

# California Lemon Law Handbook <sup>SM</sup>\*

**\*Everything you wanted  
to know about new and  
used vehicle lemon law**



**Your legislators passed  
laws that protect you, so  
take full advantage of them**



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### **So you think your new vehicle purchase turned out to be a lemon?**

The “Song-Beverly Consumer Warranty Act”, popularly known as the “Lemon Law”, provides owners/leasee’s of new motor vehicles a way to get a refund of their money, or a replacement vehicle if their vehicle turns out to be a “lemon”.

In general terms, the Lemon Law permits consumers to seek a replacement vehicle, or a reimbursement of trade-in equity, cash down payment, monthly payments including interest, and certain other fees for consumer products which are defective and which are not repaired within a reasonable number of repair attempts. Let’s assume you purchased or leased a new vehicle and are having problems that the dealer has been attempting to fix on multiple repair visits, but the problems still exist. Your vehicle may have as little as 600 miles, or as much as 36,000 miles or more. If the problems occurred under warranty, it can be considered a lemon, regardless of

the mileage. Even if the vehicle had been in multiple times for the same problem, and that problem now exists *out* of warranty, it may potentially be a lemon. Also, the total number of days spent in the shop can make a vehicle a lemon.

Vehicles registered to a business or used for business purposes are included under the Lemon Law, provided the total number of vehicle’s registered to said business or owner is not more than five.

What *is* important is that the recurring problems be of a *substantial nature*. Engine, transmission, brakes, electrical, steering, suspension, and air conditioning are examples of substantial problems.

What constitutes a “reasonable” number of repair attempts? The more substantial the problem, the less number of repair attempts are necessary. For brakes, it may be only two repairs. Air conditioner—usually four or more repairs. Typically the number of repair attempts in the majority of

lemon law claims is generally recognized as **four**. Two repair attempts for a defect that is “likely to result in serious injury or death” is “presumed” to be a reasonable number of attempts. Your Lemon Law Attorney is best equipped to review your service repair records and determine if you have a potential lemon law claim.

### **So you think your used vehicle purchase turned out to be a lemon?**

Your used vehicle can be a lemon, too, if the vehicle is covered by warranty. An example would be the balance of the manufacturer’s new vehicle limited warranty, a factory or dealer “certified” pre-owned warranty, or equivalent. The dealer may also provide a limited warranty posted on the “BUYERS GUIDE” label, which may offer lemon law protection. Vehicles sold “AS-IS” as marked on the “BUYERS GUIDE” are not applicable for lemon law relief.

Your Lemon Law Attorney is best equipped to review your warranty,

“BUYERS GUIDE”, and service repair history for potential used vehicle lemon law claims.

### **What if your vehicle is out of warranty, but the problems started during the warranty?**

If you purchased your vehicle new, and it has had a substantial problem repaired four or more times *during* the warranty period, and the problem remains unrepaired *after* the warranty expires, you may potentially have Lemon Law rights. Do not assume you have given up your chances of Lemon Law relief just because your vehicle is now out of warranty!

### **Let's take a look at some examples of lemon law situations**

Some common examples would include faulty brakes, ABS brake failures, transmission failures and “hard-shift” or “no-shift” situations, engine dying complaints, major electrical difficulties with the vehicle, on-board computer malfunctions, repeated no-start

situations, hard pulling of steering to left or right, "CHECK ENGINE" light, and others. Any defect which substantially impairs the use, value or safety of the vehicle can be the subject of a Lemon Law lawsuit. Your Lemon Law attorney is best equipped to determine potential lemon law applicability.

### **Do I have to go through Arbitration?**

You may have already read about "Arbitration" in your warranty booklet, or been told about it by the dealer or manufacturer. You should know that *arbitration is not required* by the Lemon Law. You *do not* have to go through the arbitration process. If you are considering participating in the manufacturer's arbitration process, you should consult with a Lemon Law attorney regarding the pluses and minuses of arbitration, and how they might impact your case. If you have gone through the arbitration process and *lost*, you may still pursue your Lemon Law rights through a Lemon Law attorney. Even if you have already gone through the manufacturer's arbitration process

and "won", prior to accepting the decision you should consult with a Lemon Law attorney for an opinion on whether you really "won" and received all of your entitlement under the Lemon Law.

If you have already gone through arbitration before reading this and want to pursue your legal rights under lemon law, then we suggest you contact our offices for a review of your service records and other documents for a potential lemon law claim.

### **Your next step: Contacting a Lemon Law Attorney**

Your Lemon Law attorney will review your vehicle repair records and other documents, and make a determination of the vehicle's potential applicability to Lemon Law. The phone consultation and review of your repair records and documents at our firm is done at *no charge* to you. If it is determined that your vehicle qualifies for potential relief under the Lemon Law, you may choose to have us represent you.

**How long does all this take, and will I be successful?**

Our firm settles 99% of our cases without our clients ever seeing a courtroom. In fact, most settle within 30 days, with little time required of our clients. Once you provide us with the appropriate records, *we do the rest!*

**Let's take a look at what you are entitled to when your case settles**

If you financed or leased your vehicle, you are entitled to get back your down payment, trade-in equity, license fees, governmental fees and all of the monthly payments you have made up to the date of settlement. The manufacturer or dealer pays off the existing loan, and you turn the vehicle back in. This is known as a *vehicle repurchase*. In certain circumstances you may also elect to take a replacement vehicle in lieu of a repurchase. This known as an *exchange of collateral*. Your loan remains the same, and you simply "swap" your present vehicle for a new one with the same equipment. Leased vehicles are treated in the same way.

In any Lemon Law action, the manufacturer or dealer is entitled to an *offset* for mileage based on the odometer reading at *the first time* you had your vehicle repaired for a recurring problem. There is a specific formula for calculating this offset, which your Lemon Law attorney will discuss with you.

**What can I expect to pay my attorney for provided services?**

It depends on the law firm you choose. Some require a non-refundable "retainer", others require a retainer fee *and* additional fees. Still others will ask that *you* pay for a *mechanical inspection/evaluation* of your vehicle before or during your case. Many require that *you* pay the "costs" of the case.

**We're different.** Our firm accepts most of our cases on a "no fee/no costs" basis, which means there is no money out of your pocket, as the attorney is advancing all fees *and* costs to pursue your case. Some cases have a higher difficulty and financial risk level to the attorney. These cases are taken on a "contingency fee" basis.

That is -- you only pay for services when a settlement or judgement is reached - *without* financial risk of paying the attorney if your case does not settle in your favor. For over 17 years our clients have told us this is the fairest and most equitable way of fee billing they have encountered for legal services. Once we have done a FREE review of your potential Lemon Law case, we can tell you if your case will be FREE, or if there will be a contingency fee expected of you at the successful conclusion of your Lemon Law case.

### **What about my lost time and frustration?**

If your vehicle is found to be a "lemon", you are entitled to a refund of your money, or a replacement vehicle. The Lemon Law does not provide compensation for lost time or frustration. *However*, in certain situations where the manufacturer (or dealer) has *not* made a "good faith" effort to comply with the Lemon Law, the consumer may recover a "*civil penalty*" of up to **three times the cost of the vehicle**. Your Lemon Law attorney can advise you on whether those circumstances may exist in your case.

### **Your Legislators gave you an outstanding Lemon Law...if you use it**

Though not drenched in media attention, the California Lemon Law is one of the most attractive, "consumer friendly" consumer protection laws in the nation. It is for this reason that you should *take advantage of it*. An experienced Lemon Law attorney can defend your rights and bring a swift and fair resolution to your lemon ownership experience.

### **Get rid of that lemon. Start Today!**

Call our offices toll-free at 1-800-647-8127. Your call and phone consultation are free. There is simply no reason you should continue with the frustration and grief of owning or leasing a vehicle that is a lemon. Vehicle ownership is supposed to be a positive experience. That's why we're here to help.

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