



BBB AUTO LINE PROGRAM SUMMARY

SUBARU – ARKANSAS

Subaru of America, Inc. (“Subaru”) has precommitted to arbitrate certain unresolved claims relating to its cars. Claims must allege a defect in the vehicle’s material or workmanship, or the inability to repair a vehicle so that it conforms to the written warranty. The following is an explanation of the types of claims that Subaru has agreed to arbitrate through local Better Business Bureaus serving your state.

AGE AND MILEAGE REQUIREMENTS

Your claim must meet the following three conditions to be eligible:

- you must be basing your claim on a defect or condition that arose during the coverage period of the Subaru new vehicle warranty;
- you must have reported the defect or condition to Subaru, its agent, or its authorized dealer within two years after the date of your vehicle’s original delivery to a consumer, or before 24,000 miles of operation attributable to a consumer, *whichever is later*; **and**
- you must file your claim with the BBB within two years following the date you first reported the defect or condition to Subaru, its agent or authorized dealer.

ELIGIBLE CONSUMERS

Claims within the above age/mileage requirements may be filed by anyone entitled to enforce the obligations of the manufacturer’s new vehicle warranty.

TYPES OF RELIEF THAT MAY BE SOUGHT

The following relief may be sought through the BBB AUTO LINE program: **repairs, reimbursement for past repairs, and repurchase or replacement of the vehicle.** Under some circumstances, you may also seek reimbursement for additional amounts. Please review the attached *Remedies* sheets to determine the remedies that you are eligible to seek.

If a repurchase or replacement is awarded, you will be responsible for turning over the vehicle in a similar condition as it was at the time of the hearing. You will also be responsible for providing clear title to the vehicle.

CLAIMS THAT MAY NOT BE ARBITRATED

Subaru is not precommitted to arbitrate the following claims:

- Claims for legal fees, loss of wages, depreciation or loss of value;
- Claims covered by insurance or by warranties of other manufacturers;
- Claims involving a vehicle defect if you have alleged – either as part of your BBB AUTO LINE claim or at any other time – that the vehicle defect has caused damage to a vehicle or damage to property;
- Claims for personal injury or mental anguish;
- Claims involving a vehicle defect if you have alleged – either as part of your BBB AUTO LINE claim or at any other time – that the vehicle defect has caused bodily injury;
- Claims that have been resolved by a previous arbitration, court action, settlement, or an agreement between you and Subaru;
- Claims for punitive damages;
- Allegations of fraud or other violations of law.

OTHER IMPORTANT INFORMATION

- You must own or lease the vehicle throughout the entire arbitration process.
- Your vehicle must have been imported into the United States by Subaru of America, Inc.
- If you file suit against Subaru prior to the completion of the arbitration process, Subaru will not be obligated to continue with the arbitration.
- A test drive will not be taken in your vehicle unless you have liability insurance that satisfies your state's minimum requirements.
- An independent technical expert will automatically be appointed to conduct an inspection of your vehicle prior to every arbitration in which a repurchase or replacement is sought, unless both parties agree in writing that a technical expert should not be used.

The BBB will let you know if other restrictions apply.

REMEDIES IF REPURCHASE IS AWARDED
Lemon Law Criteria Met
Owned Vehicle

If the arbitrator determines that the manufacturer is obligated to repurchase an owned vehicle under the Arkansas lemon law, the following shall be awarded:

REMEDIES

1. *Vehicle Purchase Price.* The cash price paid for the vehicle as set out in the sales agreement, including any net allowance given for a trade-in vehicle.

2. *Collateral charges.* Additional charges to the consumer wholly incurred as a result of the acquisition of the vehicle. These include, but are not limited to:
 - a. manufacturer-installed or agent-installed items;
 - b. sales taxes and title charges;
 - c. charges for extended warranties provided by the manufacturer, its subsidiary or agent; and
 - d. earned finance charges.

3. *Incidental charges.* Reasonable costs (NOT including loss of use, loss of income, or personal injury claims) incurred by the consumer which are directly caused by the nonconformity(ies) that is the subject of the claim. They include, but are not limited to:
 - a. towing charges; and
 - b. costs of obtaining alternative transportation.

REASONABLE USE DEDUCTION

The following amount shall be deducted for the consumer's use of the vehicle:

$$\begin{array}{l} \text{reasonable} \\ \text{offset for use} \end{array} = \frac{\begin{array}{l} \# \text{ miles traveled by vehicle prior to time the consumer} \\ \text{first delivered vehicle to manufacturer, agent or dealer} \\ \text{for correction of problem that gave rise to nonconformity} \end{array}}{120,000} \times \begin{array}{l} \text{vehicle} \\ \text{purchase} \\ \text{price}^* \end{array}$$

DAMAGE DEDUCTION

The arbitrator shall reduce the award by a reasonable amount for physical damage sustained to the vehicle while owned by the consumer.

* This includes charges for transportation and manufacturer-installed or agent-installed options.

REMEDIES IF REPURCHASE IS AWARDED
Lemon Law Criteria Not Met
Owned Vehicle

If the arbitrator determines that the manufacturer is NOT obligated to repurchase an owned vehicle under the Arkansas Lemon law, the following may be awarded:

REMEDIES

- The actual amount paid for the vehicle, excluding taxes, fees, finance and other charges.

REASONABLE USE DEDUCTION

The arbitrator may make a deduction for the buyer's use of the vehicle. The arbitrator will determine, what, if any, deduction is appropriate. In doing so, the arbitrator may use the following formula:

$$\text{Use deduction} = \frac{\text{mileage at time written claim is filed with BBB}}{100,000} \times \text{purchase price}$$

OTHER DEDUCTION

The arbitrator may also make a deduction based on the overall condition of your vehicle or for other equitable reasons.

REMEDIES IF REPURCHASE IS AWARDED
Lemon Law Criteria Met
Leased Vehicle

If the arbitrator determines that the manufacturer is obligated to repurchase a leased vehicle under the Arkansas lemon law, the following shall be awarded:

REMEDIES

To the Lessor

1. *105% of the lessor's actual purchase costs*, MINUS the total of all deposit and rental payments paid by the lessee to the lessor;
2. *Collateral charges*. Additional charges to the lessor wholly incurred as a result of the acquisition of the vehicle, if applicable. These include, but are not limited to:
 - a. manufacturer-installed or agent-installed items;
 - b. sales taxes and title charges;
 - c. charges for extended warranties provided by the manufacturer, its subsidiary or agent; and
 - d. earned finance charges.
3. Any fee paid to another to obtain the lease;
4. Any insurance or other costs expended by the lessor for the benefit of the lessee; and
5. An amount equal to state and local taxes, not otherwise included as collateral charges, paid by the lessor when the vehicle was purchased.

To the lessee

1. All deposit and rental payments paid by the lessee to the lessor.
2. *Incidental charges*. Reasonable costs (NOT including loss of use, loss of income, or personal injury claims) incurred by the consumer which are directly caused by the nonconformity(ies) that is the subject of the claim. They include, but are not limited to:
 - a. towing charges; and
 - b. costs of obtaining alternative transportation.

REASONABLE USE DEDUCTON

The following amount shall be deducted for the consumer's use of the vehicle:

$$\text{reasonable offset for use} = \frac{\text{\# miles traveled by vehicle prior to time the consumer first delivered vehicle to manufacturer, agent or dealer for correction of problem that gave rise to nonconformity}}{120,000} \times \text{vehicle purchase price*}$$

DAMAGE DEDUCTION

The arbitrator shall reduce the award by a reasonable amount for physical damage sustained to the vehicle while owned by the consumer.

* This includes charges for transportation and manufacturer-installed or agent-installed options.

REMEDIES IF REPURCHASE IS AWARDED
Lemon Law Criteria Not Met
Leased Vehicle

If the arbitrator determines that the manufacturer is NOT obligated to repurchase a leased vehicle under the Arkansas lemon law, the following shall be awarded:

To the Lessor:

- + Lease balance** at time of repurchase calculated on an actuarial (level-yield) basis. This does not include any early termination fees or disposition fees;
- MINUS the security deposit held by lessor;
- MINUS any refund due for the expired portion of an extended warranty and/or insurance policy included in the lease contract.

To the Lessee:

- + Base monthly payments paid until the time of the repurchase UP TO A MAXIMUM AMOUNT CALCULATED ACCORDING TO THE FOLLOWING FORMULA:

Maximum = 105% of (net capitalized cost of the lease or vehicle M.S.R.P., whichever is lower) MINUS lease balance at time of repurchase calculated on an actuarial basis;

- + PLUS the security deposit;
- + PLUS the trade-in allowance/downpayment (capitalized cost reduction).

REASONABLE USE DEDUCTION

The arbitrator may make a deduction for the use of the vehicle. The arbitrator will determine what, if any, deduction is appropriate. In doing so, the arbitrator may use the following formula:

Deduction = mileage at time written claim is filed with BBB X capitalized cost

OTHER DEDUCTON

The arbitrator may make a deduction from the lessee's award based on the overall condition of the vehicle or for other equitable reasons.

** Lease balance is the difference between the net capitalized cost and the sum of all depreciation amounts accrued to date and the first base monthly payment.

REMEDIES IF REPLACEMENT IS AWARDED
Lemon Law Criteria Met
Owned or Leased Vehicle

If the arbitrator determines that the manufacturer is obligated to replace a vehicle under the Arkansas lemon law, the following shall be awarded:

REMEDIES

1. The consumer shall receive a replacement vehicle that is identical or reasonable equivalent to the replaced motor vehicle as it existed at the time of original acquisition.
2. The manufacturer shall also pay the consumer the following:
 - a. *Collateral charges.* Additional charges to the consumer wholly incurred as a result of the acquisition of the vehicle. These include, but are not limited to:
 - (1) manufacturer-installed or agent-installed items;
 - (2) sales taxes and title charges;
 - (3) charges for extended warranties provided by the manufacturer, its subsidiary or agent; and
 - (4) earned finance charges.
 - b. *Incidental charges.* Reasonable costs (NOT including loss of use, loss of income, or personal injury claims) incurred by the consumer which are directly caused by the nonconformity(ies) that is the subject of the claim. They include, but are not limited to:
 1. towing charges; and
 2. costs of obtaining alternative transportation

REASONABLE USE PAYMENT

The following amount shall be deducted for the consumer’s use of the vehicle:

$$\text{reasonable offset for use} = \frac{\text{\# miles traveled by vehicle prior to time the consumer first delivered vehicle to manufacturer, agent or dealer for correction of problem that gave rise to nonconformity}}{120,000} \times \text{vehicle purchase price}^*$$

DAMAGE DEDUCTION

The arbitrator shall reduce the award by a reasonable amount for physical damage sustained to the vehicle while owned by the consumer.

* This includes charges for transportation and manufacturer-installed or agent-installed options.

REMEDIES IF REPLACEMENT IS AWARDED
Lemon Law Criteria Not Met
Owned or Leased Vehicle

If the arbitrator determines that the manufacturer is NOT obligated to replace a vehicle under the Arkansas Lemon law, the following may be awarded:

REMEDIES

- A replacement vehicle that is new and is substantially identical to your current vehicle (excluding any modifications or additions after the vehicle's purchase or lease). The Manufacturer's Suggested Retail Price (M.S.R.P.) of the replacement vehicle may not exceed 105% of the M.S.R.P. of your current vehicle.

REASONABLE USE PAYMENT

The arbitrator may order that the consumer pay for the vehicle's prior use. The arbitrator will determine, what, if any, payment is appropriate. In doing so, the arbitrator may use the following formula:

$$\text{Use deduction} = \frac{\text{mileage at time written claim is filed with BBB}}{100,000} \times \text{purchase price}$$

OTHER DEDUCTION

If the arbitrator determines that there is damage to the vehicle that is not attributable to normal wear and tear, the arbitrator may include in the award a provision that the consumer pay the manufacturer to compensate for the damage.