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Subject: Info on Magnuson Moss Warranty Act

The Magnuson-Moss Act

YOU DON'T HAVE TO TAKE YOUR VEHICLE TO THE DEALER TO MAINTAIN YOUR WARRANTY.

New and used car dealers are notorious for their claims that only they can provide warranty work on a car or truck that they sell. Some have gone so far as to state that a warranty will be rendered invalid if anyone other than a dealer's service department does the work, or if any product other than a brand-name product is used.

This practice was one of a number of questionable tactics that led to the enactment of the Magnuson-Moss Warranty Act in 1975. The Magnuson-Moss Warranty Act is a component of the Federal Trade Commission Improvement Act, and was passed in an effort to "improve the adequacy of information available to consumers, to prevent deception, and improve competition..." It mandates disclosures designed to enhance consumer protection through awareness of implied and express warranties attached to products and services.

The relevant portions of the Act, as they have been applied by lube centers are:

"No warrantor of a consumer product may condition his written or implied warranty of such product on the consumer's using, in connection with such product, any article or service (other than article or service provided without charge under the terms of the warranty) which is defined by brand, trade, or corporate name; except that the prohibition of this subsection may be waived by the Commission if:

- (1) the warrantor satisfies the Commission that the warranted product will function properly only if the article or service so identified is used in connection with the warranted product, and
- (2) the Commission finds that such a waiver is in the 'public interest'."

A clearly-written explanation of this provision is contained in Pennzoil Product Bulletin F-03-A, from which we quote the following: "Under the Magnuson-Moss Warranty Act and general principles of the Federal Trade Commission Act, a manufacturer may not require the use of any brand of filter, or any other part, unless the manufacturer provides the item free of charge under the terms of the warranty. An equipment manufacturer can obtain a waiver if it proves to the FTC that the equipment would function properly only if certain brands of filters or other parts are used. The FTC must be satisfied that this is in public interest, and this waiver must be published in the Federal Register. This is a 'waiver' of the prohibitions on conditions of written warranty.

Should a customer be told that only a brand name oil filter can be used to protect a warranty, the customer should ask to have the statement put in writing or demand that the specific product be provided free of charge. Should these demands be rejected, then the customer should request that he or she be provided with a copy of the warrantor's approved FTC waiver. If no waiver is produced and the customer is charged for the product, there may be a violation of federal law. The customer should also be aware that he or she may have additional legal rights under applicable state warranty law which may vary from state to state."

The Magnuson-Moss Warranty Act requires that if a written warranty is made, that it be made available to consumers to read before a product is purchased. The warranty must include, among other items:

- a statement of what the consumer must do and expense he must bear,
- exceptions and exclusions from the terms of the warranty, and
- the step-by-step procedure which the consumer should take in order to obtain performance of any obligation under warranty, including the identification of any person or class of persons authorized to perform the obligations set forth in the warranty.

An FTC spokesperson we contacted advised that coverage depends on how each warranty is written. It would seem best, therefore, to ask customers in this situation if they are familiar with their warranties. Advise the customers of their rights under the Magnuson-Moss Warranty Act. Recommend that they direct specific questions regarding their warranty work to the dealer, and that they get answers in writing.

Keep in mind that the dealer can deny warranty work if it is shown you were using the incorrect filter, oil weight, spec etc.. or did not perform maintenance services as specified in the vehicle's owner manual.

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