

STATE OF CALIFORNIA



**MEMO**

To: POLICY AND PROCEDURE COMMITTEE Date: March 24, 2014  
KATHRYN DOI, CHAIR  
BISMARCK OBANDO, MEMBER

From: WILLIAM BRENNAN *WB*  
DAWN K. KINDEL  
JACKIE GRASSINGER *JG*

Subject: DISCUSSION AND CONSIDERATION OF WHETHER TO PROMOTE AND EXPAND THE BOARD'S CONSUMER MEDIATION PROGRAM

**BACKGROUND**

At the February 4, 2014, meeting of the Board, the members expressed interest in promoting the Board's mediation program. Staff was directed to explore the feasibility of increasing the visibility and awareness of the program and report back to the full Board with its findings.

**CONSIDERATIONS**

Bill Brennan met with the Chair of the Policy and Procedure Committee in February to discuss promoting the program. Bill also met with Kathryn Doi, Bismarck Obando, and Brian Maas, President, CNCDA on March 19, 2014.

During these meetings the background of the program was discussed along with staffing and costs associated with the program. Also discussed was The Business, Transportation and Housing audit conducted in 1996, since two of the findings from that audit involved the mediation program.

All involved agreed that the program warranted more attention and should be more vigorously promoted. As a result of the above two meetings the following actions were taken:

1. The website was revised to highlight the Mediation Program on the first page. The first link on the right side of the webpage displays a mediation icon, which will direct a consumer directly to a full description of the program. The first page icon also provides a consumer with the telephone number and email address of the NMVB mediation desk.
2. Also, on the first page under "Featured NMVB Pages" the link to the program was moved from the bottom to second from the top position to increase visibility.

3. When a consumer follows the link to the Mediation Program, he/she will read an in depth program description. On the right side of the page, a consumer will find an icon that is linked to a "complaint form" that can be completed electronically for immediate submittal to the Board.
4. Letters were sent to government, public and private service providers that have interests in the new vehicle industry offering mediation program services. (see sample letter and list of agencies, etc. that were sent letters attached).

Additional actions to be taken:

1. Staff is working on a survey that will be sent to current and past mediation participants in order to evaluate how participants learned of the program and solicit constructive criticism. The survey results will be reported at next year's Mediation Report.
2. With the cooperation of the CNCDA, the Mediation Program will be favorably mentioned at the Dealer Day Luncheon.
3. And, an article describing the program and its benefit to dealers seeking mediation with customers will be annually published in the Association newsletter.

## **RECOMMENDATION**

Given budgetary constraints, staff plans to track any increase in caseload and will report back accordingly. It is recommended that this matter be calendared for the November or January meeting in order to evaluate the success of the above mentioned actions.

If you have any questions concerning this matter, please contact me at (916) 324-6197 or Jackie Grassinger at (916) 323-7205.

cc: Glenn Stevens, President



# NEW MOTOR VEHICLE BOARD

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Website: [www.nm vb.ca.gov](http://www.nm vb.ca.gov)

Edmund G. Brown Jr., Governor  
State of California

Brian P. Kelly, Secretary  
California State Transportation Agency

Glenn E. Stevens, President • Victoria R. Rusnak, Vice-President

Ramon Alvarez C. • Anthony A. Batarese Jr. • Ryan L. Brooks • Kathryn E. Doi • Rahim Hassanally • David C. Lizárraga • Bismarck Obando

March 24, 2014

Sample

Dear \_\_\_\_\_,

The purpose of this letter is to introduce, or re-introduce, the New Motor Vehicle Board ("NMVB") in an effort to increase awareness of the services we provide to consumers in California.

This letter is to bring to your attention the NMVB's mediation program since your agency may receive requests from consumers who are seeking assistance with a new car problem, a new car dealership, or a new vehicle manufacturer.

The NMVB is a program within the Department of Motor Vehicles, which, among other things, pursuant to Vehicle Code Section 3050(c)(2), mediates disputes between consumers and new car dealers and manufacturers via our Consumer Mediation Services Program ("Program"). The Board has jurisdiction over a wide range of vehicles including passenger vehicles, heavy-duty trucks, motorcycles, ATVs, and recreational vehicles.

Mediation can cover any number of consumer disputes, including, but not limited to, issues regarding contracts, servicing, warranty issues, safety concerns, advertising, etc. Our office can mediate a complaint from a used vehicle dealership if the vehicle is still under the manufacturer's warranty, or the consumer is claiming manufacturer liability. Our office can also mediate a complaint against an extended warranty, service contract, or lending institution as long as the company exists under a new vehicle manufacturer (i.e., GMAC, Chrysler Care Service, Nissan Financial, Ford ESP Premium Service Plans, etc.).

We encourage consumers to attempt to resolve disputes directly with new car dealers and manufacturers, but when such efforts are not successful, the NMVB's mediation program has a high success rate of nearly 70% in assisting consumers and dealers/manufacturers to resolve their disputes. We want to make sure that California's consumers are aware of our program and have an opportunity to use our services when applicable.

Should your office receive a consumer inquiry that falls within our jurisdiction please refer them to us via our website at [www.nm vb.ca.gov](http://www.nm vb.ca.gov) or have them call and speak with a mediator at (916) 445-1888.

If you have any questions, please give me a call at (916) 324-6197.

Sincerely,

William G. Brennan  
Executive Director

2014 Mediation Outreach Letters  
New contacts

Allstate Motor Club, Inc.  
Customer Service Center  
P. Bo. Box 3084  
Arlington Heights, IL 60006-3094

AARP Membership Center  
3200 East Carson Street  
Lakewood, CA 90712

AAA Northern California  
1900 Powell Street, Suite 1200  
Emeryville, CA 94608

AAA of Southern California  
P. O. Box 25001  
Santa Ana, CA 92799-5001

Car Talk  
Car Talk Plaza  
P. O. Box 3500 Harvard Square  
Cambridge, MA 02238

The Sacramento Bee  
Attn: Mark Glover  
2100 Q St., Sacramento, CA 95816  
P.O. Box 15779, Sacramento, CA 95852

San Jose Mercury News  
Mr. Roadshow  
750 Ridder Park Drive  
San Jose, CA 95190

Los Angeles Times  
Highway 1  
202 W. 1st St.  
Los Angeles, CA 90012

NPR  
1111 North Capitol St., NE  
Washington, DC 20002

Orange County Register  
HONK  
625 N. Grand Ave  
Santa Ana, CA 92701

Telemundo  
Telemundo KCSO 33  
1900 Point West Way, Suite 198  
Sacramento, CA 95815

Telemundo 52  
Noticias  
3000 West Alameda Avenue  
Burbank, CA 91523

Plus agency letters sent:

BBB – Better Business Bureau  
CAP – Consumer Arbitration Program  
CARS – Consumers for Auto Reliability and Safety  
CARB – CA Air Resources Board  
CDSP – CA Dispute Settlement Program  
CHP – CA Highway Patrol  
COST – CA Office of Traffic Safety  
CSCSA – CA State Consumer Services Agency  
ACP – Arbitration Certification Program  
BAR – Bureau of Automotive Repair  
CIC – Consumer Information Center (DCA)  
DMV INV – DMV Investigations  
DOC LA and SF – Department of Corporations  
DOFI – LA, SAC, SAN DIEGO, SF – Department of Financial Institutions  
FTC – Federal Trade Commission  
NHTSA – National Highway Traffic Safety Administration