 or 1345.73 of the Revised Code, and has requested replacement or repurchase of the vehicle.

(H) "Mobile home," "motor home," "noncommercial motor vehicle," "passenger car," and "recreational vehicle" have the same meanings as in section 4501.01 of the Revised Code.

### **Section 1345.72**

(A) If a new motor vehicle does not conform to any applicable express warranty and the consumer reports the nonconformity to the manufacturer, its agent, or its authorized dealer during the period of one year following the date of original delivery or during the first eighteen thousand miles of operation, whichever is earlier, the manufacturer, its agent, or its authorized dealer shall make any repairs as are necessary to conform the vehicle to such express warranty, notwithstanding the fact that the repairs are made after the expiration of the appropriate time period.

(B) If the manufacturer, its agent, or its authorized dealer is unable to conform the motor vehicle to any applicable express warranty by repairing or correcting any nonconformity after a reasonable number of repair attempts, the manufacturer, at the consumer's option and subject to division (D) of this section, either shall replace the motor vehicle with a new motor vehicle acceptable to the consumer or shall accept return of the vehicle from the consumer and refund each of the following:

(1) The full purchase price;

(2) All incidental damages, including, but not limited to, any fees charged by the lender or lessor for making or canceling the loan or lease, and any expenses incurred by the consumer as a result of the nonconformity, such as charges for towing, vehicle rental, meals, and lodging.

(c) Nothing in this section imposes any liability on a new motor vehicle dealer or creates a cause of action by a buyer against a new motor vehicle dealer.

(D) Sections 1345.71 to 1345.78 of the Revised Code do not affect the obligation of a consumer under a loan or retail installment sales contract or the interest of any secured party, except as follows:

(1) If the consumer elects to take a refund, the manufacturer shall forward the total sum required under division (B) of this section by an instrument jointly payable to the consumer and any lienholder that appears on the face of the certificate of title or the lessor. Prior to disbursing the funds to

the consumer, the lienholder or lessor may deduct the balance owing to it, including any fees charged for canceling the loan or the lease and refunded pursuant to division (B) of this section, and shall immediately remit the balance if any, to the consumer and cancel the lien or the lease.

(2) If the consumer elects to take a new motor vehicle, the manufacturer shall notify any lienholder noted on the certificate of title under section 4505.13 of the Revised Code or the lessor. If both the lienholder or the lessor and the consumer consent to finance or lease the new motor vehicle obtained through the exchange in division (B) of this section, the lienholder or the lessor shall release the lien on or surrender the title to the nonconforming motor vehicle after it has obtained a lien on or title to the new motor vehicle. If the existing lienholder or lessor does not finance or lease the new motor vehicle, it has no obligation to discharge the note or cancel the lien on or surrender the title to the nonconforming motor vehicle until the original indebtedness or the lease terms are satisfied.

### **Section 1345.73**

It shall be presumed that a reasonable number of attempts have been undertaken by the manufacturer, its dealer, or its authorized agent to conform a motor vehicle to any applicable express warranty if, during the period of one year following the date of original delivery or during the first eighteen thousand miles of operation, whichever is earlier, any of the following apply:

- (A) Substantially the same nonconformity has been subject to repair three or more times and either continues to exist or recurs;
- (B) The vehicle is out of service by reason of repair for a cumulative total of thirty or more calendar days;
- (c) There have been eight or more attempts to repair any nonconformity;
- (D) There has been at least one attempt to repair a nonconformity that results in a condition that is likely to cause death or serious bodily injury if the vehicle is driven, and the nonconformity either continues to exist or recurs.

### **Section 1345.74**



\_\_\_\_\_  
DATE

\_\_\_\_\_  
BUYER'S SIGNATURE

The manufacturer shall list each defect or condition on a separate line of the written statement provided to the consumer.

(B) Notwithstanding the provisions of division (A) of this section, if a new motor vehicle has been returned under the provisions of section 1345.72 of the Revised Code or a similar law of another state because of a nonconformity likely to cause death or serious bodily injury if the vehicle is driven, the motor vehicle may not be sold, leased, or operated in this state.

(c) A manufacturer that takes possession of a buyback shall obtain the certificate of title for the buyback from the consumer, lienholder, or the lessor. The manufacturer and any subsequent transferee, within thirty days and prior to transferring title to the buyback, shall deliver the certificate of title to the clerk of the court of common pleas and shall make application for a certificate of title for the buyback. The clerk shall issue a buyback certificate of title for the vehicle on a form, prescribed by the registrar of motor vehicles, that bears or is stamped on its face with the words "BUYBACK: This vehicle was returned to the manufacturer because it may not have conformed to its warranty." in black boldface letters in an appropriate location as determined by the registrar. The buyback certificate of title shall be assigned upon transfer of the buyback, for use as evidence of ownership of the buyback and is transferable to any person. Every subsequent certificate of title, memorandum certificate of title, or duplicate copy of a certificate of title or memorandum certificate of title issued for the buyback also shall bear or be stamped on its face with the words "BUYBACK: This vehicle was returned to the manufacturer because it may not have conformed to its warranty." in black boldface letters in the appropriate location.

The clerk of the court of common pleas shall charge a fee of five dollars for each buyback certificate of title, duplicate copy of a buyback certificate of title, memorandum buyback certificate of title, and notation of any lien on a

for each certificate of title issued for the

is applying for a buyback certificate of title for the motor vehicle and not a certificate of title.

# **APPENDIX F**

## APPENDIX F

### OHIO ADMINISTRATIVE CODE 109:4 CONSUMER FRAUD AND CRIMES Chapter 109:4-4 Dispute Resolution Programs for Settlement of New Motor Vehicle Warranty Disputes

#### **109:4-4-01 Authority, construction and purposes of rules; severability; and definitions.**

##### (A) Authority, rules of construction, purposes

- (1) This chapter is adopted by the office of the attorney general of Ohio pursuant to division (A) of section 1345.77 and Chapter 119. of the Revised Code.
- (2) Without limiting the scope of any section of the Revised Code or any other rule, this chapter shall be liberally construed and applied to promote their purposes and policies.
- (3) The purposes and policies of this chapter are to:
  - (a) Define with reasonable specificity the qualifications for the certification of informal dispute settlement programs for the resolution of new motor vehicle warranty disputes between the consumer and the manufacturer or its agents.
  - (b) Encourage the establishment and qualification of dispute resolution programs for settlement of new motor vehicle warranty disputes.

##### (B) Severability

Each substantive rule and every part of each substantive rule is an independent rule and part of a rule, and the holding of any rule or part of a rule to be unconstitutional, void, or ineffective for any cause does not affect the validity or constitutionality of any other rule or part of a rule, and, to this end, each and every rule, paragraph, sentence, clause, phrase, or provision of this chapter is hereby declared severable.

##### (c) Definitions

- (1) For purposes of this chapter, the definitions found in section 1345.71 of the Revised Code, including any amendments, shall apply.
- (2) "The act" means sections 1345.71 to 1345.77 of the Revised Code, including any amendments.
- (3) "Board" means the organization, person, or entity which conducts the dispute-settlement processes, including but not limited to conciliation, mediation, or arbitration procedures by which a warrantor has agreed to be bound.
- (4) "Arbitrators" means the person or persons within a board actually deciding disputes.
- (5) "On the face of the warranty" means the page on which the warranty

text begins or on the first page of an alternative document issued by the warrantor for the purpose of complying with this chapter.  
(6) "Warrantor" means the manufacturer or distributor of a new motor



disclosure that, if a consumer chooses to seek redress by pursuing rights and remedies not created by the act, resort to the board would not be required by any provision of the act. This statement will be deemed to be disclosed if the warrantor or the warrantor's agent either posts a sign in a conspicuous place, or gives the consumer a separate form at the time of the initial face-to-face contact, which clearly and conspicuously contains the following language in boldface ten point type:

**NOTICE**

**OHIO LAW REQUIRES YOU TO USE A QUALIFIED ARBITRATION PROGRAM BEFORE SUING THE MANUFACTURER OVER NEW CAR WARRANTY DISPUTES. FAILURE TO ARBITRATE YOUR CLAIM MAY PRECLUDE YOU FROM MAINTAINING A LAWSUIT UNDER SECTION 1345.75 OF THE REVISED CODE.**

(4) A statement, if applicable, indicating where further information about

The warrantor shall proceed fairly and expeditiously to attempt to resolve all disputes submitted directly to the warrantor.

(F) The warrantor shall:

- (1) Designate a contact person to receive notices for purposes of this chapter and Chapter 109:4-5 of the Administrative Code;
- (2) Respond fully and promptly to reasonable requests by the board for information relating to disputes;
- (3) Upon notification of any decision of the board that would require action on the part of the warrantor, perform any obligations required by the mechanism's decision.

(G) The warrantor shall act in good faith in performing a board's decision.

(H) The warrantor shall comply with any reasonable requirements imposed by the board to fairly and expeditiously resolve warranty disputes.

History: Enacted by 1987-88 OMR 437(E), eff. November 29, 1987. Amended by 1991-92 OMR 679(A), eff. Dec. 30, 1991

RULE PROMULGATED UNDER: RC Chapter 119.

RULE AUTHORIZED BY: RC 1345.77

RULE AMPLIFIES: RC 1345.77

119.032 Review Date: 7-15-03

**109:4-4-04 Minimum requirements of the board.**

(A) Board organization

(1) The board shall be funded and competently staffed at a level sufficient to ensure fair and expeditious resolution of all disputes, and shall not charge consumers any fee for use of the board.

(2) The warrantor, the sponsor of the board (if other than the warrantor), and the board shall take all steps necessary to ensure that the board and its arbitrators and staff are sufficiently insulated from the warrantor and the sponsor, so that the decisions of the arbitrators and the performance of the staff are not influenced by either the warrantor or the sponsor.

Necessary steps shall include, at a minimum, committing funds in advance of submission of disputes, basing personnel decisions solely on merit, and not assigning conflicting warrantor or sponsor duties to board staff persons. The board shall collect and maintain detailed information relating to any interest and involvement of the arbitrators in the manufacture, distribution, sale or service of any motor vehicle.

(3) The board shall impose any other reasonable requirements necessary to ensure that the arbitrators and staff act fairly and expeditiously in each dispute.

(B) Qualification of arbitrators

(1) No arbitrator shall be:

(a) A party to the dispute or an employee or agent of a party other than for purposes of deciding disputes; or

(b) A person who is or may become a party in any pending legal action, including but not limited to class actions, relating to the

product or complaint in dispute or an employee or agent of such persons other than for purposes of deciding disputes. For purposes of this paragraph, a person shall not be considered a "party" solely because he or she acquires or owns an interest in a party solely for investment, and the acquisition or ownership of an interest which is offered to the general public shall be prima facie evidence of its acquisition or ownership solely for investment.

(2) The composition of the arbitration panel(s) shall be as follows:

(a) If a panel consists of less than three arbitrators, all shall be persons having no direct involvement in the manufacture, distribution, sale or service of any motor vehicle.

(b) If a panel consists of three or more arbitrators, at least two-thirds shall be persons having no direct involvement in the manufacture, distribution, sale or service of any motor vehicle.

(3) "Direct involvement" shall not include acquiring or owning an interest solely for investment, and the acquisition or ownership of an interest which is offered to the general public shall be prima facie evidence of its acquisition or ownership solely for investment.

(4) Notwithstanding paragraph (B)(2) of this rule, any arbitrator selected to hear a dispute shall, immediately upon notification of such selection, disclose to the board any investment he or she has, in any company which is involved in the manufacture, distribution, sale or service of any motor vehicle. If, during the pendency of any dispute, any arbitrator acquires such an interest, he or she shall immediately disclose such acquisition to the board. Any disclosure shall be in writing and the board shall deliver a copy to each party. Upon receipt of such disclosure, a party may elect to disqualify the arbitrator from hearing the dispute.

(5) Nothing contained in paragraph (B) of this rule shall prevent the arbitrators from consulting with any neutral persons knowledgeable in the technical, commercial or other area relating to motor vehicles which is the subject of the dispute.

(6) Arbitrators shall be persons interested in the fair and expeditious settlement of consumer disputes.

(c) Operation of the board

(1) The board shall establish written operating procedures which shall include at least those items specified in paragraphs (C)(2) to (C)(12) of this rule and the information required by paragraph (F)(3) of this rule. Copies of the written procedures shall be made available to any person upon request.

(2) Upon written notification of a dispute, the board shall immediately inform both the warrantor and the consumer of receipt of the dispute by a written notice which includes the following disclosure which must be in bold face ten point type:

**NOTICE**

**OHIO LAW REQUIRES YOU TO USE A  
QUALIFIED ARBITRATION PROGRAM  
BEFORE SUING THE MANUFACTURER OVER  
NEW CAR WARRANTY DISPUTES. FAILURE**

and any other remedies available under the written warranty or the act (or rules thereunder); and a decision shall state a specified reasonable time for performance;

(b) Disclose to the warrantor, and the consumer, its decision, the reasons, therefor, and the information described in paragraph (C)(7) of this rule.

For purposes of this paragraph, a dispute shall be deemed settled when the board has ascertained from the consumer his or her acceptance of the offer and that the settlement has been fully implemented.

(6) The board's arbitration decision shall be disclosed to the attorney general on forms to be approved by the attorney general, which shall contain, at a minimum, the following information:

(a) Date the complaint was received;

(b) Relief requested by the consumer;

(c) Decision of the arbitrator(s) and reasons therefor;

(d) Date of the decision;

(e) A specific date for completion of the transactions necessary to carry out the decision of the board;

(f) A statement that the decision is binding upon the warrantor and not the consumer, unless the consumer elects to accept the decision;

(g) The time within which the consumer must respond;

(h) Determination of whether the decision was accepted or rejected by the consumer.

(7) The board shall inform the consumer at the time of disclosure required in paragraph (C)(5) of this rule that:

(a) If he or she is dissatisfied with its decision or if the warrantor, its agent, or its authorized dealer fails to promptly fulfill the terms of the board's decision, the consumer may seek redress by other rights and remedies, including asserting a cause of action under section 1345.75 of the Revised Code.

(b) The consumer may obtain, at reasonable cost, copies of all board records relating to the consumer's dispute.

(8) The board may delay the performance of its duties under paragraph (C)(5) of this rule beyond the forty-day time limit:

(a) Where the period of delay is due solely to the failure of a consumer to provide promptly his or her name and address, make, model and vehicle identification number of the motor vehicle involved, and a statement as to the nature of the defect or other complaint;

(b) For a seven-day period in those cases where the consumer has made no attempt to seek redress directly from the warrantor;

(c) For a fourteen-day period for delays due solely to compliance

with the requirement contained in paragraph (C)(3) of this rule that the board provide the parties with an opportunity to explain or rebut contradictory information;

(d) For a fourteen-day period for delays due to consumer requests for hearing postponement, consumer failure to submit adequate information which the arbitrator(s) feel(s) is needed to render a decision, arbitrator unavailab



material portions of follow-up telephone calls) to the consumer and responses thereto; and

(k) Any other documents and communications (or summaries of relevant and material portions of oral communications) relating to the dispute.

(2) The board shall maintain an index of each warrantor's disputes grouped under make and sub-grouped under model.

(3) The board shall maintain an index for each warrantor which will show:

(a) All disputes in which the warrantor has agreed to perform any obligations as part of a settlement reached after notification of the dispute or has been ordered to perform any obligations as the result of a decision under paragraph (C)(5) of this rule and has failed to comply; and

(b) All disputes in which the warrantor has refused to abide by an arbitration decision.

(4) The board shall maintain an index that will show all disputes delayed beyond forty days.

(5) The board shall compile semiannually and, maintain and file with the attorney general a compilation of the semiannual statistics which show the number and per cent of the total number of warranty disputes received in each of the following categories (which shall total one hundred per cent of the total number of warranty disputes received):

(a) Resolved by staff of the board without arbitration and the warrantor has complied;

(b) Resolved by staff of the board, without arbitration, time for compliance has expired, and the warrantor has not complied;

(c) Resolved by staff of the board without arbitration, and time for compliance has not yet expired;

(d) Decided by arbitration and the party required to perform has complied, specifying whether the party required to perform is the consumer or the warrantor or both;

(e) Decided by arbitration, time for compliance has expired, and the party required to perform has not complied, specifying whether the party required to perform is the consumer or the warrantor or both;

(f) Decided by arbitration and time for compliance has not yet expired;

(g) Decided by arbitration in which neither party was awarded anything;

(h) No jurisdiction;

(i) Decision delayed beyond forty days under paragraph (C)(8)(a) of this rule;

(j) Decision delayed beyond forty days under paragraph (C)(8)(b) of this rule;



(k) Decision delayed beyond forty days under paragraph (C)(8)(c) of this rule;

(l) Decision delayed beyond forty days under paragraph (C)(8)(d) of this rule;

(m) Decision delayed beyond forty days for any other reason; and

(n) Decision is pending and the forty-day limit has not expired.

In addition, the board shall compile semiannually and maintain and file with the attorney general a compilation of the semiannual statistics which show the number and per cent of the total number of disputes received (which need not add up to one hundred per cent of all disputes received) in which:

(o) Consumer requested a refund or replacement for a motor vehicle within the first year or eighteen thousand miles of operation;



information relating to the qualifications of board staff, arbitrators, and neutral technicians or consultants and detailed information relating to any interest and involvement of the arbitrators in the manufacture, distribution, sale, or service of any motor vehicle.

History: Enacted by 1987-88 OMR 438, eff. November 29, 1987. Amended by 1991-92 OMR 679, eff. Dec. 30, 1991

RULE PROMULGATED UNDER: RC Chapter 119.

RULE AUTHORIZED BY: RC 1345.77

- (1) This chapter is adopted by the office of the attorney general of Ohio pursuant to division (A) of section 1345.77 and Chapter 119. of the Revised Code.
- (2) Without limiting the scope of any section of the Revised Code or any other rule, this chapter shall be liberally construed and applied to promote their purposes and policies.
- (3) The purposes and policies of this chapter are to:
  - (a) Define with reasonable specificity the process for the qualification of informal dispute settlement mechanisms for the resolution of new motor vehicle warranty disputes between the consumer and the manufacturer or its agents.
  - (b) Encourage the establishment and qualification of dispute resolution mechanisms for settlement of new motor vehicle warranty disputes.

(B) Severability

Each procedural rule and every part of each procedural rule is an independent rule and part of a rule, and the holding of any rule or part of a rule to be unconstitutional, void, or ineffective for any cause does not affect the validity or constitutionality of any other rule or part of a rule, and, to this end, each and every rule, paragraph, sentence, clause, phrase, or provision of this chapter is hereby declared severable.

(c) Definitions

- (1) The definitions found in Chapter 109:4-4 of the Administrative Code shall also apply to this chapter.
- (2) "Qualified board" means an organization, person or entity which conducts a dispute settlement process which has been reviewed by the attorney general and approved as having met the qualifications specified in Chapter 109:4-4 of the Administrative Code.
- (3) "Provisionally qualified board" means an organization, persons, or entity which conducts a dispute settlement process which is not able to submit a complete application under the requirements of Rules 109:4-5-02 and 109:4-5-03 of the Administrative Code, and is granted a one-year approval under the terms of rule 109:45--04 of the Administrative Code.

History: Enacted by 1987-88 OMR 440, eff. November 29, 1987. Amended by 1991-92 OMR 682, eff. Dec. 30, 1991

RULE PROMULGATED UNDER: RC Chapter 119.

RULE AUTHORIZED BY: RC 1345.77

RULE AMPLIFIES: RC 1345.77

119.032 Review Date: 7-15-03

**109:4-5-02 Application for qualification.**

- (A) Application by a board for certification as a qualified board shall be made in writing to the attorney general.

(B) Applications shall include at least the following information unless specific exceptions are provided in this rule:

(1) Name, address, and telephone number of the board. In the event the applicant does not maintain one or more Ohio addresses and telephone numbers at the time of application, the application shall set forth the specific plans for making the board accessible to Ohio consumers.

(2) The manufacturers, vehicle makes and vehicle models for which the board is authorized to hear disputes and render decisions and copies of such authorization.

(3) Copies of all warranty documents and disclosure information used to alert consumers to the board and the warranty proffered by the

(12) Such other or additional information as the attorney general might request after initial review of the application.

History: Enacted by 1987-88 OMR 441, eff. November 29, 1987. Amended by 1991-92 OMR 682, eff. Dec. 30, 1991

RULE AUTHORIZED BY: RC 1345.77

RULE AMPLIFIES: RC 1345.77

119.032 Review Date: 7-15-03

**109:4-5-05 Continuing obligations of qualified boards.**

(A) A qualified board shall promptly inform the attorney general of any changes in the information submitted in its application pursuant to paragraph (B) of rule 109:4-5-02 or paragraph (D) of rule 109:4-5-04 of the Administrative Code and supply copies of such changes or requisite information.

(B) A qualified board shall submit annually, to the attorney general, copies of the annual audit required by paragraph (E) of rule 109:4-4-04 of the Administrative Code, and, semiannually, the statistics required to be compiled under paragraphs (D)(5) and (D)(6) of rule 109:4-4-04 of the Administrative Code.

(C) A qualified board shall supply for review, upon request of the attorney general, any additional statistics, records or documents which must be compiled or prepared pursuant to rule 109:4-4-04 of the Administrative Code.

History: Enacted by 1987-88 OMR 442, eff. November 29, 1987.

RULE PROMULGATED UNDER: RC Chapter 119.

RULE AUTHORIZED BY: RC 1345.77

RULE AMPLIFIES: RC 1345.77

119.032 Review Date: 7-15-03

**109:4-5-06 Revocation of qualification.**

(A) In the event that the attorney general has probable cause to believe that a qualified or a provisionally qualified board is operating in contravention of the requirements of the act, Chapter 109:4-4 of the Administrative Code or this chapter, or that such board or sponsoring manufacturer has knowingly engaged in conduct which is designed, intended, or has the effect of depriving consumers of access to fair and expeditious resolution of disputes, written notification shall be sent to the board, outlining the perceived deficiencies, fixing a time within which to respond and identifying any additional information which may be required.

(B) Upon receipt of the qualified or provisionally qualified board's reply, or expiration of the time fixed for reply, the attorney general shall determine whether the approval granted should be revoked, continued as before, or continued for a period contingent upon compliance with such conditions as may be set forth in the decision. This decision will be issued in the same manner as provided for in rule 109:4-5-03 of the Administrative Code. Failure of the board to comply with conditions so stated shall result in the automatic revocation of approval, as of the date provided in such decision.

(C) Any consumer injured by the operation of any procedure of a board which does not conform with the requirements stated in the act, Chapter 109:4-4 of the Administrative Code or this chapter, may request the attorney general to investigate the manufacturer's or board's procedure(s) to determine whether its qualification or provisional qualification shall be suspended or revoked. Such request shall not constitute an appeal of the board's decision.

(D) Either upon application for qualification or provisional qualification or upon a consumer's request for investigation, or upon reasonable cause to believe that a qualified or provisionally qualified board is operating in contravention of the requirements of the act, Chapter 109:4-4 of the Administrative Code or this chapter, the attorney general may conduct any inquiry or investigation or evaluation of a manufacturer's informal dispute settlement procedure and may hold hearings, issue subpoenas requiring the attendance of witnesses and the production of records, documents or other evidence in connection therewith, administer oaths, examine witnesses and receive oral and documentary evidence.

(E) The attorney general may suspend or revoke the qualification or provisional qualification of a manufacturer's informal dispute settlement board, upon finding that the board is being used to cause injury or create hardship to consumers, in accordance with the procedure provided for in paragraphs (A) and (B) of this rule.

(F) After revocation of approval, a board may reapply pursuant to the application procedures in this chapter.

History: Enacted by 1987-88 OMR 442, eff. November 29, 1987.

RULE PROMULGATED UNDER: RC Chapter 119.

RULE AUTHORIZED BY: RC 1345.77

RULE AMPLIFIES: RC 1345.77

119.032 Review Date: 7-15-03



# **APPENDIX G**

**APPENDIX G**

**BBB AUTO LINE CONSUMER SURVEY QUESTIONS  
NATIONAL, FLORIDA, AND OHIO**

**2006 BBB AUTO LINE SURVEY**

[Hello, I would like to ask you someRlei36D8t.ne9ldRll ask yoRI






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--	--	--	--

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Appendix G, Page 207. Was your case determined to be ineligible or did you choose to appeal?

[REDACTED]

Your claim was settled through mediation without having an arbitration hearing	Your claim was decided by an arbitrator after a hearing <b>[Go to Question #18]</b>	DK/DR

**[Mediation section begins here]**

14. Which statement best describes your mediation settlement?

Mfr. re-purchase or replacement	Mfr. repair	Mfr. reimbursement for expenses	Other settlement	DK/DR

15. After you reached a settlement, did you receive a letter from BBB AUTO LINE staff about the settlement terms?

Yes	No	DK/DR

16. Did the manufacturer carry out the terms of your settlement?

Yes, within the specified time	Yes, after the specified time	No	DK/DR

17. Did you later talk to BBB AUTO LINE staff or receive a letter from BBB AUTO LINE staff about whether the manufacturer carried out the terms of the settlement?

Talked with staff	Received a letter	Both	Neither	DK/DR

18. Did you continue your case with BBB AUTO LINE after this point? **[Only those respondents who said the manufacturer did not perform.]**

Yes <b>[Go to Question #30]</b>	No <b>[Go to Question #30]</b>	DK/DR <b>[Go to Question #30]</b>

**[Arbitration section begins here]**

19. Did you receive notice of the scheduled date, time and place for your arbitration hearing?

Yes	No	DK/DR

20. After the arbitration hearing, was a copy of the decision sent to you?

Yes	No	DK/DR

21. Which statement best describes your arbitration decision?

Mfr. re-purchase or replacement	Mfr. repair	Mfr. reimbursement for expenses	Other award	No award [Go to Question #24]	DK/DR

22. Did you accept or reject the arbitration decision?

<b>Accepted</b>	<b>Rejected</b> [Go to Question #24]	<b>DK/DR</b> [Go to Question #24]

23. Did the manufacturer carry out the terms of the decision?

<b>Yes, within the specified time</b>	<b>Yes, after the specified time</b>	<b>No</b>	<b>DK/DR</b>

24. Did you later talk to BBB AUTO LINE staff or receive a letter from BBB AUTO LINE staff about whether the manufacturer carried out the terms of the arbitration decision?

<b>Talked with staff</b>	<b>Received a letter</b>	<b>Both</b>	<b>Neither</b>	<b>DK/DR</b>

25. After your arbitration, did you pursue the dispute any further?

<b>Yes</b>	<b>No [Go to Question #26]</b>	<b>DK/DR [Go to Question #26]</b>

26. Which of the following did you do?

<b>Re-contacted BBB AUTO LINE</b>	<b>Worked out solution with dealer/mfr.</b>	<b>Contacted legal counsel</b>	<b>Contacted state or other govt. agency</b>	<b>DK/DR</b>

**[Arbitrator evaluation section begins here]**

**[Now, I would like to ask you some questions regarding the arbitrator in your case.]**

27. What grade would you give the arbitrator on understanding the facts?

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>F</b>	<b>DK/DR</b>

28. What grade would you give the arbitrator on objectivity and fairness?

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>F</b>	<b>DK/DR</b>

29. What grade would you give the arbitrator on rendering a fair and impartial decision?

A	B	C	D	F	DK/DR

30. What grade would you give the arbitrator on coming to a reasoned and well thought-out decision?

A	B	C	D	F	DK/DR

**[BBB AUTO LINE evaluation section begins here]**

**[These are questions regarding BBB AUTO LINE staff.]**

31. What grade would you give BBB AUTO LINE staff on objectivity and fairness?

A	B	C	D	F	DK/DR

32. What grade would you give BBB AUTO LINE staff on their efforts to assist you in resolving your claim?

A	B	C	D	F	DK/DR

33. Overall, what grade would you give BBB AUTO LINE?

A	B	C	D	F	DK/DR

34. Would you recommend BBB AUTO LINE to a friend or family member who is experiencing automotive problems?

Yes	No	Don't Know

**[Thank-you very much for your time.]**

# APPENDIX H

## **APPENDIX H**

### **FORM NAMES**

Agreement to Arbitrate Form

Automotive Case Record Form

BBB AUTO LINE Case File [not a form, but the entire file]

Call Record

Case File Notes

Checklist for Arbitration Hearing Form

Customer Claim Form

Decision Form

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