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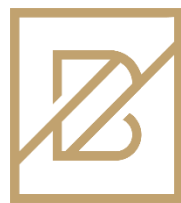
IS YOUR CAR A LEMON?

A PRIMER ON THE NJ LEMON LAWS

Thank you for ordering our FREE Report: *IS YOUR CAR A LEMON?* This booklet, along with any of my other publications, is intended to teach you a little bit about the New Jersey Lemon Law system and will hopefully help you with some decision-making

If you have any questions or comments about any of the material contained inside, feel free to email any time. Thank you for your interest and your feedback.

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Here's your FREE Report. . .

Is Your Car a Lemon?

A Guide to New Jersey's Lemon Law



So, you have a new car and you're having problems. The car keeps ending up in the shop for the same reason and the dealership, although nice and accommodating, cannot seem to resolve the problem. Is your car a "lemon" and if so, what can you do about it?

New Jersey's New Car Lemon Law protects you when you purchase a new motor vehicle that develops serious warranty defects which the dealer or manufacturer cannot repair. The law covers vehicles during the first two years from the original date of delivery or 24,000 miles - whichever comes first.



To qualify for relief, the defect must substantially impair the use, value or safety of your vehicle, or be a "serious safety defect" which is likely to cause death or serious bodily injury if the vehicle is driven.

The Lemon Law covers new passenger motor vehicles and motorcycles which are purchased, leased or registered in New Jersey. The Lemon Law also covers



authorized emergency vehicles and motor homes (except the living quarters). If you purchased or leased your vehicle *used*, but it is still under 24,000 miles and under two years from the date of original delivery, you may still qualify under the New Car Lemon Law. Visit the [NJ Division of Consumer Affairs' website](#) for more information about used vehicles.

Before you can file a claim under the Lemon Law, you must give the manufacturer one final opportunity to repair the defect. A letter to the manufacturer (not the dealer) must be sent by certified mail, return receipt requested, stating that you may have a claim and that you are giving the manufacturer one last chance to repair the defect.

The certified letter may be sent only after you have had at least two repair attempts for the same defect, or 20 cumulative days out of service for one or more defects, and the defect still exists. In the case of a “serious safety defect,” the letter can be sent after a single repair attempt and the defect still exists. The manufacturer must receive your certified letter before the 2 years from original date of delivery and 24,000 miles expires. You must be under both. You can obtain the manufacturer’s regional mailing address by contacting the NJ Division of Consumer Affairs’ Lemon Law Unit.

The manufacturer should be allowed 10 calendar days, following receipt of your certified letter, to repair the vehicle. If the final repair attempt fails to correct the defect, you may complete a Lemon Law application and submit it to the Lemon Law Unit along with a copy of all your documents. The defect must still exist to apply.



The Lemon Law does not apply to commercial vehicles and the living quarters of motor homes. *This includes vehicles that you may be using for business purposes and deducting the lease payment or depreciating the vehicle for tax purposes.* The law also does not cover “defects” caused by an accident, vandalism, abuse or neglect. It also does not cover defects caused by attempts to repair or modify the vehicle by a person other than the manufacturer or authorized dealer.



Tell the dealer about the problem. Make sure the problem is fully described on the repair order. Your repair order should include any charges for parts and labor, a general description of the problem(s), the odometer reading and date when you brought the vehicle in for repair, the odometer reading and date when you picked up the vehicle and a list of the work performed. Keep a copy of all repair orders, receipts and statements. You will need them to apply.

Many Lemon Law cases are resolved through informal settlements with the manufacturer. At any time, the manufacturer may offer to replace your vehicle with another one, but you do not have to accept the offer. If you choose to accept a replacement vehicle and your original vehicle was financed, the manufacturer must make sure the financing is transferred from the original vehicle to the replacement vehicle.

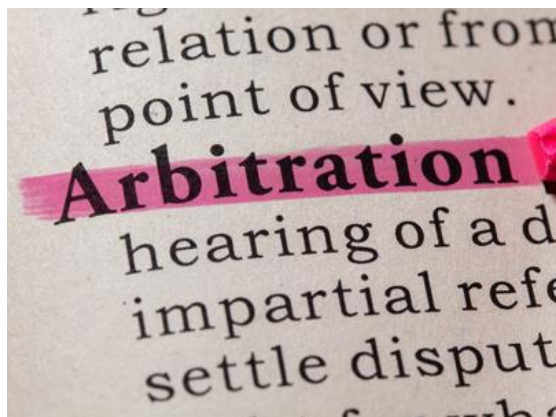
If you win your case, the manufacturer will be ordered to reacquire your vehicle and issue a refund. Your refund may include, but is not limited to the following:



- the purchase price or leasing costs of your vehicle
- any finance charges
- reasonable attorney fees
- the \$50.00 Lemon Law application fee
- the cost of vehicle repairs
- reasonable costs for a rental vehicle while your vehicle is out of service because of the defect
- expert witness fees
- towing costs.

A “reasonable allowance for vehicle use” will be deducted from your refund. This deduction equals the total purchase price multiplied by the mileage at the time the vehicle was first brought to the dealer or manufacturer for repair of the defect, divided by 100,000 miles.

As an alternative, you may choose to file a private civil action in court to resolve your claim. However, once a civil action is filed or a court decision has been issued, you can no longer use the Lemon Law program.



Or you may choose to participate in the manufacturer’s arbitration program. Not all manufacturers have an arbitration program. You should contact the manufacturer to see if it has one. You may find an arbitration application in the information packet that came with your vehicle. It is usually inside the glove box. You also can get an application by calling the manufacturer’s arbitration program. You are not required to use the manufacturer’s arbitration program. This type of program is not binding. If you are



not satisfied with the outcome and have not agreed to a settlement with the manufacturer, you may still file a Lemon Law application.

How do I prepare to file a Lemon Law application?

1. Record and summarize warranty repairs in the order in which they occurred. List each defect separately on your application and focus on the problem(s) that still exist.
2. Make a copy of all of your supporting documents. They include: the purchase order, the finance or lease agreement, all repair invoices, your certified letter to the manufacturer and the certified mail return receipt, any letters or e-mails between you and the dealer or manufacturer and any other documents which might help support your case. You will also need to submit a copy of your vehicle registration.
3. Consider hiring an attorney to represent you and hiring an expert witness to substantiate your claims. The manufacturer will have legal representation and an expert witness at the hearing. You may also bring other witnesses to the hearing, like friends or family members, who can testify that they have experienced or witnessed the problem. Even in the case of a settlement, employing an attorney might lead to a quicker settlement and the manufacturer will usually reimburse you for reasonable attorneys' fees, as they are required to do it you win your arbitration.



4. Obtain a complete application from the Division. [Click here to download](#) a copy of the application. With your application (make sure you fully complete and sign it), you will need to include clear and readable copies of:

- your certified letter to the manufacturer
- the certified mail return receipt
- all repair invoices, including the final repair invoice
- your vehicle registration
- your purchase order
- your lease or finance contract
- any towing or rental car receipts.

Complete the application and mail it to the address on the application.

It is suggested that you consult with and hire an attorney to prepare or present your case in the Office of Administrative Law (OAL). However, if you decide to present your case on your own, here are a few tips:



1. Use your Lemon Law application as a guide. The application contains much of the information you will need at the hearing.
2. Organize your records by putting them in chronological order. This will help you present the history of the problem.
3. Prepare an outline of the major points you wish to present.
4. Consider using an expert witness or other witnesses like friends or family members who can substantiate your claim and help strengthen your case.
5. Be prepared to discuss the problem in its entirety. You should present:
 - why you believe your vehicle is a “lemon”



- the specific nature of the defect(s).
- any conversations with the dealer or manufacturer’s representative.
- any and all repair attempts.
- a list of questions to ask the manufacturer’s representative.

If you are not satisfied with the administrative law judge’s initial decision, you are allowed to file what is known as an “exception.” Similar to an appeal in court, an exception is a written explanation of why you believe that the judge’s decision should not be adopted by the Director of the Division of Consumer Affairs. If you file an exception, it must be received by the Division within eight (8) days from the date stamped on the front of the judge’s decision. The exception should be mailed to the Division of Consumer Affairs in Newark.

You and/or the manufacturer can file an appeal in the Appellate Division of Superior Court within 45 days of receipt of the final decision. The Lemon Law protects you against a manufacturer who appeals without good reason. A manufacturer who files an appeal must post a bond equal to the amount awarded to you at the time of the final decision, plus an extra \$2,500 to cover your attorney fees. The bond is payable to you and the amount will be turned over to you if you win the appeal.

The manufacturer has 15 days from the date of receipt of the final decision to comply. If the manufacturer fails to comply with the final decision, you should notify the Division of Consumer Affairs’ Lemon Law Unit immediately. A manufacturer can be penalized \$5,000 per day for each day it “unreasonably” fails to comply.



For more information, or to arrange a free telephone consultation, contact my office by phone or email.

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The information contained in this booklet is excerpted from information provided from the NJ Division of Consumer Affairs. To download their entire publication, [click here](#).



About the Author



Mitchell C. Beinhaker, Esq. is a corporate attorney and business advisors who runs a solo legal/consulting practice representing business owners, entrepreneurs, executives and professionals. He was the former director and founder of a New Jersey-based boutique commercial law firm. In that capacity, Mitchell handled business development, marketing, firm management, along with business transactional work for clients of the firm. He has extensive experience with corporate governance, commercial transactions, real estate and risk analysis. Through his more than 30 years of practical experience, he drafts contracts, negotiates purchases and can manage outside counsel for any corporate situation. For business owners and executives, he creates and implements estate plans, along with succession plans to help companies continue for future generations.

As a transactional attorney, Mitchell has handled the purchase and sale of multi-million-dollar businesses including insurance portfolios, restaurants, and even a small chemical company. In the real estate area, he has handled and coordinated many commercial purchases and sales from contract drafting and due diligence, including all the zoning and environmental review, through the closing of title. His work has involved helping with insurance and risk management as well as legal involvement with construction management projects.

During the early part of his career, Mitchell worked in-house with insurance companies and financial institutions helping design products for sale, as well as developing sales and tax strategies to facilitate the sale of those products. Specifically, he worked for Nationwide Insurance Company as their Senior Advanced Sales Specialist and spent three years as General Counsel to a northeast regional financial services company.

Mitchell spends his practice development efforts networking, attending professional groups and public speaking. He is also the creator and host of his own audio podcast – [*The Accidental Entrepreneur*](#) – where he interviews successful business people and professionals who share their knowledge and help you develop your business. Episodes are available on Apple Podcasts, Amazon Music, Google Play, Spotify and most other podcast directories.

Mitchell is a graduate of Cornell University ('89) and received his law degree (JD) from New York Law School in 1992. He was a tax intern with Internal Revenue during law school and is admitted to practice in the states of New Jersey and Pennsylvania. He was awarded the Chartered Life Underwriter (CLU) degree from The American College in 1998.

