

MINUTES OF THE MEETING  
BUSINESS AND INDUSTRY COMMITTEE  
MONTANA STATE SENATE

March 2, 1983

The meeting of the Business and Industry Committee was called to order by Chairman Allen Kolstad on March 2, 1983, at 10:15 a.m., in Room 404, State Capitol.

ROLL CALL: All members were present with the exception of Senator Fuller who was excused.

CONSIDERATION OF HOUSE BILL 18: An act requiring a manufacturer to honor the express warranty on a new motor vehicle; providing for replacement of or refund for a new motor vehicle that does not conform to its warranty after a reasonable number of attempts have been made to conform the vehicle to its warranty; extending the warranty period because of delays caused by disasters; allowing other remedies; exempting a dealer from liability; and providing an applicability date.

Representative Dan Harrington stated this is a necessary law that can affect anyone who buys a new vehicle. The second largest purchase is an automobile and this can amount to \$10,000 or more. It is his hope that in passing this bill we can enact a law to protect the consumer. With the millions of automobiles sold each year, the consumer has the right of satisfaction that House Bill 18 will give them. Before the buyer can take advantage of the law, however, they must meet criteria listed on page 2. The bill does provide redress to the consumer but they must show that the car is a true lemon. According to the FTC, car-related problems are the number one consumer complaint nationwide. Currently, Connecticut and California are the only states that have this law.

PROPONENTS TO HOUSE BILL 18: Arthur W. Schmidt stated he supports this bill. His written testimony is attached to the minutes.  
(Exhibit No. 1)

Anna Bloom told about buying a Subaru and found it had vapor locks. She was told there was water in the gas. They made many trips to have the car fixed. She complained that the car had no power. They are retired and live on the budget. After they sold the Subaru they bought a Chevy Citation. They were so frightened that it might be another "lemon" they "got rooked" into getting insurance. She feels we need this bill.

C. R. Taylor told about purchasing a truck in Denver. It had severe vibrations and many other things wrong with it also. He took it back to the dealer, they checked everything on the truck and it still vibrated. They stated one way to cure it was to get rid of it or put a set of Michelin tires on it. He felt it did not need new tires. Upon moving to Helena they had it in the shop about 30 times. He tried going to the zone representative; however, he never returned the calls. After four phone calls he wrote a letter to the company with still no results. The dealer wrote a letter to the Pontiac Company. He then received an answer from the zone representative. They looked at the truck and it still wasn't any better. He talked with the zone representative and he stated nothing else could be done. Finally, he contacted

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an attorney and they did some more work on it, but it still is not working right. He took it to the shop of his choice and they stated it was improperly manufactured. They now have a suit filed in Billings which will be heard in August 1983. He feels we need this kind of bill.

Tina Longmire stated she supports this bill. Her written testimony is attached to the minutes. (Exhibit No. 2)

Becky Schneckloth stated they purchased a 1982 Citation and paid \$13,000 for it. It goes into the shop tomorrow for the 10th time. She does not think the bill goes far enough. There should be some type of compensation.

Robert Anderson, Montana Public Interest Research Group, stated he supports this bill. His written testimony is attached to the minutes. (Exhibit No. 3)

Jerry Raunig, Montana Automobile Dealers Association, stated he took a neutral position. He stated AUTOCAP was a program to handle consumer complaints on both new and used cars. It was started in December 1982 and follows national standards and is the only consumer office which is endorsed by the Consumer Affairs Division of the Department of Commerce. He passed out a brochure to the committee entitled AUTOCAP. (Exhibit No. 4) These are brochures which they give their customers. When a consumer has a problem they call the AUTOCAP number. The person who handles that telephone call tries to find out whether they have talked to the dealer himself. If at that point they cannot resolve the problem, the consumer is asked to send a written complaint to them. AUTOCAP then sends it to the dealer principal and they have ten (10) days in which to respond. If the complaint still cannot be resolved it then goes to a panel. The panel is composed of six people, 3 dealers and 3 consumers. There is a Chairman who is a dealer and he does not vote. The cases that go to the panel remain anonymous so that they can make an unbiased decision. He feels the program is working.

The following exhibits were turned in at the end of the meeting. Exhibits 5 through 10.

There were no further proponents and no opponents.

QUESTIONS FROM THE COMMITTEE: Senator Gage asked if all the dealers in Montana belong to AUTOCAP? Mr. Raunig stated all new car dealers belong to the program.

Senator Severson questioned why the bill was amended. He wondered why he took the dealer out of the bill. Frankly, the dealer is the one who can deal with the company better than the consumer. Representative Harrington stated he does not want the dealer to replace the automobile. He feels that is the manufacturers responsibility.

Senator Severson stated he has known times when dealerships have had trouble with the factory. In your experience with AUTOCAP how much help, if a dealer got to the point where he could not get the job

done, have they been to get the manufacturer to resolve the problem? Mr. Raunig stated they have not had serious problems yet. They have had a couple of minor cases where the first contact was "I don't want to do anything about it" but because of AUTOCAP the problem was resolved.

Senator Lee asked about recreational vehicles. Representative Harrington stated he has no problems excluding motor homes from this bill.

Senator Christiaens asked while they are talking about a reasonable number of attempts to repair, who makes that determination? Representative Harrington stated when they have exhausted all attempts they reach a certain point and the law will come into effect.

Senator Christiaens asked then is the dealer involved in making that decision or are you talking manufacturer? Mr. Raunig stated I think according to the way this bill is written, the determination would be made under section 7 of the bill on page 4.

Senator Gage asked in your research was your 1% just an arbitrary figure? Mr. Anderson stated it was merely an example.

Senator Severson stated I can see where the dealership is not doing the job but you could help put the pressure from the dealer to the manufacturer. Mr. Raunig stated he agrees with the philosophy and it is the same with AUTOCAP but they cannot do anything until they receive a written complaint and documentation.

In closing, Representative Harrington stated 1 out of 1,000 automobiles are lemons. He welcomes AUTOCAP and feels it will fall right in step with this bill. This bill gives protection to the dealer on a highly defective product and he goes along with any amendment as far as motor homes are concerned.

The hearing was closed on House Bill 18.

ACTION ON HOUSE BILL 18: Senator Dover made the motion that we have Staff Attorney, Greg Petesch, prepare the proper amendments to take out motor homes. Senator Gage seconded the motion.

After further discussion, the Committee voted, by voice vote, 7-2, with Senators Christiaens and Severson voting no, that the proposed amendment to HOUSE BILL 18 BE ADOPTED.

Senator Dover made the motion that House Bill 18 As Amended Be Concurred In. Senator Gage seconded the motion.

The Committee voted unanimously, by voice vote, that HOUSE BILL 18 AS AMENDED BE CONCURRED IN. Senator Christiaens will carry this bill on the floor.

ADJOURN: There being no further business, the meeting adjourned at 11:45 a.m.

*Allen C. Kolstad*  
ALLEN C. KOLSTAD, CHAIRMAN

## ROLL CALL

## BUSINESS AND INDUSTRY COMMITTEE

48th LEGISLATIVE SESSION -- 1983

DATE 3-2-83

STANDING COMMITTEE REPORT

March 2

19 83

MR. **PRESIDENT**

We, your committee on **BUSINESS AND INDUSTRY**

having had under consideration **HOUSE 18** Bill No.

**HARRINGTON (CHRISTIAENS)**

Respectfully report as follows: That **HOUSE 18** Bill No. ....  
**be amended as follows:**

1. Page 2, line 4.

Following: "state."

Insert: "The term does not include a motor home as defined in  
61-1-130."

**AND AS AMENDED,**

**DO PASS BE CONCURRED IN**

SUBMITTED BY: Arthur  
Schmidt

March 2, 1983

EXHIBIT NO. 1

Butte, Montana  
2/19/1983

" LEMON DODGE "

To Whom It May Concern.,

Attached in numerical order photo copies of correspondence between Arthur Wm. Schmidt, (his Attorney Larry Stimatz) and Chrysler Corporation on one(1) 1979 Dodge Club Cab 4 x 4 Mdl. 200, serial No W 27JF9C142606 purchased from Anaconda Chrysler on 7/17/79.,

1. Time of Purchase :

B-B . NOTE Called by Mrs Sullivan(Detroit Office)7/20/79,1.30P.M. Front Bearing wheel faulty take to dealer to be fixed.,

2. List to Anaconda Chrysler of Faults and requests for adjustments of same.,

3. Notified Anaconda Chrysler 1/18/80 wanting service,told to bring truck in 1/24/80.,

3-B . 2129 Miles on truck, Motor rebuilt, same with transmission on order # 01813 where in truck was damaged and had to be repainted where damaged by Anaconda Chrysler.,

4. Certified correspondence(to Anaconda Chrysler)4/21/80 job not satisfactory only to be told situation had to go to Chrysler Factory,nothing but stall on problem.,

5. Letter to Chrysler Corporation on 5/15/80 on problems with truck.,

5-B. Response 6/19/80 Beaverton,Oregon go back to Anaconda Chrysler Dealer,nothing.,

6. Wrote Mr. D.B. Vial,Chrysler as per services.,

6-B. Slip on 7/18/80 From Beaverton,all data on truck,filled out,returned,nothing.,

7. Correspondence(attorney Larry Stimatz)to Mr. Lee Iacoca president of Chrysler Corporation on truck as of 9/11/80.,

7-B. Note letter to Mr. D.B. Vial customer relations Beaverton,Oregon(by Attorney Larry Stimatz on 9/11/80 that transmission faulty with NOTICE here-with-in the statutes of Warranty.,

7-C. Response by Chrysler Corporation to Attorney Larry Stimatz on 9/217/80 unable to verify fact of faulty transmission.,

7-D. Attorney Larry Stimatz as per facts written me Arthur Schmidt..

7-E. Mr. Stimatz letter to Mr. Vial(chrysler Corporation) their Mr. Groves could find nothing wrong and why not well Mr. Groves refused to drive the truck personally, had a mechanic drive same,when questioned why so slow on shifting said thats the way and I didn't know how to drive.,

Butte, Montana  
2/19/1983

" LEMON DODGE "

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7-F. Detroit Chrysler Office, P.A. Donavan as of October 16th, 1980 would look into the situation, would handle thair way per correspondence Attorney Larry Stimatz.,

7-G. Correspondence Mr. Vial to Larry Stimatz reflecting that their people knew all and I, Arthur Schmidt didn't know anything.,

8. Chrysler Electronic Mail 5/18/81 A.W. Veit Mgr Customs Relations following their review would notify me, now 2/18/83 still waiting for their response.,

9. Correspondence to factory on 12/28/1982 again on Dodge never responded to. fast.,

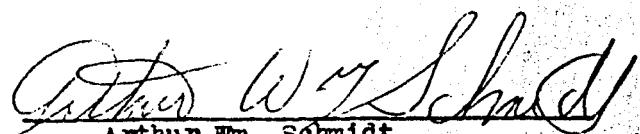
9-B. Response from Chrysler's Mr. O.S. Hunt ignored facts and his of 1/13/83 to bad, frankly a letter with nothing it.,

10. Another letter to Chrysler's Mr. O.S. Hunt on truck with specific questions, issue avoided and again a letter that said nothing.,

10-B. Mr. O.S. Hunts response 2/5/83 said nothing.,

NOTICE., during this period of warranty the Anaconda Chrysler folded up and then the chrysler operation in Butte, Montana closed., NOT one time was ant mention issued as to maybe taking vehicle to some-one else.,

All correspondence to Chrysler Corporation was thru certified mails with return receipts to show true facts and issues.,

  
Arthur Wm. Schmidt  
917 Utah Ave  
Butte, Montana 59701

Note;;;; This Truck uses about 1 quart of oil per 600 miles, right hand door leaks water like there was no door there and all this and above and ONLY about 16,000 miles in 4 Years.,

## VEHICLE ORDER

DATE 7/17/1979

DEALER Anaconda ChryslerPURCHASER Arthur, Wm. Schmitz

PLEASE ENTER MY ORDER FOR ONE

VEHICLE AS FOLLOWS:

YEAR	MAKE	MODEL	TYPE	COLOR
1979	Dodge	400-22	1/2 ton	Blue
VEHICLE SERIAL NO.		STOCK NO.	TO BE DELIVERED	
W127TE96140126				

CASH SALES PRICE

1979 400-22  
1/2 ton 9600.00

DOCUMENTARY CHARGE & FEES	LICENSE	LICENSE TRANSFER	TITLE	REGISTRATION	TAX
					→ 9600.00

TOTAL CASH DELIVERED PRICE

DEPOSIT ON ORDER

ALLOWANCE FOR TRADE-IN AS APPRAISED 11500.00

LESS: BALANCE OWING TO →

CASH ON DELIVERY 8700.00

## RECORD OF TRADE-IN

YEAR	MAKE	MODEL	TYPE	COLOR	STOCK NO.
1979	Dodge	400-22			
VEHICLE SERIAL NO.		LICENSE NO.	TITLE NO.		
319140140126					

The front and back of this Order comprise the entire agreement affecting this purchase and no other agreement or understanding of any nature concerning same has been made or entered into, or will be recognized.

I have read the matter printed on the back hereof and agree to it as a part of this order the same as it were printed above my signature. I certify that I am of legal age to execute binding contracts in this State and hereto acknowledge receipt of a copy of this order.

BUYER'S SIGNATURE Arthur, Wm. SchmitzADDRESS 917 1/2th Av Butte MT 59701

THIS ORDER IS NOT VALID UNLESS SIGNED AND ACCEPTED BY DEALER OR HIS AUTHORIZED REPRESENTATIVE.

Tom Neibert ACCEPTED BY Tom Neibert  
SALESMAN DEALER OR AUTHORIZED REPRESENTATIVE

FORM SA-101 (10-78)

THE REEDLEY CO. REEDLEY, CALIF. 93654 LOS ANGELES

PRINTED IN U.S.A.

Space Tires & Wheels  
P. Steering  
New Truck Service  
Unloading

# LICENSE PLATES REGISTERED AT TREASURER.

DEALER

Anaconda Chrysler

NAME

Anaconda, Mont.

ADDRESS

A162993

*Tom Neibert*  
*Tom Neibert*

*9600.00*

*10*  
*9600.00*

FOR SERVICE

12-5-79

TO ANACONDA - CHRYSLER

DODGE - 4X4 - 1979 TO BE BROUGHT TO

ANACONDA ON 12/5/79. PER PHONE CALL TO

TOM HERKEL FOR SERVICE 2000 MILES OR LITTLE

? - WHY — LIGHT SHOWING EGR-COME ON.

- ① CLUTCH SQUEAKS - IN AND OUT - PEDAL PUSHED
- ② KNOCK IN ONE OF PUMPS IN WITH MOTOR OR  
MOTOR ITSELF - SOUNDS DRY OR SOMETHING
- ③ REAR WINDOW LEAKS WATER - AND ONE SIDE  
WINDOW REAR LOOSE - NEED ADJUSTING
- ④ SHIFTING DOWN FROM 2ND - TO - LOW - ROUGH -  
SOMETIMES WON'T GO
- ⑤ RUBBER AROUND DOOR DRIVERS SIDE LEAK
- ⑥ RUBBER - ON WINDOW WING DRIVERS SIDE OUT
- ⑦ OIL LEAK - FRONT MOTOR - BY PULLEY - FRONT OIL PAN
- ⑧ SCREWS - ON PLATE ON FLOOR HOLDING MAT - WON'T  
TIGHTEN DOWN
- ⑨ WHAT CAN BE DONE WITH FLOOR MAT - AROUND  
GEAR SHIFT STICK - TRANSMISSION - LOSS OF AIR COND IN
- ⑩ TRAIL GATE STICKS - HARD TO OPEN
- ⑪ FRONT END SQUEAKS WHEN TURNING
- ⑫ HOOK LOCK TO BE INSTALLED - SAME ORDER
- ⑬ CHECK BOTH DOORS - ONE HARDER - TIGHTER THAN OTHER
- ⑭ GREASE - CHANGE OIL - ETC - ??

②

Bracoda Chrysler -

1-18-80

Transmission - gear box - noise  
Book out at line 11 - cont.

Motor - engine - don't go with clean  
Selles - fact. Then check down - Jacks  
Auto choke - etc - don't need to  
be after longer.

Wind shield driver's side - driver side  
top not right -

When turning will alert - equal amounts  
will send shift down.

Have Ed - 11-18-80 - had truck  
and should - and cannot -

Copy of Bill to factory - that dayned

Called Tom H. for this 11/18/80

1-563 7400

BRING TRUCK ONE MORNING  
OF 24TH JANUARY DO NOT FORGET

when it's time



Butte, Montana 59701  
April 21, 1980

Anaconda Chrysler Center  
600 East Park  
Anaconda, Montana 59711

Gentlemen:

Purchased from your firm on July 7, 1979 One (1) Dodge W200, No W27JF9C142C06 which was returned twice 12/5/79 and 1/24/80 for service of malfunctioning of Motor, Transmission, Windshield, Steering and other related items.,

3000 miles, rebuilt Motor, rebuilt Transmission, Windshield and other items, vehicle still not repaired properly.,

Two (2) phone calls to Tom Hekkel on situation, Factory man will be here with-in a few days to take care of things, three (3) gone by, nothing, Frankly ignored, hence, New Transmission, other items taken care of, or new truck, also truck to be used while situation cleared up.,

Having waited patiently, and nothing forth coming as in the event of an accident due to mechanical failure, holding both you and Chrysler Corporation accountable.,

Should this matter go beyond April 30, 1980, then I will have no alternative but take action which I hope won't be necessary.,

Thank You.,

Sincerely,

  
Arthur Wm. Schmidt  
917 Utah Ave  
Butte, Montana 59701

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Copy to O.S. and Charles 1-5-83

Butte, Montana 59701

May 15, 1980

Mr. L.A. Iacocca  
Chrysler Center  
P.O. Box 857  
Detroit, Mich 48268

Dear Mr. President of Chrysler

Sir:

I'm rather upset with the actions of getting a truck purchased in July 17, 1979 repaired, so since seeing you on T.V. telling us how you stand behind autos & etc guess your the one to write to.,

Now this truck has 2700 miles on it, yup, Motor needed new piston, etc, transmission new fork and what have you with other faults auto choke, and is still a mess, as an example trying to get some shifting down from second to low or 3 down to 2 going down almost breaks your arm to get in and mostly no go.,

So I complain as noted by inclosed sheet going to get service supposedly, as 2 phone calls yup service guy coming in, nothing, now I ask you how would you like to be held dangling., so I sends my letter, and almost a month later, yup nothing, kinda makes for getting mad.,

Then thinking same over says to myself maybe the guy on top don't know what's going on so I'll just write a letter to him to see what will happen, personally I think this is the reason your outfit is going to hekk, no one cares so when he gets this some wheels might turn.,

Would you believe it I'm thinking if we stall long enough the warranty will be up than he can go to hell and since you look like the kinda guy whod doesn't want to be shafted, lets see if this applies to customer..

Anyway I feel with a truck that at 2700 miles has the motor rebuilt, transmission same and etc, and still don't work right should get something for his money including an extension on warranty.,

Yup I'll wait for your answer and thanks for same.,

Yours,

  
Arthur W. Schmidt  
917 Utah Ave  
Butte, Montana 59701

1. copy purchase
2. copy WORK sheet
3. letter to Anaconda Chrysler

5

113583

June 19, 1980

Arthur W. Schmidt  
917 Utah Avenue  
Butte, MT 59701

Dear Mr. Schmidt:

Thank you for your recent letter.

In order to assist you, we are forwarding a copy of your inquiry to the Dealership you have indicated for their review and handling.

We have also contacted our District Manager in that area so that he may provide any technical assistance that this Dealership may need to resolve your inquiry.

1. We request that you, first of all, contact Tom Heckel at Anaconda Service and review your request.
2. Our District Manager has been asked to contact this Dealership with technical assistance required and to provide our office with a concluding report.

Respectfully yours,

THE NEW CHRYSLER CORPORATION  
Service & Parts Division

D. B. Vial  
Customer Relations Manager

DBV/dmm

cc: Anaconda Service  
D. E. Kuykendall

5-B

Butte, Montana 59701  
917 Utah Ave.

July 14, 1980

Mr. D.B. Vial  
Custom Relations Mgr  
Chrysler Corporation  
10030 So. West Allen Blvd  
Beaverton, Oregon 97005

Dear Sir;

Am in receipt of yours dated June 19, 1980 where-in you were going to make arrangement concerning our Dodge 300 transmission and service.,

Nothing , so on June 26th contacted Mr. Tom Hekkel of Anaconda Chrysler concerning contacting me, of which he knew nothing, but would contact your office and have someone contact me again Nothing.,

Took truck down to him on 30th, showed him your letter, he said none such received but would again see what could be done and as of this date I'm very unhappy with response or action and Mr. Hekkel informs me that with out your say-so his hands are tied;

Mr. Hekkel informed me that regardless of time element said Dodge truck would be service under warranty and to my satisfaction;

Mr. Vial, I have owned and driven Dodges in both car and truck and presently have 3 vehicles in operation and I find that this particular truck a lemon, 2700 miles, already the motor rebuilt, transmission rebuilt and frankly still no good.

I am patient but now request a definite answer, do or do you not intend to service this vehicle and when.,

C.Y.  
Tom Hekkel  
Anaconda Mtrs

Arthur M. Schmidt

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ONE SERVICE OFFICE

SERVICE & PARTS DIVISION



CHRYSLER  
CORPORATION

July 18, 1980

Arthur W. Schmidt  
917 Utah Avenue  
Butte, Montana 59701

Dear Mr. Schmidt:

In answer to your recent communication directed to Chrysler Corporation, we would appreciate the following information, as indicated below, at your earliest convenience.

Telephone number where you can be reached Monday through Friday between 8:30 a.m. and 5:15 p.m. 1-406-792-3028.

Serial number of Vehicle W27JF9C142606.

Date of Delivery 7/17/79.

Current Mileage 4065.7 AS OF 7/24/80

Servicing Dealer ANACONDA CHRYSLER.

Selling Dealer ANACONDA CHRYSLER.

As soon as this information is received, we will be able to completely review and evaluate your file and bring this to a proper conclusion.

Respectfully yours,

THE NEW CHRYSLER CORPORATION  
Service & Parts Division

A. Jones-Eissler  
Customer Relations Specialist

AJE:dmm

GENTLEMEN—

I AM TIRED OF THE RUN-A-ROUND  
AND IFS AND AUDS- REFER BACK TO MINE  
7-14-80- LAST SENTENCE

7/24/80

Sincerely  
Arthur W. Schmidt

LAWRENCE G. STIMATZ  
ATTORNEY AT LAW  
512 METALS BUILDING  
BUTTE, MONTANA 59701

September 11, 1980

Mr. Lee A. Iacocca, President  
New Chrysler Corporation  
Chrysler Center  
P.O. Box 857  
Detroit, MI 48288

Re: Arthur Wm. Schmidt - Butte, Montana  
Repairs Under Warranty

Dear President Iacocca:

I am the attorney for Mr. Arthur Wm. Schmidt, purchaser and owner of a 1979 Dodge W200 4 x 4 in his claim against Chrysler to repair or replace a defective transmission under warranty.

I am enclosing copies of the following letters:

1. 9-11-80	Stimatz	to Zone Service Office D. B. Vial Beaverton, OR
2. 5-15-80	Schmidt	to Iacocca
3. 7-14-80	Schmidt	to D. B. Vial
4. 7-18-80 7-24-80	Jones-Eissler Schmidt	to Schmidt to Jones-Eissler
5. 6-19-80	Vial	to Schmidt

We are just trying to get a defective transmission repaired or replaced under the warranty on a truck that sold for \$9,600.00 on July 17, 1979. Mr. Schmidt just recently hired me on this matter.

There is no dispute between buyer and selling Dealer about the malfunctioning of the transmission. The hang-up seems to be with the Chrysler Zone Service Office at Beaverton, Oregon.

I am writing you as President because of the current TV ads and the ones in May in which you appear quite sincerely to be saying "Chrysler will treat you right." I doubt if this letter will reach your attention by September 19, 1980 (or ever) but it just might reach someone in Detroit who will straighten the Chrysler employees in Beaverton out and have Mr. Schmidt's truck properly fixed under the warranty.

Very truly yours,

Lawrence G. Stimatz

LGS/ss

LAWRENCE G. STIMATZ

ATTORNEY AT LAW

512 METALS BUILDING

BUTTE, MONTANA 59701

SEARCHED 1084993 4-15-78  
CERTIFIED MAIL  
RETURN RECEIPT SHOWS  
DELIVERED

September 11, 1980

Mr. D. B. Vial  
Customer Relations Manager  
Zone Service Office  
The New Chrysler Corporation  
10020 S. W. Allen Boulevard  
Beaverton, OR 97005

Re: Arthur Wm. Schmidt  
917 Utah Avenue, Butte, MT  
1979 Dodge Truck W200 4 x 4  
VIN W27 JF 9C 142606  
Selling Dealer: Anaconda Chrysler  
Date of Purchase: July 17, 1979

Dear Mr. Vial:

I am now representing Mr. Arthur Wm. Schmidt, purchaser and owner of a 1979 Dodge W200, in his claim and complaint against Chrysler to repair or replace a defective transmission under warranty.

Mr. Schmidt has written you several times and received promises but no action or performance.

The purpose of this letter is to ask you to take immediate steps to have the transmission problem fully corrected either by proper repairs or by replacement or a lawsuit will be filed.

By immediate I mean a phone call or a letter to Mr. Hekkel of Anaconda-Chrysler authorizing him to proceed to do what is necessary including the decision as to whether the defect can be repaired or whether a replacement transmission is required. Somebody in the factory or dealer chain must know.

The truck was purchased on July 17, 1979, from Anaconda-Chrysler (Tom Hekkel), 1600 East Park Avenue, Anaconda, Montana, 59711. Mr. Schmidt has written, phoned and visited Mr. Hekkel at the shop innumerable times. Work has been done on the truck but the transmission has never been repaired so where it will function normally and properly. On June 10, 1980 Mr. Hekkel assured Mr. Schmidt that the transmission problem would be taken care of under the vehicle warranty and you were so informed in Mr. Schmidt's letter to you of July 14, 1980.

Copy to [unclear]

7-B

September 21, 1980

Lawrence G. Stimatzi,  
Attorney at Law  
512 Metals Building  
Butte, Montana 59701

Dear Mr. Stimatzi:

Reference is made to your letter dated September 11, 1980, in behalf of your client, Mr. Arthur Wm. Schmidt.

We have reviewed this file with Anaconda Chrysler and are unable to verify the fact that Mr. Schmidt does indeed have a transmission problem at this time.

In order to bring this matter to a final closing, we have instructed our District Manager, Mr. J. E. Groves, to contact Mr. Schmidt and arrange to inspect his vehicle and render a final decision.

Very truly yours,

THE NEW CHRYSLER CORPORATION  
Service & Parts Division

*D. B. Vial*  
D. B. Vial  
Customer Relations Manager

DBV:mje

cc: J. E. Groves

## LAWRENCE G. STIMATZ

ATTORNEY AT LAW  
512 METALS BUILDING  
BUTTE, MONTANA 59701

October 8, 1980

Mr. Arthur Wm. Schmidt  
917 Utah Avenue  
Butte, Montana 59701

Re: Truck Transmission - Warranty Claim

Dear Art:

About 4:55 p.m. yesterday, while I was in Helena, my secretary received a call from a Jim Groves. (According to the letter to me of September 17 from D. B. Vial, the District manager in this area is now Mr. J. E. Groves).

The message to my secretary from Jim Groves was to the effect that he would be in Butte at Dinsmore's tomorrow in the early afternoon (possibly late morning also) and would check your truck and the transmission.

Mr. Groves had indicated that his information from the mechanics who checked your truck was that there was nothing wrong with the transmission. (At Anaconda Chrysler).

Mr. Groves would like to resolve the matter and is willing to give the truck a road test and otherwise check it to determine what the situation is.

This is a strange development. As I recall, you told me you had the truck at Anaconda Chrysler (Tom Hekkel) several times and never told you there was nothing wrong with it. Hekkel's version was that he wouldn't do anything about the transmission unless the factory authorized it.

I called Dismore's at 11:00 a.m. today and Mr. Groves hadn't come in yet. I left your name as the owner of the truck and that you wished to see Mr. Groves this afternoon.

Very truly yours,

  
Lawrence G. Stimat

LGS:j

7-D

LAWRENCE G. STIMATZ

ATTORNEY AT LAW

512 METALS BUILDING

BUTTE MONTANA 89701

October 14, 1980

Mr. D. B. Vial  
Customer Relations Manager  
Zone Service Office  
The New Chrysler Corporation  
10020 S. W. Allen Boulevard  
Beaverton, Oregon 97005

Re: Claim for Transmission Repairs under Warranty  
Arthur Wm. Schmidt

Dear Mr. Vial:

On October 8, Mr. Jim Groves, District Manager, inspected the 1979 Dodge truck belonging to Mr. Schmidt. Although your letter of September 17 indicated Mr. Groves would be contacting me or Mr. Schmidt, we had heard nothing from Mr. Groves until about 5 p.m. on October 7 that he would be in Butte on the 8th.

Mr. Groves telephoned me that he found nothing wrong with the transmission and had a mechanic (from Dinsmore's) also check it and he found nothing wrong. This was not in accord with the continued complaints of my client, Mr. Schmidt who did inform Mr. Groves that he disagreed with him. Mr. Schmidt then took the truck to a private well-qualified mechanic with long experience on transmissions who after examination and road testing reported that the transmission shifted very hard, and that it could and should be repaired.

The purpose of this letter is to inform you that Mr. Schmidt does not accept Mr. Groves' findings, and that Mr. Schmidt does ask that Chrysler Corporation repair or replace the transmission so that the transmission will operate easily and safely in the normal and designed use of the truck.

Very truly yours,

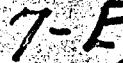


Lawrence G. Stimatzi

LGS:

P.S. I am unable to send a copy of this letter to Mr. Groves because he did not give me his address.

LGS



SERVICE & PARTS DIVISION

CHRYSLER  
CORPORATION

October 16, 1980

Mr. Lawrence G. Stimatzi  
Attorney at Law  
512 Metals Building  
Butte, MT 59701

RE: 1979 Dodge Truck  
VIN. - W27J-F9C-142600  
Owner and Your Client - Arthur W. Schmidt  
Butte, MT  
Selling Dealer - Anaconda Chrysler

Dear Mr. Stimatzi:

Your September 11 letter to Mr. Lee A. Iacocca has been reviewed and, since it concerns service matters, your letter was referred to this Department for reply.

In order that this may be thoroughly investigated and properly resolved, we are assigning the matter to our Portland Zone Office.

We are confident our representative will contact you in the near future to make arrangements for an inspection of the vehicle. Any difficulties deserving of attention under the terms of our warranty will be handled in that manner.

Thank you for bringing this to our attention.

Sincerely yours,



P. A. Donovan  
Special Investigator

PAD/ald

7-F

October 22, 1980

Lawrence G. Stimatzi  
Attorney at Law  
512 Metals Building  
Butte, MT 59701

Re: Arthur Wm. Schmidt

Dear Mr. Stimatzi:

In response to your letter of October 14, 1980, we have been informed by our District Manager, Jim Groves, that Mr. Schmidt's 1979 Dodge 4-wheel drive is equipped with a 435 New Process 4-speed all synchronized transmission.

It is our opinion that the people who have investigated Mr. Schmidt's transmission are expert diagnostic technicians, and it is not our intention to deny anything within Mr. Schmidt's written limited warranty. Chrysler Corporation has never hesitated to comply with these warranty provisions, and such provisions are reasonably elastic in order to cover individual situations when extenuating circumstances prevail.

It is our experience that if an irregularity does in fact exist, it will manifest itself within a short period of time and mileage.

Very truly yours,

THE NEW CHRYSLER CORPORATION  
Service & Parts Division

  
D. B. Vial  
Customer Relations Manager

DBV:mje

7-G

P.O. BOX 1118  
DETROIT MI 48268

05/15/81 CHRYCR 59701 501 2 C00594

# Electronic Mail

  
CHRYSLER  
CORPORATION

MR. A. W. SCHMIDT  
917-UTAH AVE.  
BUTTE MT 59701

CAIR - X50688

DEAR: MR. SCHMIDT

THIS WILL ACKNOWLEDGE YOUR RECENT CORRESPONDENCE TO  
OUR EXECUTIVE OFFICES..

AS OF THIS WRITING, YOUR INQUIRY HAS BEEN FORWARDED TO  
THE PROPER SECTION FOR HANDLING. FOLLOWING THEIR REVIEW,  
IF FURTHER ACTION IS REQUIRED, YOUR INQUIRY WILL EITHER  
BE FORWARDED TO THE ZONE OFFICE SERVING YOUR AREA FOR  
DIRECT HANDLING WITH YOU AND YOUR DEALER, OR YOU WILL  
RECEIVE A SUBSEQUENT LETTER FROM THIS OFFICE WHICH WILL  
ADDRESS THE SPECIFICS OF YOUR CORRESPONDENCE.

IN THE EVENT OF ANY FURTHER CORRESPONDENCE, PLEASE  
INCLUDE THE CAIR NUMBER LISTED ABOVE.

VERY TRULY YOURS,

A. W. VEIT  
MANAGER, CUSTOMER RELATIONS  
CHRYSLER CORPORATION

December 28, 1982

Customer Satisfaction Board  
Chrysler Corporation  
P.O. Box 1718  
Detroit, Michigan 48283

Gentlemen;

Purchased Dodge 4x4 Mdle W27JF9C142606 on 7/17/78 and with approximately 2200 miles had to have the motor rebuilt and transmission rebuilt.,

This vehicle has never functioned properly and my complaints have gone as thus, nothing when don't know about transmissions, warranty gone .,

Correspondence, nice and bad to mr. Iacoca have been ignored and again I'm a very displeased person when one sees the advertising then low and behold nothing;

The transmission from date of purchase has not worked right and people who other than your representatives agree that there is a problem, now 14,941.8 miles and vehicle still does not work right and same is now using oil.,

No wonder Chrysler is going to the dogs, as having owned Dodges all my life with 3 at present and inclined to now back further in the future.,

Feel that the Chrysler company, of whom I and my Mechanic called on June, 15, 82 at beaverton Oregon and who were to call back, to date never have, show discourtesy inconsideration and a be damned attitude with regards to this truck.,

I am probably one of the most disgusted dodge owners around and therefore this letter as to perhaps getting some satisfaction on same so with 14,941.8 miles what would you think ?

Having nothing but problems am going to wait for your response and see what comes of same., and should nothing prevail then my only alternative is to go on the fight back program of Mr. Horowitz of Burbank California take this piece of equipment on the television and let people know what there getting for their money..

Yours Respectfully.,

Arthur Wm Schmidt



January 13, 1983

Mr. Arthur W. Schmidt  
917 Utah Avenue  
Butte, MT 59701

Dear Mr. Schmidt:

This will acknowledge your correspondence regarding your Chrysler Corporation product.

Your concern in this matter is certainly understandable, particularly in view of the inconvenience and expense involved. Unfortunately, since your vehicle is now beyond the warranty period, we would be unable to accommodate your request. I am sure you can appreciate that we cannot extend an indefinite warranty on our products.

In the event you require service assistance, I would suggest that you contact your local authorized Chrysler Corporation dealer. His service personnel have the factory training, equipment and technical information available to them to diagnose and correct vehicle problems. In the event they require technical assistance, it is available to them through our Zone Office.

While I regret that we cannot provide a more favorable reply to your request, we do appreciate your writing and thus providing us with the opportunity to review this matter for you.

Yours truly,

  
O. S. Hunt  
Owner Relations Coordinator

/1f

9-3

Butte, Montana  
January 25, 1983

Chrysler Corporation  
P.O. Box 1718  
Detroit, Michigan 48288

Mr. O.S. Hunt

Sir;

Yours of 1/13/83 received in response to mine of 12/28/82 per one Dodge truck purchased from your dealership, noting contents nothing more than expected.,

The inclosed papers show a continuous complaint and written complaint by my Attorney prior to warranty termination that all was not satisfactory and also that you people delayed service, ignored facts, insinuated my ignorance as to whether anything was wrong or not and in plain English nothing more than passing the buck.,

Oh Yes I would say I got the royal job and not only that but now the truck in question is using oil, now Mr. Hunt about 2200 miles, new motor rebuild job, transmission job, which still doesn't work or function properly, boy what will I get when this rig goes about 25,000 miles

By the way would you accept this truck if you purchased same for 10,000.00  
lets get your response, (yes ) (no ) ..

Having run into this situation as is with you people find that we need and should have some way to fight back and not the attitude that you have of we sell, we got your money, now go to hell.,

Results are finally coming thru with regards to these situations and the inclosed clipping indicated and acknowledges that we need protection from such as I've received and perhaps this will rectify some double talk.,

Will await your response then communicate with the Consumers Action Program in our capitol showing them all the papers and etc.,

Thank you.

Sincerely,

  
Arthur Wm. Schmidt  
917 Utah Ave  
Butte, Montana 59701

February 5, 1983

Mr. Arthur W. Schmidt  
917 Utah Avenue  
Butte, MT 59701

Dear Mr. Schmidt:

This will acknowledge your correspondence regarding your Chrysler Corporation vehicle.

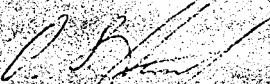
Your concern in this matter is sincerely appreciated, particularly in view of the inconvenience and expense involved. We regret that you feel your situation was not given adequate attention by our Zone Service Office.

Each of our Zone Offices is staffed with responsible personnel, who are fully qualified to render decisions in matters relating to warranty and service. Unfortunately, circumstances are sometimes such that our Zones cannot provide the type of relief requested by the customer.

After reviewing the file, we must advise you that we concur with the decision rendered by the Zone Office in this matter. Although we are unable to assist you in this particular matter, we trust that you can appreciate our position.

If at some future date we may be of assistance to you, in some other area, please let us know.

Yours truly,



O. S. Hunt  
Owner Relations Coordinator

/1f

10-B

# Ford paying millions

By Raymond Bonner of The New York Times News  
NEW YORK — The Ford Motor Co. is paying about \$20 million as a result of lawsuits charging that defective automobile and truck transmissions caused scores of deaths and injuries, according to private lawyers and a nonprofit safety group.

The lawyers say documents obtained from Ford in the litigation show that as long ago as the early 1970s the company was aware of a defect in the transmissions of millions of cars and light trucks and could have corrected it for 3 cents a vehicle.

The litigation involves the transmissions in nearly all Ford, Lincoln and Mercury passenger cars, light trucks and vans manufactured for the 1966 through 1979 model years. The National Highway Traffic Safety Administration determined in 1980 that there was a defect in the design of the Ford transmissions that caused them at times to jump into reverse after the driver had put the car in park.

Approximately 23 million Ford vehicles are equipped with those transmissions, according to the Center for Auto Safety in Washington, a non-profit organization founded by Ralph Nader, the consumer activist. The center receives its funds from a variety of sources, including individual donations, foundation grants and the sale of publications, along with a small amount from trial lawyers seeking assistance.

In October 1980 the safety agency said the defective transmissions had caused "over 1,500 reported injuries and nearly 100 reported deaths, far more than have ever previously been reported in a defect case."

Ford has consistently maintained that there was no design defect and that the injuries and deaths had been caused by driver error. But the company did agree to provide warning labels to the owners of the vehicles after the federal agency's investigation. The company has also said that it was not aware of any repairs that might be made short of replacing the transmissions, and that the cost of doing that would be prohibitive.

The auto manufacturer is paying the \$20 million as a result of settlements or court verdicts in about 125 cases. Company documents obtained in the lawsuits show that approximately 1,000 suits over the transmission had been filed against Ford as of June, according to several lawyers.

As a condition of most settlements, Ford has required

that neither the plaintiff nor the attorney disclose the amount. And the company last week declined to say how much it had paid in settlements. "It is not in our best interests to have that information become public," Ford's associate general counsel, John W. Martin Jr., said in a telephone interview.

Ernest Cannon, a Houston lawyer who has settled 16 transmission defect cases, said Ford sought the secrecy clause after his first case was settled for \$490,000. Cannon also won a jury verdict for \$4.4 million, including \$4 million in punitive damages, for the family of a woman who, according to the plaintiffs, was run over by her car and killed. The suit maintained that she was walking behind her car to close a driveway gate when the car, whose engine was running, jumped into reverse. It is believed to be the largest judgment against Ford in the transmission cases. Ford has appealed.

John D. Liber, a lawyer in Cleveland, said he had settled about 10 cases. For those settlements that were not confidential, he said the average settlement was about \$40,000. He indicated that the confidential settlements were much higher, many in the six figures."

At least one lawyer has refused to agree not to disclose the amount of settlement.

"I take the position that the public is entitled to know," said Wallace Smith, of Sacramento, Calif. He said he had settled one case for \$95,000 and another for \$500,000.

In one case, according to the federal traffic safety agency's documents, a Wisconsin mother watched helplessly as her 18-month-old son, who had been strapped into his car seat, drowned after the car's transmission jumped from park to reverse and the car rolled out of the driveway into a lake across the street.

In another case, which Ford settled for nearly \$2 million in cash and annuities, a man was killed trying to stop a 1970 Ford LTD, which had been parked on an incline driveway. The man, his wife and their four children had walked a few feet away from the car when they heard a sound, according to Larry Stewart of Miami, an attorney for the victim's family. Stewart said, "As they turned around the vehicle was rolling backwards down the driveway. In their efforts to stop the car, the decedent fell under the vehicle and was

## Americans like 'lightness,' but not salt and caffeine

By Bryan Miller of The New York Times

NEW YORK — The 1982 food year was one of fresh fads and fervid fitness, explored cuisines — Mexican and "gourmet" convenience foods" among them — and

expended demons, namely salt and caffeine.

Democratic Atlanta there were warnings

the culprit. The soft drink industry responded in 1982. Pepsi, Dr Pepper and Royal Crown launched new caffeine-free or caffeine-reduced drinks. Some of these drinks are also sugar-free, which, paradoxically, reduces cola drinks to total placebos, stripped of the two deficit in two phases: In

On November 2, 1982, I, Tina Longmire, and my husband, Richard, bought a fully-equipped, Limited Edition, AMC Eagle. We drove it off the showroom floor to the VA Credit Union at Fort Harrison where we financed it. The drive was approximately 10 miles and upon completion of our business, a man met us 1/2 across the parking lot and informed us the car was leaking gas under the front end. This was the beginning of our marathon of problems with our brand new American made lemon.

In the past 120 days our car has been in for service on serious mechanical defects one week plus out of every month and it is scheduled to go in again this week to replace parts previously ordered. It is also going in for a new problem which has occurred; leaking grease from the rear end. Within 90 days the water pump was replaced; the fuel canister had been replaced once but has had to be taken back to the shop within hours of supposed repair as it was leaking gas at the rate of an 1/8 tank at a time. This leaking was so severe that the 6th or 7th time, it was moved away from the service building itself.

The motor continues to miss despite continuous servicing; it idles so high the tires can be screeched when put into gear; when passing gear is reached, it pops up through the carburetor and slows down. Maximum passing gear on a hill is 35 mph. These problems persist as evidenced by service warranty work sheets.

Problems unrelated to mechanical deficiencies such as wind noise, air leaks, squeaks, rattles are too numerous to mention but are supported by service work sheets. They continue to plague us. Our MPG is 1/2 what is advertised.

The dealer is sorry, he'll continue to fix the problems under warranty, but he cannot take it back. That is the manufacturer's option. For the dealer to take it back, it would be a used car and cost us a couple of thousand dollars, not to mention the taxes we paid.

The factory representative has said they will replace every part on the car, if necessary, but will not replace it or buy it back.

A car warranty should not be impregnable. The manufacturer should not be allowed to hide behind their warranties when it is my family's safety and security that is on the highway. The fact of a warrenty does not guarantee my life or anyone else's on the highway. At 55 miles per hour their warranty is worthless.

We no longer have faith in the car. We do not feel safe. We can't afford to let it sit. Our investment in the American dream has turned into a nightmare. We should not have to sacrifice our future financial security, or our daughter's because of costly legal litigation to force the manufacturer into accepting the responsibility of a poorly built car.

March 1, 1983

Tina Longmire  
421 Spencer  
Helena MT 59601



MONTANA PUBLIC INTEREST RESEARCH GROUP

729 KEITH AVENUE  
MISSOULA, MT. 59801  
(406) 721-6040

TESTIMONY BEFORE THE BUSINESS AND INDUSTRY

COMMITTEE OF THE MONTANA STATE SENATE

IN SUPPORT OF HOUSE BILL #18

March 2, 1983

Good morning, Mr. Chairman and members of the committee. Thank you for the opportunity to testify on behalf of House Bill #18, the so-called "Lemon Law".

My name is Robert S. Anderson. I am a student at the University of Montana and a staff person for the Montana Public Interest Research Group (MontPIRG), Inc. MontPIRG is a non-profit, non-partisan organization funded and directed by students at the University of Montana which performs research and advocates on issues relating to consumer protection, the environment, governmental responsibility and general social concern. MontPIRG's focus on consumer issues includes the operation of a "Consumer Hotline", investigations into common consumer problems and an ongoing series of marketplace surveys.

MontPIRG supports Representative Harrington's bill very strongly and I would like to briefly outline for you the reasons why we consider House Bill #18 to be an extremely important and timely piece of consumer protection legislation.

There is no question that defective automobiles constitute a consumer problem of the highest magnitude in this country today. The Federal Trade Commission recently reported that complaints about the purchase and repair of autos jumped from fifth to first place in 1981. This is reflected by many state and federal consumer groups, as well as the White House Office of Consumer Affairs, the national Louis Harris poll and the U.S. Council of Better Business Bureaus.

This problem is enormous and destined to keep getting larger as more and more cars are sold under conditions that prevent the buyer from returning to the manufacturer defective, unsafe autos.

In Montana alone, the lemon problem is substantial. The Montana Auto Dealers Association reports that roughly 27,600 new cars were sold in this state in 1982. If we estimate that as little as one percent of those suffered from "non-conformity" as defined in this bill, then nearly 300 Montanans purchased defective autos last year. At today's prices we are talking about more than one million dollars that consumers of this state pay out every year for new automobiles that fail to satisfy the express warranty of merchantability. And that number comes before the car begins its trips back to the dealer, with all the expense, frustration and lost time they can incur.

But the problem is not just one of consumers throwing huge portions of their income away on a faulty, non-returnable product. Unlike the defective toaster or vacuum cleaner, the defective auto is much more than an annoyance. It is a safety hazard and dangerous not only to its operator and passengers, but to everyone else on the road as well. Nor does this situation end with the car's first owner. The lemon automobile is truly a gift that "keeps on giving". Today's new lemon is tomorrow's clunker, as these cars pass from owner to owner, multiplying in number every year, racking up repair bills and endangering more and more people.

What can we do about them? Under the present statutes, very little. Although Congress has passed several laws in the past decade aimed at assisting consumers plagued with defective cars, shoddy repair work or other forms of automotive abuse, none has been at all effective in addressing the problem of lemons. The Magnuson Moss Warranty Act of 1975, for example, was expected to significantly reduce the problems consumers had in replacing defective cars, but it contains a number of serious loopholes. Specifically, the bill fails to define what constitutes a "reasonable number of attempts" to fix the car. What is worse, its key lemon

provision, under which a defective car may be returned, is avoided by all auto makers except AMC by their refusal to give a full warranty. As Michael Pertschuk, former chairman of the Federal Trade Commission, puts it:

"Manufacturers offer warranties to assure consumers that their cars are welldesigned and built. They promise to remedy defects that become apparent in the first part of the car's life. But too often these assurances of quality are not met, and consumers suffer the loss. Congress was aware of warranty performance and Magnuson-Moss Act offers two possible remedies... Unfortunately, in the case of autos, it now appears that these remedies are neither solving the problems nor lessening their severity."

The lemon owner is stuck. Faced with a mountain of payments that have just begun and a new car in constant need of attention at the dealership, the lemon owner usually either gives up in despair:

"I've taken the car back there so many times already, and the problem is just as bad as when it first began. I've just stopped going. And let's face it -- I am a single female. They just treat me like a nuisance."

-Janet Maulolo  
Montana Lemon Owner

or initiates an often lengthy, always costly legal battle which rarely achieves the desired result:

"I have never seen one of these (lemon) cases successfully resolved. The consumer is simply outgunned."

-William Morse  
Montana Attorney who has handled  
several lemon cases

#### CONCLUSION

House Bill #18 puts defective toasters and defective cars on equal footing by allowing the latter to be returned or replaced. It will provide the person who buys a lemon in Montana with a badly needed tool for dealing successfully with the car's manufacturer. The bill applies to all new cars, not just those with a full warranty. It clearly defines a "reasonable number of attempts" to repair the car, and it limits applicable defect to those which impair the "use, market value or safety" of the car. House Bill #18, unlike presently operating complaint panels

such as Automobile Consumer Assistance Panel, or AutoCAP, enables the car buyer to deal ultimately with the car's manufacturer, not just the dealer. This makes sense because it is the manufacturer who must bear the responsibility for how a product is made, and the cost of replacing it, if necessary.

It should be stressed that this Lemon Law (and those like it which have been passed in Connecticut and California) is not an attack on the auto industry. It simply provides for the fact that, in a mechanized process such as automobile production, quality control measures notwithstanding, a few "lemon" units are bound to get through, and the consumer should be protected against having to foot the bill for these. Indeed, the bill contains some hidden benefits for the auto industry, as recognized by dealers in California after the bill was passed there. As Jerry Burdett, general sales manager for San Diego Volvo told the San Diego Union, "...if the consumers feel they are protected, that's got to be good for business." Also, ISUZU, the Japanese truck manufacturer, took out a full-page ad in the Los Angeles Times praising the new law and encouraging other states to adopt similar legislation.

The Lemon Law will strengthen the position of the car buyer who is forced to play the game when a manufacturer or its agent refuses to acknowledge defects or requests endless opportunities to fix them. It will help restore the confidence of the American working public in our automobile industry and hopefully, see the industry restored to its former stature. It will improve the automobile manufacturer's quality control. It will improve the repair service by dealers. It will reduce the inconvenience, the expense, the frustration, the fear and the emotional trauma that lemon owners commonly endure; and it will provide a clear standard which will give the consumers an effective, reasonable and meaningful remedy which will, in turn ultimately reduce costs and delays of litigation.

Right now, the cards are stacked against the American consumer. There are no practical, economic, legal or procedural solutions available. The financial and emotional "squeeze" of a lemon car must be put on the manufacturer, where it belongs.

Saturday, June 25, 1982

CAR DEALERS' VIEW

# 'Lemon Law' Seen Sales Aid

By SUZANNE CHONEY

Staff Writer, The San Diego Union

Some local car dealers said yesterday the "lemon law" passed by the Legislature this week may help restore sagging car sales and consumer confidence in the auto industry.

"It may cost some dealers more money, but let's face it, the public has a fear of auto dealers as it is," said Jerry Burdett, general sales manager for San Diego Volvo. "Now if consumers feel they are protected, that's got to be good for business."

"I'm fairly sympathetic," said a spokesman for Bob Lewis Volkswagen. "I was a consumer before I was in the auto business, and I know how frustrating it can be" to deal with a problem car.

"It's a fair deal for the consumers and for the dealers," said Jack Olson, general manager of Harloff BMW-Chevrolet in Encinitas. "Dealers need as much protection as consumers. There needs to be guidelines as to what a lemon is, and this law will help provide that."

The measure, AB 1787, by Assemblywoman Sally Tanner, D-El Monte, was approved by the Legislature Thursday, and is awaiting Gov. Brown's signature. If signed into law, it would take effect Jan. 1, 1983.

Under the law, automakers would be required to replace new cars or trucks designated as lemons, or reimburse the buyers.

A "lemon" would be a new vehicle that continues to malfunction after four repair attempts have been made, or be out of service for more than 30 days. Both provisions apply only in the first year or 12,000 miles.

If repair efforts fail to satisfy the customer, the next step would be an arbitration process offered by the manufacturer.

The auto industry initially objected to the bill because it failed to specify what was considered a major or minor defect in making the car a lemon. The bill was amended to provide that the problem had to be a "non-conformity," one which "impairs the use, value or safety of the vehicle," said Jay De Furia, an aide to Tanner.

A broken radio or cigarette lighter would not qualify the car as a lemon, according to the bill, but a car window that did not roll up "could be considered an impairment of the value of the car," De Furia said.

"There are no lemons; there are bad mechanics," said Olson. "The law will give the dealer and the manufacturer a chance to repair the car without having to give the customer a new car. Anything can be repaired on a new car."

Some car dealers, like Larry Salus of Drew Ford, believe the law will only "add to the cost of buying a car," and is "unnecessary."

"There's never been a time when dealers didn't want to see customers happy," he said.

Rosemary Shaham-Dunlap, who helped organize Motor Voters in San Diego after her own problems with a car dealership, and testified on behalf of the lemon law several times, said the bill is "fair and reasonable."

The next step, she said, will be educating consumers and attorneys about the bill, and working for the passage of a similar law for used cars, although she was less optimistic about its chances of success.

The House of Representatives last month overturned a Federal Trade Commission rule that would have required auto dealers to disclose known defects in their used cars.

De Furia said a state bill that would have provided protection to the used car buyer "went down in flames" two years ago. He added that Tanner is not sure whether she will pursue the issue with another bill.

## WHAT CONSUMERS ARE SAYING ABOUT AUTOCAP

"Agreeing to participate in AUTOCAP and to be bound by its decisions, is an excellent way for automobile dealers and manufacturers to demonstrate their commitment to quality and customer service."

Virginia Knauer,  
U.S. Office of Consumer  
Affairs

"I am lost for the proper words to thank you for assisting me in a seemingly futile effort in obtaining a new windshield for my car."

Gretchen L. Jack,  
Charleston, West Virginia

"Once again, thank you for your help and assistance. Please relate to the dealer my sincere thanks for standing behind their product and making the deal satisfactory for both of us."

Helen Lothrop  
Boston, Massachusetts

"As an attorney with no small amount of experience in helping others with their consumer complaints, I must say that your results are most impressive."

Patrick Corbin  
Duncanville, Texas

"Because of your efforts I was able to get the results I wanted but had not been able to obtain on my own. Hopefully I will not have to call on your organization again but if I do, I know I will be in good hands."

Karen Ostiller  
Beverly Hills, California

**AUTOCAP**



Where to get help when you have an automotive complaint involving a new car or truck dealer



Montana AUTOCAP  
Sponsored by the Montana Automobile  
Dealers Association  
501 N. Sanders  
Helena, Montana 59601

## A CONSUMER SERVICE

**AUTOCAP—Automotive** Consumer Action Program—is a free, easy-to-use public service that can help you when you have a problem involving a participating new car or truck dealer, or manufacturer. Most problems are solved at the dealership level, but if you are unable to reach an understanding, AUTOCAP can informally mediate your disagreement through a panel of consumer and dealer representatives. The panel will review the case facts and recommend a course of action. A fair solution is achieved in virtually all cases.

Voluntarily sponsored by many state and local dealer associations, all AUTOCAPS follow standards set by the National Automobile Dealers Association. These standards have been endorsed by the U.S. Office of Consumer Affairs as a "major step in addressing automotive complaints."

exactly what is wrong and how you feel about it. Ask what will be done.

For example, talk to the service manager if the problem involves auto service, or the sales manager for a sales problem. If you still have a problem after this, talk to the owner of the dealership. Dealer personnel are anxious to make you a satisfied customer and will work with you on problems that arise.

If the problem involves the manufacturer, ask your dealer's personnel to help you get in touch with the local zone representative to discuss your problem.

**STEP 2.** If you cannot reach an understanding with the participating dealer or manufacturer, contact AUTOCAP.

**A.** AUTOCAP staff will provide you with a form to record your complaint in writing. You'll be asked to note the following information:

- Vehicle year, make, model, serial number (VIN), mileage, date of purchase.
- The nature of your complaint—service, warranty, new or used car or truck purchase, advertising, etc.
- A brief description of the problem.
- What remedy or action you think is appropriate.

**B.** Once the AUTOCAP staff receives your complaint in writing, they will forward it to the participating dealer or manufacturer, giving them reasonable time to respond. If the complaint cannot be satisfactorily resolved at this level, then it will be referred for review by the AUTOCAP panel at its next meeting.

**C.** The AUTOCAP panel, composed of no fewer than 50 percent consumer representatives, meets periodically to review unresolved automotive consumer complaints.

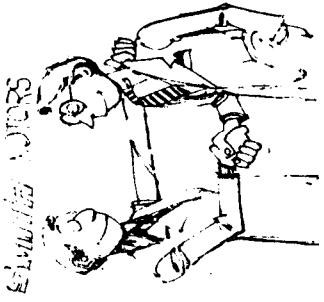
## IF YOU HAVE A PROBLEM

We hope you won't have any problems with your new car or truck, but if you do, use the following procedure:

**STEP 1.** If you have a problem with your new car or truck, but if you do, use the following procedure:

**STEP 1.** If you have a problem with your new car or truck, but if you do, use the following procedure:

plaints and to recommend fair solutions. You will be kept fully informed of all actions, meetings, decisions, and any delays in processing your case. Participating dealers or manufacturers voluntarily agree to honor the decisions of the panel. However, if you choose, you are free to pursue other existing remedies of redress.



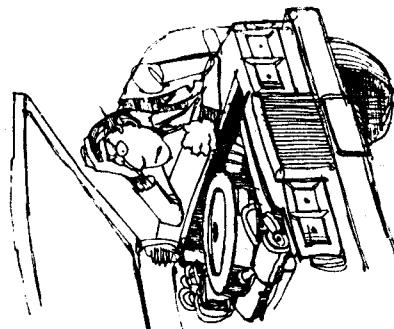
**AUTOCAP cannot be effective in cases where:**

1. Legal action has already begun.
2. You have already hired a lawyer, unless the lawyer agrees to participate.
3. The problem involves a dealership or manufacturer not participating in the AUTOCAP program.

Remember, if you're having an automotive problem with a car or truck dealership, or manufacturer, try to talk to the dealer or zone office first, then contact AUTOCAP. Your closest AUTOCAP address is:

**Montana AUTOCAP**  
501 North Sanders  
Helena, Montana 59601

(406) 443-4426



STATEMENT OF STEVEN E. SLAGLE  
IN FAVOR OF HOUSE BILL 18

In considering the manner in which to relay my message, I concluded that perhaps it could best be conveyed by recapping the events which led to my presence here today.

The primary problems encountered have been the inability to get repairs made, the car being held in the shop for extensive periods of time, and the absence of response from the dealers, the manufacturer and an organized liaison group.

4-27-82      Wife took care to shop -  
Essentially nothing done except notice that parts would have to be ordered.

7-12-82      Took day off work to take car to shop. Arrived approximately 8:30 a.m. - went to shopping center to kill time - Returned to shop about 11:30 a.m. - car had not been moved - car finally taken to alignment shop about noon - care returned and broken emblem glued, speedometer cable lubed and new control unit for seat belt warning installed. Discovered that parts that were to be ordered on 4-27-82 were never even ordered. Appointment made to bring car back on 7-27-82.

7-27-82      Took care to shop - arrived approximately 8:30 a.m. Left car at shop - was to be notified when car was repaired - Having heard nothing, I called shop on 8-2-82 as I had plans to leave for vacation on 8-6-82 - I was told that car was not ready, but was near completion (parts were not in but would be soon). I called again on 8-3-82 and was told that car was not complete because they had cars ahead of mine. (Appointment was made on 7-12-82 and shop had had car for 7 days at that time) - that message prompted me to call the AMC Zone Office in Denver - only response was that they would check into the matter and get back to me - I have not heard from them - Finally was able to pick up the car on 8-6-82 after talking with the V.P. of the dealership (from whom I purchased the car) - Found that real problem was that wrong parts were ordered -- Discovered after leaving shop that brake caliper was dragging (while in shop, speedometer cable was replaced, ripped seat was repaired, and new bearings were installed, rear differential (one bad bearing race found but not source of noise).

8-20-82 Returned car to shop for repair of same defects that had been reported on previous visits - left car to be repaired - was to be informed when car was ready - had heard nothing by 9-7-82 so called shop to check on status - was informed that car had been "ready" for over a week but that problems could not be located - suggested I drive car until it broke and then problems could be located - I refused to accept this solution and made arrangements to take car to another shop - car was transferred to another shop on 9-8-82.

9-7-82 Sent letter to AMC Owner Relations Department in Detroit.

9-21-82 Received cal from AMC Owner Relations Department - was told that they would "follow up" and report back to me by 9-28-82 - Have not heard from them.

10-20-82 Retrieved car from shop (after 61 consecutive days in two shops - new bearings had been installed in transfer case (one bad bearing found), new flywheel had been installed, and missing motor mount bolts were finally installed - noise and vibration still existed. Discussed problems with AMC District Service Representative (who was at dealership at the time). He agreed to personally search for source of problems in Helena on 11-9-82.

11-9-82 Car taken to shop in Helena where District Service Representative inspected car and personally supervised installation of re-designed brake drums (source of vibration in brakes) - District Representative's diagnosis of howl in driveline was bearings in transfer case (which had already been replaced) - Reply was that AMC did not want to spend that kind of money. Arrangements were made to return car to shop on 11-30-82 for repairs.

11-30-82 Car returned to shop and left for repairs - while in shop it was decided that source of noise was front differential bearings in front differential were replaced - It was also discovered that rear driveshaft had been installed with u-joints out of place - noise and engine vibration persist.

Approx.  
11-14-82 Wife hears part of story on radio about an arbitration board to deal with problems with new cars and calls Montana Department of Consumer Affairs seeking more information - is referred to AUTOCAP.

Approx.  
1-3-83

Contacted owner of dealership in Helena - was informed he would follow-up and get back to me - no response to date.

Approx.  
1-10-83

Heard story on radio about a bill introduced in Legislature that dealt with type of problem I was having.

1-17-83

Contacted Representative Harrington's office and was asked to testify at hearing.

Expenses incurred in futile attempts to obtain repair of defects on this car are now approaching \$1,000, including six days lost work time, over 1000 miles drive, 14 telephone calls, and approximately 100 extra gallons of gasoline (because of having to drive my truck to work). These expenses do not include cost of such items as insurance, taxes, license, and interest incurred while the car is in the shop and not available for use. I have discovered that part of the long time required for repairs stems from AMC's very poor parts distribution system wherein an inadequate stock is maintained by the dealers (at least some) and when parts are ordered, it takes from two to four weeks for delivery. It also appears that AMC has no incentive to follow-up on complaints and to return contacts as is often promised. It is my opinion that I have afforded AMC every opportunity to carry out their obligation to honor the warranty and they have failed to do so. I also feel that I have exhausted practically every avenue of recourse short of litigation. I, therefore, believe that there is a definite need for the legislation that is being discussed today.

DEFECTS NOT REPAIRED  
(as of 1-18-83)

	<u>DATE REPORTED</u>
Howl in drivetrain	4-27-82
Vibration in engine	7-11-82
Pulsating and resonating rumble	7-12-82
Squawking and popping in front suspension	4-27-82
Fender flare warped	7-12-82
Rattle in steering column	7-12-82
Lower radiator hose rubbing on x-member	7-12-82
Chatter in shifter	9-8-82
Noisy valve train	7-12-82
Brake caliper rubbing	8-20-82
Misalignment of doors	7-12-82
Missing warranty card	7-12-82

DEFECTS REPAIRED  
(as of 1-8-83)

	<u>Date Reported</u>	<u>Date Repaired</u>
Vibrating speedometer needle	4-27-82	8-6-82
Ripped seat	before purch.	8-6-82
Missing motor mount bolts	4-27-82	10-20-82
Broken emblem	7-12-82	7-12-82
Vibration in Brakes	7-12-82	12-2-82
Broken tilt-wheel release lever	7-12-82	Received part 9-8-82
Seat belt buzzer and light	4-27-82	7-12-82
Front end alignment	7-12-82	7-12-82
Consistent low water-level in radiator	7-12-82	Received part 7-12-82
Leaking pinion and transfer case seals	7-12-82	7-12-82

DEFECTS NOT REPORTED

(as of 1-8-83)

Broken spring in drivers seat  
Noisy alternator bearings  
Bad shock absorbers (front)  
Choke adjustment

**NUMBER OF DAYS IN SHOP**

<u>DATE TO SHOP</u>	<u>DATE RETURNED</u>	<u>LOCATION</u>	<u> DAYS IN SHOP</u>	<u>MILEAGE</u>
4-27-82	4-27-82	Butte	1	4601
7-12-82	7-12-82	Butte	1	9279
7-27-82	8-6-82	Butte	11	9862
8-20-82	9-8-82	Butte	20	13337
9-8-82	10-20-82	Bozeman	41	13490
11-9-82	11-9-82	Helena	1	
11-30-82	12-2-82	Helena	<u>3</u>	
<b>TOTAL DAYS IN SHOP</b>				<b>78</b>

TELEPHONE CALLS

4-21-82	4:15 P	Butte, MT	494-7874	Five Minutes	\$1.31
6-15-82	4:14 P	Butte, MT	494-7874	Eight Minutes	2.00
7-6-82	4:07 P	Butte, MT	494-7874	Six Minutes	1.54
8-2-82	4:02 P	Butte, MT	494-7874	Four Minutes	1.08
8-2-82	4:07 P	Butte, MT	494-7874	Three Minutes	.85
8-3-82	4:09 P	Butte, MT	494-7874	Four Minutes	1.08
8-3-82	4:13 P	Aurora, CO	373-5800	Six Minutes	2.77
8-16-82	2:23 P	Butte, MT	494-7874	Two Minutes	.62
9-7-82	4:00 P	Butte, MT	494-7874	One Minute	.39
9-7-82	4:06 P	Bozeman, MT	587-5127	One Minute	.45
9-8-82	9:07 A	Butte, MT	494-7874	Ten Minutes	2.46
10-11-82	9:18 A	Bozeman, MT	587-5127	Two Minutes	.75
10-19-82	3:36 P	Bozeman, MT	587-5127	Two Minutes	.75
10-21-82	4:28 P	Aurora, CO	373-5800	Two Minutes	<u>1.05</u>
					\$20.10

STATEMENT IN FAVOR OF HOUSE BILL 18  
by VICKIE KROLL

On December 1, 1979, I bought a 1979 Fiat Strada from Personal Pontiac, (see contract) who has since gone out of business. Soon afterwards, the car problems started. The following are the problems and complaints I had:

The first week after getting the car the heater fan wouldn't work. I took the car to the garage and they told my daughter (who had picked up the car for me) that they had fixed it but they hadn't. This was in the middle of winter so I had to do without a heater for 2 1/2 months because they didn't have the parts. I told Bob Cowan (Service Manager) that I was going out of the state and the weather was below zero so he said to bring it back and he would cross the wires so that I would have heat. He did and I drove the car for a couple of months like that until he got the parts.

A few days later my car started to steam and over heat. I took it to Personal Pontiac and after Bob Cowan had looked at it he said the radiator was practically dry. He put in a gallon of Prestone but it still smelled and kept on leaking. The leak stopped after a few days--it must have sealed.

I ordered a radio to be installed in my car at the time of purchase and Personal Pontiac subcontracted with Opera House of Helena to install it. They worked on the car and, in the process, scratched up the dash, disconnected the dash lights, heater light and warning buzzer and the fan to the heater. I was promised the car at 5 p.m. but the manager called and said it wouldn't be ready until 10 p.m. After starting the car and letting it run for awhile, I went back into the store and told the manager that I didn't have any heat or dash lights. The service person came out and checked the fuses and said that they seemed to be in order but didn't make any effort to anything else. I had to drive home in sub-zero weather again without any heat. The next day I took the car up to Personal Pontiac and they installed the radio and said that Opera House didn't have the wiring diagram and didn't know how to rewire it so I wouldn't be without heat and dash lights. Neither did they know how to wire them back like they were originally so that I would have heat and dash lights.

Then the car started to jerk along and die after it had been started and run for a short distance, then stopped and run again. I have been involved in two minor accidents because of this mechanical defect. Mr. Cowan said that this was a defect in all of the Fiat cars and thought it was the carburetor and that the Fiat Company would have it corrected in the Spring. On February 14, 1980, I wrote a letter to Fiat Motors of North America Inc., Compton, CA (see attached) stating the problems that I had to date but I never did receive an answer from them.

On February 2, 1980, I called Bob Cowan and told him I couldn't start my car and asked if he would come out and see what the problem was. He came five miles out in the valley with a wrecker and charged me \$40 for the service to tow my car into the garage to replace the spark plugs. He said that I would have to pay for the wrecker myself as it was my fault that it flooded and the plugs were soaked. Later he admitted that the choke was sticking and flooding the car, although he never offered to refund the wrecker fee.

I took the car in for the 1,500 mile customer service check and they ended up charging me when the service was supposed to be free minus the materials. They ended up giving me a refund. While the car was there they fixed the grinding noise in the steering wheel but put the wheel back on crooked so the spokes were going sideways. They also did away with my turn signals at the same time. I had to take the car back the next day to be fixed. When

I took the car back I noticed when I put on the brakes or the turn signals, the clock would blink on and off. I told the mechanic that there must be a short somewhere because when I opened the door and touched the metal part of the door I would get a shock. The speedometer and odometer didn't work either.

The first part of January I received a letter on a recall regarding the rear tail lights. I asked them if they could fix this and they said they didn't have the parts yet but they were fixed February 12, 1980.

I also had a rattle under the hood of the car where the spare tire is kept and told them about this. They stuck a piece of rough split wood in between the tire and the tire holder. Whatever was wrong and making the rattle still is. The gear shift cover was broken and wouldn't stay over the gear shift opening so Personal Pontiac put a screw in the cover on the passenger side of the gear shift casing to hold the top on.

About this time I wrote a letter to Fiat Motors of North America Inc. in Montvale, New Jersey and sent a copy of the letter to the Department of Transportation. Neither one bothered to answer me.

In March I wrote a letter to the Fiat Motors of North America Inc. in Cypress, CA to see if I could get an answer to my letter with a list of my complaints. I did receive an answer to the effect, "On your behalf we have forwarded your complaint to your servicing dealer. You should be contacted within two weeks (which I never was) in order to resolve the problems you are currently experiencing. Our field personnel are available to assist the dealer technically in the repair of your car, at his request. If you have not been contacted within two weeks, please contact Lyle A. Massaro at Personal Pontiac, Helena, MT and advise him of the situation. (This had been brought to Lyle Massaro's attention many times.) We thank you for bringing this to our attention. Please be assured of our concern." I was never contacted by anyone from Fiat Motors or Personal Pontiac.

April: I took the car up to have the heater fan fixed. They fixed the fan but shorted out the horn and dimmer switch which caused an electrical fire, as the knob to the dimmer switch had been burned and a part of the dash was scorched. They offered no apology for the damage.

April 15, 1980: The sending unit to the blinkers and horn needed to be replaced and the horn connector unit in the column was broken off and had to be ordered.

April 18, 1980, Friday: I took the car in again to have the back-up lights fixed as they stayed on continuously. Lyle Massaro said I could wait for the car as it would just take a few minutes, so I went to a cafe nearby and had coffee. When I returned in thirty minutes my car wasn't fixed so I talked to Lyle Massaro for an hour while they worked on it. Finally Bob Cowan came out and said he would have to keep the car overnight, so one of the help drove me home and Mr. Massaro told me to call the next morning at 11 a.m. to see if the car had been repaired. April 19, Saturday, I called and Lyle said Bob Cowan had all the wires torn out of the car and I would have to wait until Monday. I told him I had to have a car because I had to take my dad to the hospital by 6:30 a.m. for an operation. He said he was sorry but didn't have any loaner cars as he only had three and one was loaned to his mother-in-law. Then he asked me to ask my daughter if I could borrow one of her cars. I didn't get my car back until Monday afternoon, April 21, 1980.

April 25, 1980 I went to town and parked. When I came out ten minutes later, the car wouldn't start. I called Mr. Massaro. He was out so I asked for Bob Cowan and he was also gone and Fred Leidle, the mechanic, said he didn't know what was causing the problem and for me to call back in 15 minutes when there would be someone there. Finally in about 45 minutes Mr. Cowan showed up and he had to jump the car to get it started. He said I shouldn't have been driving the car such a short distance in town as that is what ran the battery down. I had just come from my home which is six miles out in the valley and the drug store was my first stop.

June 13, 1980, there was a factory recall on the sway bar.

June 14, 1980, rain came in the hatchback and soaked my tools and clothes while I was in California. A part fell on the floor from the heater vent. I took it to the garage and they said they didn't know what it was but that it didn't belong on a Fiat.

June 16, 1980, I turned on the air conditioner and smoke came pouring out of the instrument panel. It burned the dimmer switch on the dash and scared me because I thought the whole car was going up in smoke. This is the second time this has happened.

September 3, 1980, I took the car to Great Falls as there is no longer a dealer in Helena. First I went to an auto parts store in Helena to get a part for the battery light as it was on all the time, and one of the belts had broken. The fellow at the parts store said it was the drive chain and not to drive it any more until it was fixed, so I got a trailer and had my son-in-law tow the car to Great Falls and back. We got to the Fiat dealer and the mechanic said it was just the alternator belt so he gave me one and we came back to Helena. He didn't even offer to fix it. The trip cost \$35 in gas and oil for my son-in-law's pickup besides our time.

September 26, 1980, I took the car to Prospector Chevrolet because the battery wouldn't hold a charge. The mechanic tightened the alternator belt and put belt dressing on it for a charge of \$23. The fellow in Great Falls at the Fiat dealer had given me the wrong size belt and it couldn't be tightened up.

October 3, 1980, Friday, after not having driven the car since Wednesday evening, I went out to start the car and the battery was dead so I called Sue Massaro who works for Prospector Chevrolet and she said they did all they could with the car and suggested that I take the car to Great Falls or Butte so I could have it worked on under warranty. According to everyone at the garage I have all kinds of time to run back and forth to Great Falls. Prospector Chevrolet should have known that the belt was too big and couldn't be tightened up. I was without a car from October 3 until I could get to Great Falls to have it repaired. I asked Sue Massaro if she could get my car in on that Friday but she said it would be next week before they could do it.

October 9, 1980, I took the car to Al Bengtson who was the mechanic at the Helena Pontiac dealer. He said it had the wrong alternator belt on it and couldn't be tightened so he put on a new belt. The car was missing so he put in a new spark plug which replaced one that had cracked porcelain. The cost was \$15.10

In order to rid myself of the problems, I took the car to Great Falls, City Motors and traded it for a Chevrolet Citation. Later the fellow who bought my car called to check on its performance, and I told him. He said he wished he had called me before he bought it. I sent him the letters and bills on the car and he said he was going to follow up on it.

To Whom It May Concern,

February 12, 1983

The following is my disposition on two cars I have owned in the last (3) three years; 1. 1980 Buick Skylark Limited and 2. 1981 Renault 18i. Both cars were purchased as new models with full warranties. I have had troubles with both cars and not much help from the Dealers.

Listed below are the problems I've had with my cars:

1980 Buick Skylark Limited: (Purchased in Billings from Selover Buick)

<u>ITEM</u>	<u>PROBLEM</u>	<u>DISPOSITION</u>
1.	Transmission-Burnt up in 1/4 days	It took 2½ weeks to repair
2.	Window-fell down	Fixed but they cracked the door panel.
3.	Door Panel-split	I had the car in for separate days to fix. They either order wrong or didn't have the time to fix
4.	Water Pump-Bearing Failure	Cost \$75.00, Dealer split cost. Warranty had expired 2 months ago.
5.	Fuel Pump- Seal Ruptured	Cost \$88.00
6.	Battery-Dead Cell	Cost \$37.00, Pro-Rated warranty.
7.	Speedometer-Loud Squeal	Cost \$14.00 to repair in Helena at a Buick Dealer, drove 60 miles and it returned. I spent 40 minutes and repaired it myself.
8.	Front Axle-Bearing Out	Would have cost \$375.00, Traded for Renault.

The maintenance repair for the most part was satisfactory, but the salesman had made promises that he never came through with. I had owned this car (1½) One and a Half years.

Sincerely,  
*ED Arist*  
Ed Arist

1981 Renault 18i Deluxe:(Purchased in Butte at Lyon's Motors )

Before buying we were told Lyon's stocked Renault parts or it would only be 2 day delivery. Alternator was 4 days, any other and all the rest have taken up to 6 weeks. I needed extra leg room-No problem, they could move the seat back. They moved it  $\frac{1}{2}$  inch. I said I needed more, but they wouldn't do anymore for my comfort. I drive 2400-3000 miles/month.

A bike rack was promised in the deal, but after we bought the car we were told it was discontinued. They order a luggage rack and would mount a bike rack on it. They were to busy to installed and said I could do it. After I installed the luggage rack I found out the bike rack was too small to fit. They sent me to a Pacific Hide and Fur for the tubing to manufacture myself.

I have taken it in because of a miss in the timing. I have had it in over 8(eight) times and it still is missing. I have been given the excuse from plugs, timing off, fuel injectors, valves, gas bad, etc. Once they kept it in the shop for 6 weeks and when they finished it still missed. And every time the mechanic admitted it did miss bad. They have tried to fix by turning up the idle to replacing the injectors.

The Oxygen sensors have been replaced, Fuel injectors, Fuel sensor, and the plug wires have been replaced.

The Hazard lights when on would turn on the radio. I had this fixed and then the radio would not come on on accessory. It took two more tries to remedy this problem and finally did(I took it to another Renault dealer).

The air-conditioning caught fire, that took three weeks to fix. Before it had caught fire I complained that it made a loud buzzing noise, I was told this was normal.

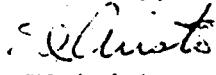
The heater cable broke and was replaced.

The battery indicator light has been on since mid-October. They told me the battery was fine but they would find out what was causing it and fix it. After stopping in several times to see if they had an answer they said they would let me know when they found out. On February 05, 1983 my car went dead. They jump started it and it was in the shop 5 days, working days. The regulator was bad, but the light is still on. They can't figure it out. I have it back but who knows what will go wrong with it next and what excuse will I get this time.

Several times this summer(1982) I wanted to trade it off. The salesman told me Pat Lyon didn't want it back. The best offer I had from them was 4000.00 dollars against a new car. I am still trying to trade but the best they offer is \$5000.00. I will probably won't trade with them, but I'M tired of them saying that I have a LEMON and make it sound like I did it.

Butte is limited to the car dealers it has and this is why we still deal with Lyon's Motors. We want to support the local economy and most important have local service.

Sincerely,

  
Ed Aristo

STATEMENT IN FAVOR OF HOUSE BILL 18

by Don Miller

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Just to show you what a dealer can or cannot do, I refer to two past experiences I had.

In 1964, I purchased a new GMC pickup with a V6 engine from Lang of Three Forks. During warm to hot weather I couldn't wish for a better performing vehicle. But when the temperature dropped to near freezing, the carburetor froze up inside the throat and the intake manifold. I took this back to the dealer repeatedly and seemingly "Nothing could be done" to overcome this condition. After several calls he told me "Guess you're just going to have to drive it during the summer and park it all winter long, ain't you?" I was virtually a kid, but not without determination. I went to the dealer in Bozeman, then Robert Dye and was told to take my troubles elsewhere. Finally, going to Beach, North Dakota, I was told this was not uncommon in that vehicle and that it could be fixed but at my expense since the warranty period had expired. They told me, or rather gave me the name and address of the field man out of Minneapolis, Minnesota. I called him and he had me bring this unit into Bozeman on a specific day. He stripped the entire top of that motor, replacing the intake manifold, carburetor and exhaust manifold. During this operation he told me that even a tiny molding roughness inside either manifold, usually in the intake manifold, could and would create a deflection of air passage that caused such conditions in some motors. He told me it was impossible to point to any one spot that was the cause, but it was undoubtedly there. He also told me both dealers were more than well aware of this condition and should have made proper replacement of all parts immediately. He further added that many dealers won't make such replacement until or unless the vehicle is out of warranty because warranty work is not as profitable as being able to charge the customer. I drive this vehicle over 100,000 miles and it performed beautifully and was, in fact, one of the best vehicles I have ever owned. I later received a copy of the letter he sent to both dealers. Had I not gone to the very top, I would have been stuck for a huge repair bill, an out and out swindle.

The second situation dealt with the pickup I am now driving; a 1970 GMC. For the first 10,000 miles this vehicle spent more time in the shop than on the road. Within a hundred miles the transmission locked in fourth gear. It was a fourspeed. I had it shoved into Bozeman and Dye's where I bought it. I was literally insulted by everyone concerned. Come to find out, this was characteristic of that particular model's transmission and that the Company had issued notice to change this transmission to a different one before this series pickup was to even leave the dealership location. When this change was completed, I was told, and I am quoting, "Now get this the hell out of here and don't come back!"

Statement  
Don Miller  
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I did come back when the motor began acting up. After several attempts I was about to give up when I stopped at Ray Brence's service station in Helena for gas and told him of my problems. He looked at me as if--I really don't know how to explain what his expression was; one of shock, I guess. Then he told me, "That is so simple to fix. I could fix it in ten minutes if you've got the time right now. If you don't, you're going to burn the valve up." It cost me five bucks and maybe fifteen minutes. The five bucks included the part, too. It was plain to me what Dye was striving for. A nice sized repair bill for "Doing a valve job" on a vehicle that was deliberately left go so that could and would happen. I immediately notified the main office of this dealer's negligence and ill treatment of customers. Within a matter of days, the rear end went out. Again, I was virtually condemned. I personally pulled the plug in the rearend and it was as dry as dry as dry could be. During the servicing of this vehicle at its 1,000 mile check, they drained the rearend and forgot to fill it. The shop foreman even accused me of having drained it until I handed him a knuckle sandwich and then, on their phone, called the head office in Minneapolis. After explaining what had transpired, they had Dye put on the phone--I was to listen in. He was told in no short terms that this vehicle was to be operating in peak performance within the week or all hell was going to break loose in Bozeman. It was, and today I have right on 130,000 miles on this vehicle and so far, it has not been touched as far as repairs are concerned.

I only hope you and your aides don't buy this line that Jerry Raunig is peddling. Every dealer knows what the company policy is, but damn few abide by those regulations unless and until the pressure is and has been applied at the top level. And, the reason is so obvious. Under warranty, a dealer is not paid list for parts but is paid at cost, his labor is about half that of the standard going fee, and he is paid on a flat rate factor as computed by the company, not the "Flat Rate as Computed By The Dealer." This later is never less than twice what the job calls for under company flat rating factors. I know, I sold chainsaws for ten years in Belgrade so I know what company flat rates are as compared to dealer rates, flat or otherwise. There just isn't any money to be made in warranty work.

Don Miller  
Box 487  
Helena, MT 59624  
Phone: 227-5162  
Letter written on 1/25/83

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January 3, 1975

Porsche, Audi  
818  
Englewood Cliffs, New Jersey 07032

Dear Sirs:

I would like to share with you some experiences I have had on service for my new Audi 100.

I purchased this car from Atkin Volkswagen in Butte, Montana on August 9, 1974. This is the first time in my life I ever paid full sticker price for a car. I purchased the car there because they were the closest Audi dealer. Bear in mind that Butte is 90 miles from here, and it is a little inconvenient to get it serviced.

The first time I had it serviced, my wife took the car over with the following items to be fixed.

1. Service.
2. Air shimmied at approximately 70 M.P.H.
3. Adjust headlight.
4. Fresh air vents were not seating - cold air coming into the car.
5. Switch that turns on radiator fan not working properly - car gets hot before turning on.
6. Car pulls to the right when applying brakes.

After waiting all day for the car, they did the following:

1. Serviced car.
2. Could not correct shimmying - said they did not balance tires or do any alignment - have to go elsewhere.
3. Adjusted headlights.
4. Said they could not repair air vents, that it required special tools.
5. Nothing - car is supposed to get "hot" before key turns on.
6. Corrected.

The day after the car was serviced, I called Bill Atkin and told him in a nice way his service was not much. He said he'd look into it.

The following day I went to Thompson Falls, Montana and on the way there, I was stopped at a routine Patrol Road Block and was told to get my headlights adjusted. I did at Thompson Falls. They had adjusted the brights for the dims and visa versa. I also had the wheels balanced and the air vents repaired at a service station here before I left.

On Saturday, November 2, 1974, I went to Missoula, Montana, and the car quit on the Butte hill. I discovered the carburetor was not getting any air, but made it to Butte. The service manager just happened to be there. He found the valve in the carburetor air intake was stuck (defective), he removed this and said he would order one. After this, I started getting about 14 - 16 per gallon.

I called the dealer on about November 30th to see if the part was in, it was not. However, he said to bring the car in on December 3rd and he would have the part and he would service the car at that time. My wife took the car over there on that date with the following items:

1. Service
2. Replace right front light. (It actually never worked at all).
3. Install air valve for carburetor
4. Idled too fast
5. Improve gas mileage.
6. Car gets too hot - replace switch.
7. Adjust left rear door.

They did the following:

1. Serviced - charged \$1.10 per qt. of oil (no objection) plus \$3.50 for putting it in.
2. Replaced front fender bulb (60¢ for bulb, \$1.50 to install. Light still does not work.
3. Valve for carburetor not installed.
4. Some improvement, but still not right.
5. Improve gas mileage - charged \$6.00, sent to Missoula four days later (200 miles) and about ran out of gas, about 13 miles per gallon.
6. Installed new fan switch - now it turns on anytime - on cold and on medium.
7. Adjusted left rear door.

On the next trip past Butte on December 20th, I stopped and talked to the assistant service manager. He said he would find out where the carburetor part was and would call me on Monday, December 23rd, and let me know when to correct it - he never called.

On December 26th, I called the service manager and he said he would call the parts depot or a branch supplier and would call me back before 11 a.m. He hasn't called as yet.

I like the car very much, but no product is any better than the service that can be rendered on it. I purchased the car with the impression that I would get excellent service. It now appears that I am not going to get it.

I appreciate the fine construction, and engineering of the car, but if any major thing happens, I am afraid I will be "down the tube". I am sorry now that I purchased this make of car.

Your comments would be appreciated.

Yours truly,

J. PAUL PETERSEN

JPP/lc

cc: Porsche Audi Northwest, Inc.  
5 Oak Industrial Park  
Box 220  
Hillsboro, OR 97123

cc: Bill Atkin  
Atkin Volkswagen - Porsche - Audi Inc.  
Butte, Montana 59701



# Service Electric

BOX 1186 • 39 N. ROUSE • BOZEMAN, MONTANA 59715 • 406-587-5516

December 3, 1981

Buick Motor Division  
General Motors Corporation  
Flint, Michigan 48550

Re: 1981 Buick  
Present mileage - approximately 10,000

Gentlemen:

In February of this year I received my new Buick Skylark Limited. I trade cars every two years and this is my fifth Buick.

This car has given me more problems than the other four combined. Following is a list of some of the problems incurred:

Cruise control failed - new one installed  
Gas gauge sensor failed - new one installed  
The car shimmied;

1st call - wheel weights  
2nd call - adjust wheel weights  
3rd call - lump of rubber found inside tire  
4th call - bad wheel  
5th call - removed all wheels and tires (tried new ones) This time car vibrated excessively; found car was missing, spark plug wires grounding out. Couldn't tell if tires or wheels were the problem. Tires and wheels reinstalled.  
6th time to lost count - car still vibrated excessively; took car to Harrison Tire Company; found three more bad wheels; wheels replaced. Had tires balanced at Harrison Tire. Next trip car still shimmied slightly at certain speeds. Took car back to Harrison Tire and they rebalanced; car was better but it still shimmies slightly at certain speeds. Don Norem and Harrison Tire both unable to fix.

The power on the power brakes does not always function; quite often when car is in reverse and intermittently in forward. This is very dangerous. They repaired but it still does it. I want it on record that the brakes do not always work.

The oxygen sensor failed - new one installed  
The delay part of the wind-shield wiper failed - new one installed

The above complaints does not include the customary rattles, the speedometer that makes noise, the sun visor that became loose, etc.



# Service Electric

BOX 1186 • 38 N. ROUSE • BOZEMAN, MONTANA 59715 • 406-587-5516

Buick Motor Division - December 3, 1981

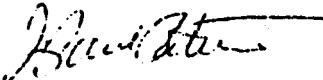
Page 2

I am not unhappy with Don Norem Chevrolet-Buick. Their service department has been good. However, there is a limit to their patience and ability; also my patience is exhausted.

Needless to say you have a very dissatisfied Buick owner.

Yours truly,

SERVICE ELECTRIC

  
J. Paul Petersen

Enclosures

CC: Buick Zone Office  
Edina, Minnesota 55435

Don Norem Chevrolet-Buick  
Bozeman, Montana

JPP/mm

P.S. Car was in for a total of 13 times for wheel balancing. Never did get it fixed; finally traded it off.

DATE

**COMMITTEE ON**

## BUSINESS & INDUSTRY

## VISITORS' REGISTER

NAME: Arthur W. Schenck DATE: 3/2/83

ADDRESS: 917 Utah Ave Butte MT 59705

PHONE: 782-3078

REPRESENTING WHOM? Self -

APPEARING ON WHICH PROPOSAL: H B - 18

DO YOU: SUPPORT? X AMEND? \_\_\_\_\_ OPPOSE? \_\_\_\_\_

COMMENTS: Attached Copy of  
Resumes -

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Anna Bloom DATE: 3/2/83

ADDRESS: 509 E. 8th

PHONE: 563-6498

REPRESENTING WHOM? Myself

APPEARING ON WHICH PROPOSAL: H.B. 18

DO YOU: SUPPORT? ✓ AMEND? \_\_\_\_\_ OPPOSE? \_\_\_\_\_

COMMENTS: Had a lemon car.

Lost a bundle of money on it,  
Dealer would not stand behind  
car. We were stuck

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: C.R. Taylor DATE: 3/2/83

ADDRESS: 1205 Buffalo, Helena

PHONE: 458-9109

REPRESENTING WHOM? self

APPEARING ON WHICH PROPOSAL: HB-18

DO YOU: SUPPORT? ✓ AMEND? \_\_\_\_\_ OPPOSE? \_\_\_\_\_

COMMENT: \_\_\_\_\_

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: TINA LONGMIRE DATE: 3/21/83

ADDRESS: 421 SPENCER, HELENA 59601

PHONE: 442-0782

REPRESENTING WHOM? HB 18 FOR MYSELF

APPEARING ON WHICH PROPOSAL: HB 18

DO YOU: SUPPORT?  AMEND?  OPPOSE?

COMMENTS: I own a LEMON

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Becky Schreckloth DATE: 3/2/83

ADDRESS: 4880 N. Montana Ave - Helena - MT

PHONE: 442-4392

REPRESENTING WHOM? My self

APPEARING ON WHICH PROPOSAL: HB#18

DO YOU: SUPPORT? Yes AMEND? \_\_\_\_\_ OPPOSE? \_\_\_\_\_

COMMENT: \_\_\_\_\_

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: - ) FRED RAINIG DATE: 3-2-83

NAME: JERRY RAUNIG DATE: 3-2-83

ADDRESS: HELENA

PHONE: 442-1233

REPRESENTING WHOM? Montana Auto Dealers Association

APPEARING ON WHICH PROPOSAL: HB 18 - Neutral

DO YOU: SUPPORT? \_\_\_\_\_ AMEND? \_\_\_\_\_ OPPOSE? \_\_\_\_\_

**COMMENT:** \_\_\_\_\_

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Tom SCHWERTFEGER DATE: 3/3/83

ADDRESS: 1390 LOGAN #210 DENVER, CO 80203

PHONE: 303-832-1477

REPRESENTING WHOM? MOTOR VEHICLE MANUFACTURERS ASSOC.

APPEARING ON WHICH PROPOSAL: HB-18 - NEUTRAL

DO YOU: SUPPORT? \_\_\_\_\_ AMEND? \_\_\_\_\_ OPPOSE? \_\_\_\_\_

**COMMENT:** \_\_\_\_\_

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.