

NEWS RELEASE

FOR IMMEDIATE RELEASE FOR FURTHER INFORMATION CONTACT: Jason Culotta, (608) 258-3400 **April 30, 2013**

WMC Calls for Lemon Law Reform Predatory "Lemon Lawyers" Squeezing Consumers

MADISON – Wisconsin needs "Lemon Law" reform to protect consumers from predatory "Lemon Lawyers" who make their living exploiting the state's lucrative double damages requirement if a faulty vehicle is not replaced in 30 days, WMC said Tuesday.

"Wisconsin's Lemon Law encourages litigation, and drives up costs for consumers and manufacturers," said Scott Manley, vice president of government relations for Wisconsin Manufacturers & Commerce.

"The predatory Lemon Lawyers drag their feet for 30 days, and then they sue for double damages and attorneys' fees," Manley said. "Some of them are making careers out of this law. They're exploiting the system and it needs to be changed." For example, self-proclaimed "Lemon Law King" Vince Megna recently turned a \$56,000 "lemon" into an award of over \$600,000.\(^1\) Only in Wisconsin can that happen, as we are the only state in the nation with a mandatory double damage provision.

WMC and a <u>coalition of vehicle manufacturers and dealers</u> are supporting a Lemon Law reform bill being circulated by Sen. Jerry Petrowski (R-Marathon) and Rep. Bill Kramer (R-Waukesha).

The bill would repeal the double damage provision that encourages attorneys to seek jackpot justice, but keep the obligation that a manufacturer provide a comparable vehicle or refund, whichever remedy the consumer chooses. If the manufacturer fails to provide the vehicle or refund within the specified deadline, a consumer may bring an action to recover for any damages. If he or she prevails, the court may award any pecuniary loss (including the cost of the vehicle), along with costs, disbursements and reasonable attorney fees, and any equitable relief the court determines appropriate. The bill makes other changes that also bring Wisconsin law more in line with other states.

"If a vehicle is defective, the consumer needs a replacement or a refund." Manley said. "But the current Lemon Law is a lemon that encourages trial lawyers to exploit consumers and manufacturers. It needs to be fixed."

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¹ See *Marquez v. Mercedes-Benz USA, LLC, 2012 WI 57*; Video: \$618,000 Mercedes-Benz Lemon (Vince Megna 2012).