



# “ Song Beverly Consumer Protection Law”

## Instructor

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## KNOW THE LAW

Understand the laws that we must adhere to when doing business in the state of California. Song Beverly, and the rules and regulations from the BEAR.

## KNOW YOUR RIGHTS

In order to protect the consumer you must take the time to educate yourself on 1793.3 Song Beverly civil code. This code covers parts, product exchange, service, literature and rate negotiations.

## KNOW YOUR COST OF DOING BUSINESS

Aside from any required technical proficiency, a wide variety of business skills are desirable for successful business including:

**Cost of doing business** – This area of your business is probably one of the most important. You need to understand your companies financial Statement. Here is where you get the necessary information to Formulate hourly rate.

The knowledge of CODB plays a huge role in the profitability or lack of in your company. Hire an accountant.

## Song-Beverly 1793.3 civil code

**1793.3.** If the manufacturer of consumer goods sold in this state for which the manufacturer has made an express warranty does not provide service and repair facilities within this state pursuant to subdivision (a) of Section 1793.2, or does not make available to authorized service and repair facilities service literature and replacement parts sufficient to effect repair during the express warranty period, the buyer of such manufacturer's nonconforming goods may follow the course of action prescribed in either subdivision (a), (b), or (c), below, as follows:

## Song-Beverly 1793.3 civil code

(A) Return the nonconforming consumer goods to the retail seller thereof. The retail seller shall do one of the following: (1) Service or repair the nonconforming goods to conform to the applicable warranty. (2) Direct the buyer to a reasonably close independent repair or service facility willing to accept service or repair under this section. (3) Replace the nonconforming goods with goods that are identical or reasonably equivalent to the warranted goods. (4) Refund to the buyer the original purchase price less that amount directly attributable to use by the buyer prior to the discovery of the nonconformity.

## Song-Beverly 1793.3 civil code

**(B)** Return the nonconforming consumer goods to any retail seller of like goods of the same manufacturer within this state who may do one of the following:

- (1) Service or repair the nonconforming goods to conform To the applicable warranty.
- (2) Direct the buyer to a reasonably close independent repair or service facility willing to accept service or repair under this section.
- (3) Replace the nonconforming goods with goods that are identical or reasonably equivalent to the warranted goods.
- (4) Refund to the buyer the original purchase price less that Amount directly attributable to use by the buyer prior to the discovery of the nonconformity.

## Song-Beverly 1793.3 civil code

**(C) Secure the services of an independent repair or service facility for the service or repair of the nonconforming consumer goods, when service or repair of the goods can be economically accomplished. In that event the manufacturer shall be liable to the buyer, or to the independent repair or service facility upon an assignment of the buyer's rights, for the actual and reasonable cost of service and repair, including any cost for parts and any reasonable cost of transporting the goods or parts, plus a reasonable profit. It shall be a rebuttable presumption affecting the burden of producing evidence that the reasonable cost of service or repair is an amount equal to that which is charged by the independent service dealer for like services or repairs rendered to service or repair customers who are not entitled to warranty protection. Any waiver of the liability of a manufacturer shall be void and unenforceable. The course of action prescribed in this subdivision shall be available to the buyer only after the buyer has followed the course of action prescribed in either subdivision (a) or (b) and such course of action has not furnished the buyer with appropriate relief. In no event, shall the provisions of this subdivision be available to the buyer with regard to consumer goods with a wholesale price to the retailer of less than fifty dollars (\$50). In no event shall the buyer be responsible or liable for service or repair costs charged by the independent repair or service facility which accepts service or repair of nonconforming consumer goods under this section. Such independent repair or service facility shall only be authorized to hold the manufacturer liable for such costs.**

## Song-Beverly 1793.3 civil code

(D) A retail seller to which any nonconforming consumer good is returned pursuant to subdivision (A) or (B) shall have the option of providing service or repair itself or directing the buyer to a reasonably close independent repair or service facility willing to accept service or repair under this section. In the event the retail seller directs the buyer to an independent repair or service facility, the manufacturer shall be liable for the reasonable cost of repair services in the manner provided in subdivision (C).

## Song-Beverly 1793.3 civil code

(E) In the event a buyer is unable to return nonconforming goods to the retailer due to reasons of size and weight, or method of attachment, or method of installation, or nature of the nonconformity, the buyer shall give notice of the nonconformity to the retailer. Upon receipt of such notice of nonconformity the retailer shall, at its option, service or repair the goods at the buyer's residence, or pick up the goods for service or repair, or arrange for transporting the goods to its place of business. The reasonable costs of transporting the goods shall be at the retailer's expense. The retailer shall be entitled to recover all such reasonable costs of transportation from the manufacturer pursuant to Section 1793.5.

## Song-Beverly 1793.3 civil code

1793.2. (a) Every manufacturer of consumer goods sold in this state and for which the manufacturer has made an express warranty shall: (1) (A) Maintain in this state sufficient service and repair facilities reasonably close to all areas where its consumer goods are sold to carry out the terms of those warranties or designate and authorize in this state as service and repair facilities independent repair or service facilities reasonably close to all areas where its consumer goods are sold to carry out the terms of the warranties. (B) **As a means of complying with this paragraph, a manufacturer may enter into warranty service contracts with independent service and repair facilities. The warranty service contracts may provide for a fixed schedule of rates to be charged for warranty service or warranty repair work. However, the rates fixed by those contracts shall be in conformity with the requirements of subdivision (c) of Section 1793.3. The rates established pursuant to subdivision (c) of Section 1793.3, between the manufacturer and the independent service and repair facility, do not preclude a good faith discount that is reasonably related to reduced credit and general overhead cost factors arising from the manufacturer's payment of warranty charges direct to the independent service and repair facility. The warranty service contracts authorized by this paragraph may not be executed to cover a period of time in excess of one year, and may be renewed only by a separate, new contract or letter of agreement between the manufacturer and the independent service and repair facility.**

## Song-Beverly 1793.3 civil code

1793.03. (a) Every manufacturer making an express warranty with respect to an electronic or appliance product described in subdivision (h), (i), (j), or (k) of **Section 9801 of the Business and Professions Code**, with a wholesale price to the retailer of not less than fifty dollars (\$50) and not more than ninety-nine dollars and ninety-nine cents (\$99.99), shall make available to service and repair facilities sufficient service literature and functional parts to effect the repair of a product for at least three years after the date a product model or type was manufactured, regardless of whether the three-year period exceeds the warranty period for the product. (B) Every manufacturer making an express warranty with respect to an electronic or appliance product described in subdivision (h), (i), (j), or (k) of Section 9801 of the Business and Professions Code, with a wholesale price to the retailer of one hundred dollars (\$100) or more, shall make available to service and repair facilities sufficient service literature and functional parts to effect the repair of a product for at least seven years after the date a product model or type was manufactured, regardless of whether the seven-year period exceeds the warranty period for the product

# David meets Goliath

An industry Gets Reconstructed and Everyone Benefits

## CSEA vs Matsushita 1991

17 independent service companies filed a class action lawsuit against the some of the worlds largest appliance and electronic manufactures to enforce Song-Beverly.

Under the settlement, the class consists of all electronic and appliance service and repair facilities in the State of California who have performed warranty repairs for, or entered into or renewed warranty service contracts with any of the settling defendants with regard to any and all products manufactured by the settling defendants, and or repair facilities whose names appear on the current list of the Bureau of Electronics and Appliance Repair (BEAR).

Notices of the class action settlement were sent to approximately 12,000 entities. No one objected to the settlement.

Under the settlement from now into the indefinite future, the manufacturers will be prepared to take into account during warranty contract negotiations on ‘consumer goods’ (which are any new products or parts thereof that are used, bought or leased for use primarily for personal, family, or household purposes, including home offices, excluding in-stock or dealer-stock goods) the following:

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### CSEA vs Matsushita 1991

1. What the class member proposed should be the reimbursement rates to be included in the contract, and if the manufacturer proposed 'standard' or 'form' rates the manufacturer will inform the servicer that it is prepared to consider the proposed rates of the class member;
2. What the class member believes is actual and reasonable costs to be of performing the repairs subject to the contract and the class members out of warranty rates for those repairs, and if requested, the class member will be prepared to provide back-up documentation and consider the position of the manufacturer;
3. Whether a handling fee and the amount thereof should be paid for products returned to the manufacturer; and
4. Whether the manufacturer will pay the class member for responding to a 'nuisance call'.

These four obligations become the basis for all new warranty contracts including labor and parts. **Although nothing in the settlement requires either a servicer or a manufacturer to conclude a contract with each other, an obligation of good faith and fair dealing exists which prevents anyone from acting arbitrarily. In additional, every contract will contain a clause stating that the amounts paid under the contract reflect cost plus a reasonable profit under Song-Beverly and costs under the CUPA.**



# The Future Belongs to those Who Prepare For It!

**Those words were made famous by a pioneer in the Electronics Industry by the name of M.L. Finneburg . Since 1955 CSEA And PSOC has worked with The Appliance and Electronics Industry to prepare our membership for the challenges that new technology brings.**

**Today we leave you with many thoughts but ultimately it becomes your decision to be successful or not. Take pride in your work or not. Prosper or not. Provide the best possible service experience to your customer or not.**

**You and you alone can decide if the craft that you are learning today becomes a career or hobby tomorrow.**

**Become a member! Share on all our benefits! It pays to belong!**

**Please visit our website at [www.psoca.org](http://www.psoca.org) , call us at 714-335-1259, fax us at 714-826-4430  
Ask for Charlene Moreno our executive director.**

**On behalf of PSOC, the membership and the Board of Directors thank you for the opportunity.**