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"I like representing the little guy against the big guy," lawyer Peter Maier says about "lemon law" consumer-protection cases.

Consumer advocate stands tall for state law

By JIM ERICKSON
PI REPORTER

When Peter Maier helped his mother choose a new car five years ago, he was surprised by the lengths to which some dealers would go to make a few extra bucks. The salesman was bent on selling Maier's mother an optional extended warranty service contract, which she didn't want because Maier thought they were bad bargains.

The salesman, after his badgering was rebuffed several times, finally tried the back door by slipping the contract into the closing paperwork "accidentally" in hopes that Maier's mom would unwittingly sign on the dotted line.

"I had to restrain myself not to get angry at the dealer," Maier said.

The salesman was lucky to get off with less than a tongue-lashing. Though not a physically imposing man, Maier is a lawyer and one of the state's leading defenders of Washington's "lemon law," a statute that protects consumers against getting stuck with seriously defective vehicles.

A consumer advocate who has represented more than a hundred owners against dealers and manufacturers, Maier says he has won about 95 percent of his cases — not the least of which was an attempt by the Ford Motor Co. to get the state's law declared unconstitutional.

Doug Walsh, an assistant attorney general in the state's consumer protection division, said Maier, 43, "fully understands he has to defend his client's interest, but he also understands there is a public-interest compo-

nent (in lawsuits) to make the law better."

"That's what separates Peter from some of his peers, who only see the Consumer Protection Act as a way to beef up their settlements."

A Seattle native, Maier has roots in the consumer movement of the 1970s. Before graduating from Harvard Law School in 1981, he worked for the Center for Auto Safety (founded by the Consumers Union, publisher of Consumer Reports), Ralph Nader's Center for Study of Responsive Law, and was special assistant to the administrative chairman of the Consumer Product Safety Commission under President Carter.

Consumers' rights have suffered some

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erosion over the past decade, Maier said, but "Washington's lemon law is a striking exception to the general malaise in consumer regulation."

Passed in 1983 and strengthened in 1988, what sets the state's law apart is its mandated arbitration program, which is administered by the Attorney General's Office and funded by a \$3 transaction fee levied on new vehicle sales and leases.

The program presents a relatively cheap, quick and usually lawyer-free way for consumers to resolve differences with car dealers over serious factory defects. Once decided by a state-appointed arbitrator, few cases are appealed to the courts, Maier said, and no manufacturer has ever won on appeal.

Maier's own study of 1995 arbitration cases showed that of 259 requests for arbitration, 119 ended with the dealer buying back or replacing the vehicle. Meanwhile, 140 claims were dropped by consumers, won by carmakers or otherwise settled before arbitration.

Washington's program, which was singled out for an award as a model for other states by the Center for Auto Safety, might have disappeared were it not for Maier.

He was the lawyer representing a car owner in a 1990 case, Ford vs. Barrett, which Ford used as a vehicle to challenge the constitutionality of the state's arbitration program. The giant automaker argued that the law denied it due process and the right to a jury trial. State Supreme Court justices unanimously decided against Ford.

Maier said he isn't much of a consumer himself — he bought his first new car just two years ago and admits to a frugal streak — but while growing up in Seattle his family was often involved in social and political causes. His father was a University of Washington professor of social work; his brother, Scott, is a reporter for the Post-Intelligencer (Scott Maier did not participate in the preparation of this story).

"I like representing the little guy against

the big guy," Maier said.

All is not right with Washington's lemon law, he maintains. Maier recently submitted testimony to the Federal Trade Commission, which is looking into ways to curtail the practice of "lemon laundering," in which dealers and manufacturers who buy back faulty vehicles from disgruntled customers turn around and sell the cars in other states without warning the next buyer of the vehicle's checkered past.

Washington law tries to address the problem, requiring a black-flag notation on the title and registration documents of a car deemed to be a lemon. Subsequent buyers of a lemon are supposed to read and sign a special disclosure at purchase.

Maier said many dealers conceal the information from consumers or buy cars back before arbitration officially begins, thus sidestepping the disclosure requirement and title "branding." The law also does nothing to prevent dealers from importing lemons from other states with weaker disclosure laws, and vice versa.

In an ironic twist, the car in question in the Barrett case — a car that drifted badly from side to side, which even the manufacturer admitted was a safety defect — was resold in Oregon. Maier found out about it because the new owners, who were suspicious about the car's odd handling characteristics, tracked him down.

They "were appalled to learn that (the manufacturer) knew that the car was an unsafe lemon, yet had no qualms about selling it to a consumer in another state," Maier wrote in his FTC testimony.

Maier argues for a nationalized title system by which the mechanical history of vehicles could be recorded on ownership documents, and for national lemon-disclosure laws. Vehicles with serious safety defects that go uncorrected should be sent to the wrecking yard, he said.

"There are lots of ways the Washington law can be improved," he said. "But we're way ahead of the curve in most respects."