BEFORE THE DIRECTOR DEPARTMENT OF CONSUMER AFFAIRS BUREAU OF AUTOMOTIVE REPAIR STATE OF CALIFORNIA

In the Matter of the Second Amended Accusation Against:

EDDIE'S AUTO WORLD EDDIE HONARCHIAN, OWNER 1585 N. Blackstone Fresno, CA 93703-3611

Automotive Repair Dealer Registration No. ARD 186684 Smog Check, Test-and-Repair, Station License No. RC 186684

and

EDDIE'S AUTO WORLD EDDIE HONARCHIAN, OWNER 4889 N. Blackstone

Fresno, CA 93726

Automotive Repair Dealer Registration No. ARD 259944 Smog Check, Test-and-Repair, Station License No. RC 259944

and

EDDIE HONARCHIAN

1585 N. Blackstone Fresno, CA 93703-3611

Advanced Emission Specialist Technician License No. EA 622792 (to be redesignated upon renewal as EO 622792 and/or El 622792)

Respondents.

Case No. 79/13-43

OAH No. 2013030565

DECISION

The attached Proposed Decision of the Administrative Law Judge is hereby accepted and adopted by the Director of Consumer Affairs as the Decision in the above-entitled matter, except that, pursuant to Government Code section 11517(c)(2)(C), the typographical errors in the Proposed Decision are corrected as follows:

- Page 3, paragraph 1 under Factual Findings, lines 6 and 7: The expiration date of "December 31, 2013" of Automotive Repair Dealer Registration Number ARD 186684 is corrected read "December 31, 2014."
- 2. Page 3, paragraph 2 under Factual Findings, line 6: The expiration date of "December 31, 2013" of Smog Check Station License Number RC 186684 is corrected read "December 31, 2014."
- 3. Page 3, paragraph 3 under Factual Findings, line 4: The expiration date of "November 30, 2013" of Automotive Repair Dealer Registration Number ARD 259944 is corrected read "November 30, 2014."
- 4. Page 3, paragraph 4 under Factual Findings, line 4: The expiration date of "November 30, 2013" of Smog Check Station License Number RC 259944 is corrected read "November 30, 2014."

This Decision shall become effective March 3, 2014.

DATED: _____2 7 2014

DONALD CHANO Assistant Chief Counsel Department of Consumer Affairs

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Respondents.

Case No. 79/13-43

OAH No. 2013030565

PROPOSED DECISION

This matter was heard before Karen J. Brandt, Administrative Law Judge, Office of Administrative Hearings, State of California, on November 5, 2013, in Fresno, California.

Karen R. Denvir, Deputy Attorney General, represented Patrick Dorais (complainant), Acting Chief, Bureau of Automotive Repair (Bureau), Department of Consumer Affairs (Department).

James M. Makasian, Attorney at Law, represented Eddie Honarchian (respondent), owner of Eddie's Auto World.

Evidence was received on November 5, 2013. The record was left open to allow complainant to submit a copy of a prior citation against respondents, and for respondents to submit a response. On November 12, 2013, complainant submitted a copy of Citation No. C2011-0075, the Proposed Decision in OAH No. 2010110768, and the Decision, together with related documents, which were marked for identification as Exhibit 42. On December 3, 2013, respondent submitted a response, which was marked for identification as Exhibit A. On December 3, 2013, complainant submitted a reply, which was marked for identification as Exhibit 43.

In his response (Exhibit A), respondent objected to the additional evidence offered by complainant (Exhibit 42) on the grounds of hearsay and lack of foundation. Complainant replied (Exhibit 43) that the additional evidence is admissible under Government Code sections 11513, subdivision (c), and 11515.¹ Respondent's objections are sustained in part

The hearing need not be conducted according to technical rules relating to evidence and witnesses, except as hereinafter provided. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of the evidence over objection in civil actions.

Government Code section 11515 provides:

In reaching a decision official notice may be taken, either before or after submission of the case for decision, of any generally accepted technical or scientific matter within the agency's special field, and of any fact which may be judicially noticed by the courts of this State. Parties present at the hearing shall be informed of the matters to be noticed, and those matters shall be noted in the record, referred to therein, or appended thereto. Any such party shall be given a reasonable opportunity on request to refute the officially noticed

¹ Government Code section 11513, subdivision (c), provides:

and overruled in part. Pursuant to Government Code section 11515, official notice is taken of the Citation, Proposed Decision, and Decision included in Exhibit 42. The remainder of Exhibit 42 is not admitted.

In the reply (Exhibit 43), complainant objected to the additional argument included in respondent's response (Exhibit A). Complainant's objection is sustained.

The record closed and this matter was submitted for decision on December 3, 2013.

FACTUAL FINDINGS

1. On December 20, 1995, Automotive Repair Dealer Registration Number ARD 186684 was issued to respondent, doing business as In & Out Smog & Automotive Repair (In & Out Smog), located at 1585 N. Blackstone, Fresno, California. On or about July 30, 2013, respondent's business name was changed to Eddie's Auto World. Respondent's Automotive Repair Dealer Registration Number ARD 186684 was in full force and effect at all times relevant to the charges alleged in this matter, and will expire on December 31, 2013, unless renewed or revoked.

2. On December 17, 2008, Smog Check Station License Number RC 186684 was issued to respondent, doing business as In & Out Smog, located at 1585 N. Blackstone, Fresno, California. On or about July 30, 2013, respondent's business name was changed to Eddie's Auto World. Respondent's Smog Check Station License Number RC 186684 was in full force and effect at all times relevant to the charges alleged in this matter, and will expire on December 31, 2013, unless renewed or revoked.

3. On November 12, 2009, Automotive Repair Dealer Registration Number ARD 259944 was issued to respondent, doing business as Eddie's Auto World, located at 4889 N. Blackstone, Fresno, California. Respondent's Automotive Repair Dealer Registration Number ARD 259944 will expire on November 30, 2013, unless renewed or revoked.

4. On May 6, 2010, Smog Check Station License Number RC 259944 was issued to respondent, doing business as Eddie's Auto World, located at 4889 N. Blackstone, Fresno, California. Respondent's Smog Check Station License Number RC 259944 will expire on November 30, 2013, unless renewed or revoked.

5. In 1998, Advanced Emission Specialist Technician License Number EA 622792 (technician license) was issued to respondent. Respondent's technician license is

matters by evidence or by written or oral presentation of authority, the matter of such refutation to be determined by the agency. due to expire on January 31, 2014. Upon renewal, respondent's technician license will be redesignated as EO 622792 and/or EI 622792.

Consumer Complaint (Lewis): 1996 Toyota Camry

6. In February 2010, Gwenda Lewis took her 1996 Toyota Camry to In & Out Smog for diagnosis, repairs and a smog inspection after it had failed a previous smog inspection. Thereafter, a consumer complaint was filed with the Bureau regarding this vehicle.² Jack Lewis, a Bureau Program Representative I, investigated the consumer complaint. Mr. Lewis obtained the invoice In & Out Smog prepared with regard to Ms. Lewis's vehicle. He also obtained the BAR97 Test Detail regarding the smog inspection of this vehicle. The information on the BAR97 Test Detail was inputted into the Bureau's data base by the technician who conducted the smog inspection. The BAR97 Test Detail for Ms. Lewis's 1996 Toyota Camry showed that the smog inspection was conducted by Henry's Automotive, a test-only station, and not by In & Out Smog.

7. On August 10, 2010, Mr. Lewis met with respondent regarding this complaint. Mr. Lewis discussed with respondent sending Ms. Lewis's vehicle to a test-only station for a smog inspection. Mr. Lewis told respondent that he could not sublet a smog inspection to another smog check facility.

8. At hearing, respondent admitted that he sublet the smog inspection of Ms. Lewis's vehicle.

Consumer Complaint (Soto): 1979 Chevrolet Truck

9. In March 2011, Carlos Soto took his 1979 Chevrolet truck to ln & Out Smog for emission-related repairs because the vehicle had failed a smog inspection. Thereafter, Mr. Soto filed a complaint with the Bureau.³ On March 28, 2011, Mr. Lewis obtained: (1) In & Out Smog's Service Order 51570 (Soto invoice) made out to Mr. Soto in the amount of \$475; (2) Service Order No. 1663 from Henry's Smog relating to Mr. Soto's vehicle; and (3) a Smog Check Vehicle Inspection Report (Soto VIR).

10. <u>Early Fuel Evaporation (EFE) Actuator Rod</u>. On the Soto invoice, written in the area for "Needed Repairs," were four repairs. The first listed repair stated, "EFE actuator modified – Rod lengthened by welding extra piece of rod – We need to cut to length [and] weld." On April 4, 2011, Mr. Lewis spoke to respondent about this repair. Respondent

² There are no charges alleged against respondent in the Second Amended Accusation arising from the allegations made in the consumer complaint regarding this vehicle.

³ There are no charges alleged against respondent in the Second Amended Accusation arising from the allegations made in the consumer complaint regarding this vehicle.

explained that someone had added a piece to the EFE actuator rod in Mr. Soto's vehicle, and In & Out Smog just removed the piece that was added.

11. Mr. Lewis testified that, because the EFE actuator rod was a smog emissions control component, it was illegal for respondent to cut out the piece that someone else had added to the rod, and weld the rod back together. According to Mr. Lewis, respondent was required to exchange out the EFE actuator rod.

12. At hearing, respondent described the EFE system. He explained the purpose of the EFE actuator rod and how it worked to open and close the valve to which it was attached. Because someone had added a piece to the rod in Mr. Soto's vehicle, the rod was too long and caused the valve to remain closed. Before he made any repairs to the EFE actuator rod, respondent called Mr. Soto, explained what he was going to do, and obtained Mr. Soto's approval. According to respondent, he fixed the rod by returning it to its original condition. After the rod was returned to its original condition, the EFE system worked correctly.

13. Respondent testified that he knew of no law that stated that he could not repair the EFE actuator rod as he did. He was not informed in any of the classes that he has taken that it was illegal for him to repair the rod as he did. According to respondent, he could not have replaced only the EFE actuator rod. He would have had to replace the entire EFE system. The cost to replace the entire EFE system would have been about \$600 to \$700, plus about \$200 in labor.

14. At hearing, complainant did not offer any laws or regulations which state that it is illegal to repair an emissions control device in the manner that respondent repaired Mr. Soto's EFE actuator rod. In the Second Amended Accusation, complainant cited to Health and Safety Code section 44016^4 and California Code of Regulations, title 16, section 3340.41, subdivision (d),⁵ as the governing law. The regulation refers to "the vehicle

⁴ Health and Safety Code section 44016 states:

The department shall, with the cooperation of the state board and after consultation with the motor vehicle manufacturers and representatives of the service industry, research, establish, and update as necessary, specifications and procedures for motor vehicle maintenance and tuneup procedures and for repair of motor vehicle pollution control devices and systems. Licensed repair stations and qualified mechanics shall perform all repairs in accordance with specifications and procedures so established.

⁵ California Code of Regulations, title 16, section 3340.41, subdivision (d), states:

manufacturer's recommended procedures for emission problem diagnosis and repair" and "emission diagnosis and repair procedures found in industry-standard reference manuals and periodicals published by nationally recognized repair information providers," and requires that smog check stations and smog check technicians "follow the applicable specifications and procedures when diagnosing defects or performing repairs for vehicles that fail a smog check test." Complainant did not offer the vehicle manufacturer's recommended procedures or any industry-standard reference manuals or periodicals to provide direction or guidance on how respondent should have repaired the EFE actuator rod in this case. Consequently, complainant failed to provide sufficient evidence to establish that the manner in which respondent repaired Mr. Soto's EFE actuator rod violated any laws or regulations.

15. <u>Replacement of Exhaust Gas Recirculation (EGR) Thermal Vacuum Switch</u> (TVS). Written on the Soto invoice, under the "Needed Repairs" area is the following: "Performed all above repairs. Did not have to replace cat but had to replace EGR TVS." In the bottom left corner of the invoice, the printed form states: "Additional Repair Authorization." Written on the line under this is "\$475.00." At the bottom middle/right, the invoice contains a box with four compartments, which includes the following:

| DATE | TELEPHONE NO. CALLED |
|--------|----------------------|
| 3-9-11 | 470-3813 |
| TIME | NAME OF PERSON |
| 1:20 | AUTHORIZING |
| | Carlos Soto |

OK \$475⁰⁰ ON Repairs

Above this box is the signature of Mr. Soto under a printed statement that states, in relevant part:

BY LAW YOU MAY CHOOSE ANOTHER REPAIR FACILITY TO PERFORM ANY NECESSARY REPAIRS

(d) The specifications and procedures required by Section 44016 of the Health and Safety Code shall be the vehicle manufacturer's recommended procedures for emission problem diagnosis and repair or the emission diagnosis and repair procedures found in industry-standard reference manuals and periodicals published by nationally recognized repair information providers. Smog check stations and smog check technicians shall, at a minimum, follow the applicable specifications and procedures when diagnosing defects or performing repairs for vehicles that fail a smog check test.

I THE REGISTERED OWNER AUTHORIZE YOU TO PERFORM THE REPAIRS AND FURNISH NECESSARY MATERIALS.

RECEIPT OF A COPY OF THIS ORDER IS HEREBY ACKNOWLEDGED. (Bolding, underlining, and capitalization in original.)

16. On April 4, 2011, Mr. Lewis spoke to respondent about the EGR TVS. Respondent stated that his technician broke the switch, and that respondent contacted Mr. Soto and told him that they were going to replace the broken switch at no charge. Mr. Lewis informed respondent that he needed to document on the invoice that Mr. Soto was contacted and authorized the repair.

17. At hearing, Mr. Lewis testified that, if a technician recommends additional repairs to a vehicle, the technician must describe on the invoice the additional recommended repairs. If the technician seeks approval of these repairs by telephone, he must note on the invoice the name of the person authorizing the work, the date of the call, the method by which authorization was provided, and the telephone number. Mr. Lewis asserted that the Soto invoice did not include all this information.

18. At hearing, respondent testified that he wrote the phrase "Performed all above repairs. Did not have to replace cat but had to replace EGR TVS" on the invoice after he had completed all the repairs. He asserted that he obtained Mr. Soto's prior authorization to replace the EGR TVS, but did not document that additional repair authorization on the invoice because he did not charge for it. Respondent believed that he did not have to obtain Mr. Soto's signature on the invoice to make this change because there was no additional charge. As set forth in the Legal Conclusions below, the applicable law required respondent to document on the Soto invoice Mr. Soto's authorization for the replacement of the EGR TVS.

19. <u>Sublet of Soto Smog Inspection</u>. The Soto VIR indicated that, on March 11, 2011, Henry's Smog performed a smog inspection on Mr. Soto's vehicle. On Henry's Smog Service Order No. 1663, written in the boxes for the amounts charged for "Smog" and "Smog Certificate" was an "N/C." Written in the area for the "Estimated Cost" was "Per Eddie N/C." On March 28, 2011, Mr. Lewis again advised respondent that he could not sublet a smog check inspection to another facility. Respondent stated that he did not charge Mr. Soto for the inspection. Mr. Lewis told respondent that it did not matter that he did not charge for the inspection; it was still a violation and he could not do it.

20. At hearing, respondent admitted that he sublet the smog inspection of Mr. Soto's vehicle.

Consumer Complaint (Moya): 1997 Ford F-150 Pickup

21. On July 25, 2011, Joseph Moya took his 1997 Ford F-150 pickup to In & Out Smog for repairs after his vehicle had failed a smog inspection. Thereafter, Mr. Moya filed a complaint with the Bureau.⁶ When investigating this complaint, Mr. Lewis obtained from Mr. Moya: (1) Service Order 54822 from In & Out Smog dated July 25, 2011(Moya invoice); and (2) a Smog Check Vehicle Inspection Report dated July 25, 2011 (Moya VIR). Mr. Lewis also obtained a BAR97 Test Detail relating to the smog inspection conducted on Mr. Moya's vehicle on July 25, 2011.

22. The Moya invoice indicates that In & Out Smog charged Mr. Moya for a smog inspection on July 25, 2011. The Moya VIR indicates that the smog inspection was conducted by Station Number TC224033, but no station name or address is included on that VIR. The BAR97 shows that the smog inspection performed on Mr. Moya's vehicle was performed by Henry's Automotive, whose Station ID is TC224033.

23. On August 4, 2011, Mr. Lewis went to In & Out Smog and discussed this matter with respondent. Mr. Lewis asked respondent if Mr. Moya was told that his vehicle was going to Henry's Automotive, and respondent responded, "probably not." Mr. Lewis informed respondent that it was an "unauthorized sublet," and that respondent knew that he could not "sublet a smog inspection to a test-only station."

24. At hearing, respondent admitted that he sublet the smog inspection of Mr. Moya's vehicle.

Consumer Complaint (Lazaroti): 2000 Volkswagen Jetta

25. On April 19, 2012, Diane Lazaroti took her 2000 Volkswagen Jetta to In & Out Smog to diagnose the check engine light that was illuminated. Ms. Lazaroti testified that she initially authorized In & Out Smog to conduct a diagnostic test for \$75. She was thereafter informed that the vehicle needed a new catalytic converter and additional repairs, which she authorized. On April 20, 2013, Ms. Lazaroti paid \$523.96 for the repairs, received Service Order 58936 (Lazaroti invoice), and left with her vehicle. Shortly after she left, the vehicle began smoking under the hood and the check engine light came back on. She returned her vehicle to In & Out Smog to re-check it. She authorized \$100 for this re-check. She informed In & Out Smog that the reason for the initial repair was because she needed a smog inspection.

On April 25, 2012, Ms. Lazaroti returned to In & Out Smog to pick up her vehicle. She was told that the cost was \$160.88. She told the employee at In & Out Smog that she

⁶ There are no charges alleged against respondent in the Second Amended Accusation arising from the allegations made in the consumer complaint regarding this vehicle.

had only authorized \$100. She was informed that the vehicle passed a smog inspection and if she did not pay \$160.88, she would not get the smog inspection report. She paid \$100 and received the smog inspection report.

26. <u>Additional Repairs</u>. The Second Amended Accusation alleges that respondent documented on the Lazaroti invoice that on April 19, 2012, Ms. Lazaroti "had authorized a total of \$563.96 in additional repairs on her Volkswagen Jetta, but failed to specify or describe the additional repairs."

27. On the Lazaroti invoice, handwritten in the areas for "Qty.," "Part Description," and "Amount" are "1 cat converter 276.93." Handwritten in the area for "Needed Repairs" is:

Diagnosed vehicle found catalyct defective P0422 and air injection flow malfunction P0411 Est to repair vehicle $575.^{00}$ + smog + cert Needs [illegible] vacuum routing Customer ordered reroute vacuum lines only est $50.^{00}$ + diag [illegible] Replaced cat converter vehicle needs drive cycle + return for smog Est $40.^{00}$ for smog + cert.

Handwritten to the left under the "Needed Repairs," on a line under "Estimated Cost" is "\$125.⁰⁰." Underneath this, handwritten in the box for "Additional Repair Authorization" is "\$563.^{96.}" Ms. Lazaroti signed the invoice on the line after "Receipt of a copy of this order is hereby acknowledged." Under her signature to the left, the pre-printing on the invoice states: "1 acknowledge notice and oral approval of an increase in the original estimated price." Handwritten after this statement is "50.⁰⁰" and Ms. Lazaroti's initials.

| DATE | TELEPHONE NO. CALLED |
|---------|----------------------|
| 4-19-12 | 704-8188 |
| TIME | NAME OF PERSON |
| 12:22 | AUTHORIZING |
| | Diane |

Under her signature to the right is a box that includes the following:

At the bottom of the invoice is handwriting that is cut off and illegible on the copy admitted into evidence.

28. At hearing, respondent testified that he waited on Ms. Lazaroti and gave her an estimate of \$75 to diagnose why her check engine light was illuminated. He used a scanner to scan for the codes stored in the memory of the vehicle's computer. There were two codes

in the vehicle's memory: (1) P0422, the code for the catalytic converter; and (2) P0411, the code for an air injection flow malfunction. Respondent estimated that it would cost \$575 to repair the vehicle, and conduct a smog inspection. When respondent informed Ms. Lazaroti of this, she initially authorized and signed for only the rerouting the vacuum lines for \$50, but did not authorize him to replace the catalytic converter. Respondent's technician thereafter spoke to Ms. Lazaroti by telephone at 12:22 p.m. on April 19, 2012, and she authorized the replacement of the catalytic converter for \$563.96.

29. When Ms. Lazaroti picked up the vehicle on April 20, 2012, she paid \$523.96 for the repairs. Respondent informed Ms. Lazaroti that she needed to drive the vehicle for a drive cycle to confirm the repairs, and then return to have the vehicle smogged. After the shop was closed, Ms. Lazaroti returned because her check engine light had come back on. Respondent testified that, when he did the repairs on the vacuum lines and the catalytic converter, there were no codes in the vehicle 's computer relating to the engine. When Ms. Lazaroti returned, the computer in her vehicle indicated a cylinder misfire code. Respondent testified that Ms. Lazaroti's vehicle was running "perfect" when it left his shop, but was running "terrible" when she returned. He testified further that the vehicle had 163,725 miles on it, which is "a lot" for a Volkswagen, and that it failed due to "wear and tear." He asserted that he changed the spark plug wires and put in an oil treatment so that the vehicle could pass the smog inspection.

30. William Kevin Nicks is a Program Representative IIs with the Bureau. At hearing, Mr. Nicks testified that the Lazaroti invoice does not state the reason for the additional repairs.⁷

31. Although the Lazaroti invoice makes sense when explained by respondent, the invoice, on its face, is too confusing to understand without respondent's explanation. In particular, there is no clear explanation on the invoice of exactly what additional repairs Ms. Lazaroti authorized for \$563.96. But, in her consumer complaint to the Bureau and at hearing, Ms. Lazaroti did not complain that respondent did not inform her of the nature or costs of the additional repairs that he recommended and she approved.

32. <u>Sublet of Lazaroti Smog Inspection</u>. The Smog Check Vehicle Inspection Report (Lazaroti VIR) that Ms. Lazaroti received from In & Out Smog indicated that the smog inspection was conducted at Super Smog. Ms. Lazaroti did not authorize or give her consent to In & Out Smog to take her vehicle to Super Smog for a smog inspection. She had no knowledge that her vehicle was going to be taken to Super Smog.

⁷ Mr. Nicks testified that the invoice violated California Code of Regulations, title 16, section 3353, subdivision (c). Because the Second Amended Accusation does not charge respondents with a violation of this regulation, no findings are made with regard to it.

33. Mr. Nicks testified that Ms. Lazaroti's vehicle was a "directed" vehicle, which meant that a smog inspection could only be performed by a test-only or Gold Shield station. Super Smog was a test-only station; In & Out Smog was neither a test-only nor a Gold Shield station at that time.

34. Mr. Nicks spoke to respondent about Ms. Lazaroti's smog inspection. Respondent admitted to Mr. Nicks that he had sublet Ms. Lazaroti's vehicle to Super Smog. He asserted that "he was just helping [her] out" and that he knew the sublet violated the regulations.

35. At hearing, respondent admitted that he sublet Ms. Lazaroti's vehicle to Super Smog for a smog inspection.

Respondent's Signs and Advertising

36. On February 21, 2012, Mr. Nicks made a field visit to In & Out Smog and photographed its business signs being displayed. The signs stated that In & Out Smog was a test-only station. In & Out Smog was not a test-only station at that time. It was a test-and-repair station.

37. On March 6, 2012, Mr. Nicks made another field visit to In & Out Smog and again observed that its business signs stated that it was a test-only station. In & Out Smog was not a test-only station at that time. Mr. Nicks informed respondent both verbally and in writing to remove the test-only advertising from In & Out Smog's signs.

38. On March 29, 2012. Mr. Nicks made a follow-up visit to In & Out Smog and found that respondent had not removed any of the test-only advertising from In & Out Smog's signs.

39. On May 7, 2012, Mr. Nicks observed that there was still a sign located at a corner of In & Out Smog's property incorrectly advertising that In & Out Smog was a test-only station.

40. At hearing, respondent testified that In & Out Smog used to be a test-only station, and it had signs to reflect that. When Mr. Nicks told respondent that the test-only signs had to be removed, respondent removed the test-only signs that he could by himself, but left the ones that required a sign company to remove. Respondent called the sign company to remove these signs. The sign company painted over one of the signs, but could not reach the other sign. Respondent called them to come back to remove the remaining test-only sign. According to respondent, that sign was finally removed in May 2012.

41. Upon cross examination, respondent testified that he believed In & Out Smog was a test-only station from about 2000 to 2004. Respondent testified that he could not

remember whether the test-only signs had been up for eight years after In & Out Smog ceased being a test-only station, but that is the only logical conclusion that can be reached from the evidence that was presented.

First Undercover Operation – March 29, 2012 – 2002 Ford Mustang

42. On March 29, 2012, Robert Perez, working as an undercover operator for the Bureau under the assumed name of Robert Garcia, brought a 2002 Ford Mustang (Mustang) owned by the Bureau to In & Out Smog for a smog inspection. The Mustang was designated as a directed vehicle that could only be inspected at a test-only facility or a Gold Shield station. Mr. Perez left the vehicle with In & Out Smog and returned later to pick it up. When Mr. Perez picked up the Mustang at In & Out Smog, he received Service Order (Mustang invoice) and a Vehicle Inspection Report (Mustang VIR). The Mustang invoice was on In & Out Smog's form and indicated that the Mustang passed the smog inspection. There was no indication on that invoice that the smog inspection was performed at any location other than In & Out Smog. But the Mustang VIR indicated that the smog inspection was performed by Henry's Smog. At the time when Mr. Perez took the Mustang to In & Out Smog for a smog inspection, In & Out Smog had signs that advertised it as a test-only station, although it was not then a test-only or Gold Shield station.

43. At hearing, respondent admitted that he sublet the Mustang to Henry's Smog for a smog inspection.

Second Undercover Operation – May 7, 2012 – 2000 Toyota Solara

44. On May 7, 2012, Mr. Perez did another undercover run to In & Out Smog. This time he drove a 2000 Toyota Solara (Solara) owned by the Bureau and used the assumed name of Robert Ramos. The Solara was designated as a directed vehicle that could only be tested at a test-only facility or a Gold Shield station. Mr. Perez asked In & Out Smog for a smog inspection, left the Solara at In & Out Smog, and returned later to pick it up. When he returned to pick up the Solara at In & Out Smog, he received Service Order (Solara invoice) and a Vehicle Inspection Report (Solara VIR). The Solara invoice was on In & Out Smog's form. There was no indication on that invoice that the smog inspection was conducted anywhere other than In & Out Smog. But the Solara VIR indicated that the smog inspection was conducted at Henry's Smog. At the time when Mr. Perez took the Solara to In & Out Smog for a smog inspection, In & Out Smog had signs that advertised it as a test-only station, although it was not then a test-only or Gold Shield station.

45. At hearing, respondent admitted that he sublet the Solara to Henry's Smog for a smog inspection.

Factors in Aggravation, Mitigation and Rehabilitation

46. As a factor in aggravation, the Bureau offered Citation No. C2011-0075 (Citation), dated July 27, 2010, which cited respondent with violating Health and Safety Code section 44036, subdivision (b), and California Code of Regulations, title 16, section 3340.17, subdivision (e), for unlawful modifications to respondent's STI zero air gas generator. Respondent appealed from the Citation. On December 8, 2011, an administrative hearing was held on respondent's appeal in OAH No. 2010110768. On December 15, 2011, a proposed decision was issued, which found that respondent had "intentionally used shop air instead of the zero-air gas" required under California Code of Regulations, title 16, section 3340.17, subdivision (e), and that use of "shop air instead of BAR-approved zero-air gas directly affected the accuracy of exhaust readings." On January 18, 2012, the Department adopted the proposed decision as its decision, effective February 23, 2012.

47. Respondent testified that he sublet the smog inspections because he was under "severe pressure" from customers to conduct the inspections, and they did not want to take their vehicles to Henry's Smog. He also testified that sometimes In & Out Smog's smog machine was broken and he would send the vehicle to Henry's Smog. He asserted that "most" of the time, he sent his customers to Henry's Smog, but sometimes, he took the vehicles himself.

48. Respondent admitted that he had been told numerous times by Bureau representatives that it was illegal to sublet smog inspections to other stations, but he did not realize that it was such a "serious offense" from the way in which the representatives orally notified him. He asserted that subletting smog inspections was not a "frequent practice," and he only did it when he was "under pressure" from customers. He also asserted that he would tell customers that he was going to take their vehicles across the street for the smog inspection before doing so, especially those vehicles that could only be inspected at a test-only or Gold Shield station. He specifically testified that he told this to Ms. Lazaroti before he sublet her vehicle's smog inspection. As set forth in Finding 32, Ms. Lazaroti had no knowledge that her vehicle was going to be taken to Super Smog for a smog inspection.

49. Respondent testified that his brother owned Henry's Smog, that respondent did not have any financial interest in that business, and that respondent did not receive financial compensation for the sublets. But respondent was the manager of Henry's Smog, worked there about five hours a week, and was paid \$8 per hour for his work. In addition, respondent's brother Henry worked at In & Out Smog three days a week performing smog inspections, and was paid \$10 per hour for his work. According to respondent, because Henry is often in Los Angeles, the responsibility for running Henry's Smog fell primarily on respondent.

Discussion

50. Respondent knowingly continued to sublet smog inspections after having been informed repeatedly by Bureau representatives to stop doing so because subletting was illegal. By subletting smog inspections for vehicles that could only be tested at test-only or Gold Shield stations, respondent received payment for inspections that In & Out Smog, as a test-and-repair station, could not otherwise have performed. Thus, by subletting smog inspections, respondent gained an unfair advantage over other test-and-repair stations and test-only facilities. In addition, respondent's failed to remove his test-only signs after repeatedly being told to do. These signs advertised a service respondent could not provide, thereby also giving respondent an unfair competitive advantage over other test-and-repair stations and test-only facilities.

51. At hearing, respondent argued that the allegations that were alleged in this matter were not substantive enough to give rise to an accusation seeking revocation of respondent's licenses, but instead were better suited to the citation process. While the errors respondent made on the Soto and Lazaroti invoices, standing alone, might have lent themselves to the citation process, respondent's subletting of smog inspections and advertising In & Out Smog as a test-only station raise concerns relating respondent's honesty and willingness to comply with the law, which are proper subjects for the disciplinary process followed by the Bureau in this case. The Bureau must be able to trust its licensees to obey all statutory and regulatory requirements. Respondent flouted the clear directions he was given by Bureau staff regarding his illegal subletting of smog inspections and his false advertising as a test-only station.

52. The Bureau has issued Guidelines for Disciplinary Penalties and Terms of Probation (Disciplinary Guidelines), which set forth the factors in aggravation and mitigation to be considered when determining the proper penalty. The factors in aggravation include prior warnings from the Bureau, prior notices of violations, prior history of citations, evidence that the unlawful act was part of a pattern of practice, failure to comply with Bureau requests for corrective action, and any other conduct that constitutes fraud or gross negligence. The factors in mitigation include evidence that respondent accepted the Bureau's suggested resolutions of consumer complaints, and evidence that respondent has taken specific steps to minimize recurrence.

53. In aggravation, respondent was repeatedly warned to cease his smog inspection subletting and false advertising. Given the number of times respondent sublet smog inspections, it was evident that they were part of a pattern of practice, notwithstanding respondent's testimony to the contrary. Respondent's subletting and false advertising gave him an unfair advantage over his competitors. Respondent received an earlier citation for conduct that was found to be intentionally wrongful. In mitigation, from the investigative reports complainant submitted, it appears that respondent worked with Bureau representatives to resolve the consumer complaints filed against respondent. In addition, respondent eventually removed his false advertising and asserted that he no longer sublets smog inspections.

54. When all the applicable factors in aggravation and mitigation are considered in light of respondent's wrongdoing, in order to protect the public, respondent's licenses should be placed on probation for three years under the terms and conditions set forth below.

Costs

55. Pursuant to Business and Professions Code section 125.3, complainant has requested costs of investigation and enforcement in the total amount of \$19,799.26. This amount consists of the following:

(a) Complainant has requested costs for the investigation and enforcement work of the Office of the Attorney General in the total amount of \$13,692.50, which consists of \$13,012.50 of time already billed, plus a good faith estimate of an additional \$680. In support of its cost request, complainant has submitted a computer printout detailing the general tasks performed, the time spent on each task, and the hourly rate charged for the investigation and enforcement work performed by the Deputy Attorney General and paralegal. (Cal. Code Regs., tit. 1, § 1042, subd. (b)(2).) When all the supporting evidence is reviewed, complainant demonstrated that, given the allegations made in this matter, the costs requested for the investigation and enforcement work performed by the Office of the Attorney General were reasonable.

(b) Complainant has requested additional investigative and other costs in the total amount of \$6,106.76. This amount consists of: (1) 56 hours of time spent by a Program Representative II in the 11/12 fiscal year at the rate of \$76.06 per hour (\$4,259.36); (2) 20 hours of time spend by a Program Representative II in the 12/13 fiscal year at the rate of \$77.87 per hour (\$1,557.40); (3) two days of operator fees at \$100 per day (\$200); and (4) "evidence" costs of \$90. Pursuant to California Code of Regulations, title 1, section 1042, subdivision (b)(1), in order to receive costs for the services of an agency employee, complainant must submit a declaration describing "the general tasks performed, the time spent on each task and the hourly rate or other compensation for the service." The information submitted by complainant for the investigative and other costs requested for agency employees does not comply with the requirements of California Code of Regulations, title 1, section 1042, subdivision (b)(1). Consequently, these costs may not be awarded against respondent.

LEGAL CONCLUSIONS

1. Health and Safety Code section 44072.2, states that a smog check station license may be disciplined if the licensee:

(a) Violates any section of this chapter and the regulations adopted pursuant to it, which related to the licensed activities.

[¶] ... [¶]

(c) Violates any of the regulations adopted by the director pursuant to this chapter.

2. Health and Safety Code section 44072.8 states:

When a license has been revoked or suspended following a hearing under this article, any additional license issued under this chapter in the name of the licensee may be likewise revoked or suspended by the director.

3. Business and Professions Code section 9884.7, subdivision (a), in relevant part, states that the registration of an automotive repair dealer may be disciplined for:

(1) Making or authorizing in any manner or by any means whatever any statement written or oral which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading.

[¶] ... [¶]

(6) Failure in any material respect to comply with the provisions of this chapter or regulations adopted pursuant to it.

(7) Any willful departure from or disregard of accepted trade standards for good and workmanlike repair in any material respect, which is prejudicial to another without consent of the owner or his or her duly authorized representative.

In addition, Business and Professions Code section 9884.7 states:

(c) Notwithstanding subdivision (b), the director may suspend, revoke, or place on probation the registration for all places of business operated in this state by an automotive repair dealer upon a finding that the automotive repair dealer has, or is, engaged in a course of repeated and willful violations of this chapter, or regulations adopted pursuant to it. 4. At all times relevant to the allegations in the Second Amended Accusation, California Code of Regulations, title 16, section 3340.15, subdivision (i), in relevant part, stated that:

A licensed smog check station shall not sublet inspections ... required as part of the Smog Check Program ...

5. California Code of Regulations, title 16, section 3371, in relevant part, states:

No dealer shall publish, utter, or make or cause to be published, uttered, or made any false or misleading statement or advertisement which is known to be false or misleading, or which by the exercise of reasonable care should be known to be false or misleading.

6. Respondent's Smog Check Station License Number RC 186684 is subject to disciplinary action pursuant to Health and Safety Code section 44072.2, subdivision (c), in that respondent violated California Code of Regulations, title 16, section 3340.15, subdivision (i), by subletting the smog inspections on Ms. Lewis's 1996 Toyota Camry, Mr. Soto's 1979 Chevrolet truck, Mr. Moya's 1997 Ford F150 pickup, Ms. Lazaroti's 2000 Volkswagen Jetta, and the Bureau's 2002 Ford Mustang and 2000 Toyota Solara. (Findings 8, 20, 24, 35, 43, and 45.)

7. The Bureau did not establish that respondent's Automotive Repair Dealer Registration Number ARD 186684 is subject to disciplinary action under Business and Professions Code section 9884.7, subdivision (a)(7), or that his Smog Check Station License Number RC 186684 is subject to disciplinary action under Health and Safety Code section 44072.2, subdivisions (a) and (c), for modifying Mr. Soto's EFE actuator rod. (Finding 14.) Consequently, these charges are dismissed.

8. Business and Professions Code section 9884.9, subdivision (a), in relevant part, states:⁸

(a) The automotive repair dealer shall give to the customer a written estimated price for labor and parts necessary for a specific job. No work shall be done and no charges shall accrue before authorization to proceed is obtained from the customer. No charge shall be made for work done or parts supplied in

⁸ During the hearing, Mr. Lewis referred to California Code of Regulations, title 16, section 3356, subdivision (a), but since this regulation was not referenced in the Second Amended Accusation, and no motion was made to amend the Second Amended Accusation to include it, no legal conclusions can be reached with regard to this regulation.

excess of the estimated price without the oral or written consent of the customer that shall be obtained at some time after it is determined that the estimated price is insufficient and before the work not estimated is done or the parts not estimated are supplied. Written consent or authorization for an increase in the original estimated price may be provided by electronic mail or facsimile transmission from the customer. The bureau may specify in regulation the procedures to be followed by an automotive repair dealer if an authorization or consent for an increase in the original estimated price is provided by electronic mail or facsimile transmission. If that consent is oral, the dealer shall make a notation on the work order of the date, time, name of person authorizing the additional repairs, and telephone number called, if any, together with a specification of the additional parts and labor and the total additional cost, and shall do either of the following:

(1) Make a notation on the invoice of the same facts set forth in the notation on the work order.

(2) Upon completion of the repairs, obtain the customer's signature or initials to an acknowledgment of notice and consent, if there is an oral consent of the customer to additional repairs, in the following language:

"I acknowledge notice and oral approval of an increase in the original estimated price.

(signature or initials)"

Nothing in this section shall be construed as requiring an automotive repair dealer to give a written estimated price if the dealer does not agree to perform the requested repair.

9. Respondent's Automotive Repair Dealer Registration Number ARD 186684 is subject to disciplinary action under Business and Professions Code section 9884.7, subdivision (a)(6), in that respondent failed to comply with Business and Professions Code section 9884.9, subdivision (a), by failing to document on the Soto invoice Mr. Soto's authorization for the replacement of the EGR TVS. (Finding 18.)

10. Respondent's Automotive Repair Dealer Registration Number ARD 186684 is subject to disciplinary action under Business and Professions Code section 9884.7, subdivision (a)(6), in that respondent failed to comply with Business and Professions Code section 9884.9, subdivision (a), by failing to specify or describe on the Lazaroti invoice the additional repairs Ms. Lazaroti authorized. (Finding 31.)

11. Respondent's Automotive Repair Dealer Registration Number ARD 186684 is subject to disciplinary action under Business and Professions Code section 9884.7, subdivision (a)(1), for representing on the Mustang and Solara invoices that In & Out Smog had performed the smog inspections of the Bureau's Mustang and Solara, when respondent had unlawfully sublet those inspections. (Findings 42 and 44.)

12. Respondent's Automotive Repair Dealer Registration Number ARD 186684 is subject to disciplinary action under Business and Professions Code section 9884.7, subdivision (a)(6), in that respondent violated California Code of Regulations, title 16, section 3371, by falsely representing on his business signs that In & Out Smog was a testonly station when it was licensed as a test-and-repair station. (Findings 36 through 41.)

13. Pursuant to Business and Professions Code section 9884.7, subdivision (c), all places of businesses operated in this state by respondent, including, but not limited to, Automotive Repair Dealer Registration Number ARD 259944, are subject to disciplinary action because respondent has engaged in a course of repeated and willful violations of the laws and regulations pertaining to an automotive repair dealer.

14. Pursuant to Health and Safety Code section 44072.8, any additional licenses issued to respondent under the Motor Vehicle Inspection Program, Health and Safety Code section 44000 et seq., are subject to disciplinary action, including, but not limited to, respondent's Smog Check Station License Number RC 259944 and Advanced Emission Specialist Technician License Number EA 622792, which will be redesignated as EO 622792 and/or EI 622792 upon renewal.

15. As set forth in Finding 54, when all the applicable factors in aggravation and mitigation are considered, in order to protect the public, all of respondent's Bureau licenses, including, but not limited to, his Automotive Repair Dealer Registration Number ARD 186684, Smog Check Station License Number RC 186684, Automotive Repair Dealer Registration Number ARD 259944, Smog Check Station License Number RC 259944, and Advanced Emission Specialist Technician License Number EA 622792, which will be redesignated as EO 622792 and/or EI 622792 upon renewal, should be placed on probation for three years under the terms and conditions set forth below

Costs

16. Pursuant to Business and Professions Code section 125.3, subdivision (a), an administrative law judge may direct a licensee found to have violated the licensing act to "pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case." In *Zuckerman v. Board of Chiropractic Examiners* (2002) 29 Cal.4th 32, the California Supreme Court set forth factors to be considered in determining the reasonableness of the costs sought pursuant to statutory provisions like Business and Professions Code section 125.3. These factors include whether the licensee has been successful at hearing in getting charges dismissed or reduced, the licensee's subjective good

faith belief in the merits of his or her position, whether the licensee has raised a colorable challenge to the proposed discipline, the financial ability of the licensee to pay, and whether the scope of the investigation was appropriate in light of the alleged misconduct.

17. As set forth in Finding 55, there was sufficient evidence to substantiate that \$13,692.50 in costs charged by the Office of the Attorney General office were reasonable in light of the allegations set forth in the Second Amended Accusation. Respondent was successful in getting three of the charges included in the Second Amended Accusation relating to Mr. Soto's EFE actuator rod dismissed. Respondent was also successful in getting complainant's request for revocation reduced to a three-year suspension. Respondent therefore established that these costs should be reduced. Based upon all the factors set forth in *Zuckerman*, respondent should be ordered to pay the Bureau \$10,000 in costs. The Bureau may establish a payment schedule for the payment of these costs over the period of probation.

ORDER

All of the registrations and licenses issued by the Bureau of Automotive Repair to respondent Eddie Honarchian, owner of Eddie's Auto World, are revoked, including, but not limited to Automotive Repair Dealer Registration Number ARD 186684, Smog Check Station License Number RC 186684, Automotive Repair Dealer Registration Number ARD 259944, Smog Check Station License Number RC 259944, and Advanced Emission Specialist Technician License Number EA 622792, which will be redesignated as EO 622792 and/or EI 622792 upon renewal; provided, however, that these revocations are stayed and the registrations and licenses are placed on probation for three (3) years on the following terms and conditions:

1. During the period of probation, respondent shall:

a. Comply with all statutes, regulations and rules governing automotive inspections, estimates and repairs.

b. Respondent or respondent's authorized representative shall report in person or in writing as prescribed by the Bureau of Automotive Repair, on a schedule set by the Bureau, but no more frequently than each quarter, on the methods used and success achieved in maintaining compliance with the terms and conditions of probation.

c. Within 30 days of the effective date of this action, report any financial interest which any partners, officers, or owners of the respondent facility may have in any other business required to be registered pursuant to section 9884.6 of the Business and Professions Code.

d. Provide Burcau representatives unrestricted access to inspect all vehicles (including parts) undergoing repairs, up to and including the point of completion.

e. If an accusation is filed against respondent during the term of probation, the Director of Consumer Affairs shall have continuing jurisdiction over this matter until the final decision on the accusation, and the period of probation shall be extended until such decision.

f. Should the Director of Consumer Affairs determine that respondent has failed to comply with the terms and conditions of probation, the Director may, after giving notice and opportunity to be heard, temporarily or permanently invalidate respondent's registrations and suspend or revoke respondent's licenses.

g. Because the accusation involved false and misleading advertising, during the period of probation, respondent shall submit all proposed advertising copy, whether revised or new, to the Bureau at least thirty (30) days prior to its use.

2. During the period of probation, respondent shall attend and successfully complete a Bureau certified training course in diagnosis and repair of emission systems failures and engine performance, applicable to the class of license held by the respondent. Said course shall be completed and proof of completion submitted to the Bureau within 60 days of the effective date of this decision and order. If proof of completion of the course is not furnished to the Bureau within the 60-day period, respondent's technician license shall be immediately suspended until such proof is received.

3. During the period of probation, respondent shall not perform any form of smog inspection, or emission system diagnosis or repair, until respondent has purchased, installed, and maintained the diagnostic and repair equipment prescribed by Bureau necessary to properly perform such work, and Bureau has been given 10 days' notice of the availability of the equipment for inspection by a Bureau representative.

4. Respondent shall pay to the Bureau of Automotive Repair \$10,000 as the reasonable costs of investigation and prosecution of this case. The Bureau may establish a payment schedule for the payment of these costs over the period of probation.

5. Upon successful completion of probation, respondent's registrations and licenses shall be fully restored.

DATED: December 27, 2013

KAREN J. BRANDT Administrative Law Judge Office of Administrative Hearings

| 1 2 3 4 5 6 7 8 | KAMALA D. HARRIS Attorney General of California JANICE K. LACHMAN Supervising Deputy Attorney General KAREN R. DENVIR Deputy Attorney General State Bar No. 197268 1300 I Street, Suite 125 P.O. Box 944255 Sacramento, CA 94244-2550 Telephone: (916) 324-5333 Facsimile: (916) 327-8643 Attorneys for Complainant BEFORE THE DEPARTMENT OF CONSUM | IER AFFAIRS |
|--------------------------------------|---|--|
| 9 | FOR THE BUREAU OF AUTOM STATE OF CALIFO | OTIVE REPAIR |
| 10 | STATE OF CALIFO | |
| 11 | In the Matter of the Second Amended Accusation | Case No. 79/13-43 |
| 12 | Against: | OAH No. 2013030565 |
| 13 | EDDIE'S AUTO WORLD | SECOND AMENDED |
| 14 | EDDIE HONARCHIAN, OWNER 1585 N. Blaekstone Execute CA 02703 2611 | ACCUSATION |
| 15 | Fresno, CA 93703-3611 | (Smog Check) |
| 16 17 | Automotive Repair Dealer Reg. No. ARD 186684 Smog Check, Test-and-Repair, Station License No. RC 186684, | |
| 18 19 | EDDIE'S AUTO WORLD EDDIE HONARCHIAN, OWNER 4889 N. Blackstone Fresno, CA 93726 | |
| 20 21 | Automotive Repair Dealer Rcg. No. ARD 259944 Smog Check, Test-and-Repair, Station License No. RC 259944, | |
| 22 | and | |
| 23 | EDDIE HONARCHIAN | |
| 24 | 1585 N. Blackstone Avenue Fresno, CA 93703 | |
| 25 | Advanced Emission Specialist Technician License | |
| 26 | No. EA 622792 (to be re-designated upon renewal as EO 622792 and/or EI 622792) | |
| 27 | Respondents. | |
| 28 | | |
| | <u> </u> | |
| | Second Amended Accusat | ion; Case No. 79/13-43; OAH No. 201303 |

Complainant alleges: ł PARTIES 2 1. Patrick Dorais ("Complainant") brings this Second Amended Accusation solely in his 3 official capacity as the Acting Chief of the Bureau of Automotive Repair ("Bureau"), Department 4 of Consumer Affairs. This Second Amended Accusation replaces in its entirety First Amended 5 Accusation No. 79/13-43 previously filed on January 28, 2013. 6 Eddie's Auto World; Eddie Honarchian, Owner (Registration No. ARD 186684) 7 On or about December 20, 1995, the Director of Consumer Affairs ("Director") 2. 8 issued Automotive Repair Dealer Registration Number ARD 186684 ("Registration No. ARD 9 186684") to Eddie Honarchian ("Respondent"), owner of In & Out Smog & Automotive Repair. 10 On or about July 30, 2013, Respondent's business name was changed to Eddie's Auto World. 11 Respondent's automotive repair dealer registration was in full force and effect at all times relevant 12 to the charges brought herein and will expire on December 31, 2013, unless renewed. 13 On or about December 17, 2008, the Director issued Smog Check, Test-and-Repair¹, 3. 14 Station License Number RC 186684 ("smog check station license") to Respondent. Respondent's 15 smog check station license was in full force and effect at all times relevant to the charges brought 16 herein and will expire on December 31, 2013, unless renewed. 17 Eddie's Auto World; Eddie Honarchian, Owner (Registration No. ARD 259944) 18 4. On or about November 12, 2009, the Director issued Automotive Repair Dealer 19 Registration Number ARD 259944 to Respondent, owner of Eddie's Auto World. Respondent's 20automotive repair dealer registration will expire on November 30, 2013, unless renewed. 21 5. On or about November 16, 2009, the Director issued Smog Check, Test-and-Repair, 22 Station License Number RC 259944 ("smog check station license") to Respondent. Respondent's 23 smog check station license will expire on November 30, 2013, unless renewed. 24 111 25 26 ¹ Test and repair stations are licensed by the state to provide smog check tests and repairs to most vehicles. Test and repair stations are prohibited from certifying repaired "gross polluters" 27or vehicles that have been directed to test only stations for inspection. Only test only stations and gold shield stations are able to certify repaired gross polluter vehicles. 28 2

| l | Eddie Honarchian |
|----------|--|
| 2 | 6. In or about 1998, the Director issued Advanced Emission Specialist Technician |
| 3 | License Number EA 622792 ("technician license") to Respondent. Respondent's technician |
| 4 | license is due to expire on January 31, 2014. Upon renewal of the license, the license will be re- |
| 5 | designated as EO 622792 and/or EI 622792. ² |
| 6 | JURISDICTION |
| 7 | 7. Business and Professions Code ("Bus. & Prof. Code") section 9884.7 provides that |
| 8 | the Director may revoke an automotive repair dealer registration. |
| 9 | 8. Bus. & Prof. Code section 9884.13 provides, in pertinent part, that the expiration of a |
| 10 | valid registration shall not deprive the Director of jurisdiction to proceed with a disciplinary |
| 11 | proceeding against an automotive repair dealer or to render a decision temporarily or permanently |
| 12 | invalidating (suspending or revoking) a registration. |
| 13 | 9. Health and Safety Code ("Health & Saf. Code") section 44002 provides, in pertinent |
| 14 | part, that the Director has all the powers and authority granted under the Automotive Repair Act |
| 15 | for enforcing the Motor Vehicle Inspection Program. |
| 16 | 10. Health & Saf. Code section 44072.6 provides, in pertinent part, that the expiration or |
| 17 | suspension of a license by operation of law, or by order or decision of the Director of Consumer |
| 18 | Affairs, or a court of law, or the voluntary surrender of the license shall not deprive the Director |
| 19 | of jurisdiction to proceed with disciplinary action. |
| 20 | 11. Health & Saf. Code section 44072.8 states that when a license has been revoked or |
| 21 | suspended following a hearing under this article, any additional license issued under this chapter |
| 22 | in the name of the licensee may be likewise revoked or suspended by the director. |
| 23 | 12. California Code of Regulations, title 16, section ("Regulation") 3340.28, subdivision |
| 24 | (e), states that "[u]pon renewal of an unexpired Basic Area Technician license or an Advanced |
| 25 | Emission Specialist Technician license issued prior to the effective date of this regulation, the |
| 26 | ² Effective August 1, 2012, California Code of Regulations, title 16, sections 3340.28, |
| 27 28 | 3340.29, and 3340.30 were amended to implement a license restructure from the Advanced Emission Specialist Technician (EA) license and Basic Area (EB) Technician license to Smog Check Inspector (EO) license and/or Smog Check Repair Technician (EI) license. |
| | 3 |
| | Second Amended Accusation: Case No. 79/13-43; OAH No. 2013030565 |

| 1 | licensee may apply to renew as a Smog Check Inspector, Smog Check Repair Technician, or |
|--|--|
| 2 | both. |
| 3 | STATUTORY AND REGULATORY PROVISIONS |
| 4 | 13. Bus. & Prof. Code section 9884.7 states, in pertinent part: |
| 5 | (a) The director, where the automotive repair dealer cannot show there |
| 6 | was a bona fide error, may deny, suspend, revoke, or place on probation the registration of an automotive repair dealer for any of the following acts or omissions |
| 7 | related to the conduct of the business of the automotive repair dealer, which are done by the automotive repair dealer or any automotive technician, employee, partner, |
| 8 | officer, or member of the automotive repair dealer. |
| 9 | (1) Making or authorizing in any manner or by any means whatever any statement written or oral which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading. |
| 10 | j interest in the second and the tale with to be unit about insteading. |
| 11 | (6) Failure in any material respect to comply with the provisions of this |
| 12 | chapter or regulations adopted pursuant to it. |
| 13 | (7) Any willful departure from or disregard of accepted trade standards for good and workmanlike repair in any material respect, which is prejudicial to |
| 14 another without consent of the owner or his or her duly authori | another without consent of the owner or his or her duly authorized representative. |
| 15 | ···· |
| 16 | (c) Notwithstanding subdivision (b), the director may suspend, revoke, or place on probation the registration for all places of business operated in this state by |
| 17 18 | an automotive repair dealer upon a finding that the automotive repair dealer has, or is, engaged in a course of repeated and willful violations of this chapter, or regulations adopted pursuant to it. |
| 19 | 14. Bus. & Prof. Code section 17200 states: |
| 20 | As used in this chapter, unfair competition shall mean and include any |
| 21 | unlawful, unfair or fraudulent business act or practice and unfair, deceptive, untrue or misleading advertising and any act prohibited by Chapter 1 (commencing with |
| 22 Section 17500) of Part 3 of Division 7 of the Business and Profes | Section 17500) of Part 3 of Division 7 of the Business and Professions Code. |
| 23 | 15. Bus. & Prof. Code section 22, subdivision (a), states: |
| 24 | "Board" as used in any provision of this Code, refers to the board in |
| 25 | which the administration of the provision is vested, and unless otherwise expressly provided, shall include "bureau," "commission," "committee," "department," |
| 26 | "division," "examining committee," "program," and "agency." |
| 27 | 16. Bus. & Prof. Code section 477, subdivision (b), states, in pertinent part, that a |
| 28 | "license" includes "registration" and "certificate." |
| | 4 |
| | Second Amended Accusation: Case No. 79/13-43; OAH No. 201303056 |

| 1 | 17. Health & Saf. Code section 44072.2 states, in pertinent part: |
|---|--|
| 2 | The director may suspend, revoke, or take other disciplinary action |
| 3 | against a license as provided in this article if the licensee, or any partner, officer, or director thereof, does any of the following: |
| 4 | (a) Violates any section of this chapter [the Motor Vehicle Inspection |
| 5 | Program (Health and Saf. Code § 44000, et scq.)] and the regulations adopted pursuant to it, which related to the licensed activities. |
| 6 | |
| 7 | (c) Violates any of the regulations adopted by the director pursuant to this |
| 8 | chapter |
| 9 | 18. Regulation 3340.15, subdivision (h), states: |
| 10 | A licensed smog check station shall not sublet inspections or repairs |
| 11 | required as part of the Smog Check Program, except for the following: |
| 12 | (1) Repairs of a vehicle's exhaust system which are normally performed by muffler shops, provided that the malfunction has been previously diagnosed by the |
| specific smog check station originally authorized by the cuto the vehicle. | specific smog check station originally authorized by the customer to perform repairs |
| 14 | (2) Repairs of those individual components that have been previously |
| 15 | diagnosed as being defective and that have been removed by the specific smog check station originally authorized by the customer to perform repairs to the vehicle. |
| 16 17 | (3) Repairs of diesel-powered vehicles provided the specific smog check station has obtained authorization from the customer to sublet repairs to the vehicle. |
| 18 | (4) Repairs to a vehicle's transmission provided the specific smog check station has obtained authorization from the customer to sublet repairs to the vehicle. |
| 19 | (5) Corrections to the vehicle's on-board computer systems' software |
| 20 | provided that the malfunction has been previously diagnosed by the specific smog check station originally authorized by the customer to perform repairs to the vehicle. |
| 21 | 19. Regulation 3372 states: |
| 22 | In determining whether any advertisement, statement, or representation is |
| 23 | false or misleading. it shall be considered in its entirety as it would be read or heard by persons to whom it is designed to appeal. An advertisement, statement, or |
| 24 | representation shall be considered to be false or misleading if it tends to deceive the public or impose upon credulous or ignorant persons. |
| 25 | 20. Regulation 3371 states, in pertinent part: |
| 26 | No dealer shall publish, utter, or make or cause to be published, uttered, |
| 27 | or made any false or misleading statement or advertisement which is known to be false or misleading, or which by the exercise of reasonable care should be known to be false or misleading |
| 28 | |
| - | 5 |
| | Second Amended Accusation: Case No. 79/13-43: OAH No. 20130303 |

| 1 | COST RECOVERY |
|----------|---|
| 2 | 21. Bus. & Prof. Code section 125.3 provides, in pertinent part, that a Board may request |
| 3 | the administrative law judge to direct a licentiate found to have committed a violation or |
| 4 | violations of the licensing act to pay a sum not to exceed the reasonable costs of the investigation |
| 5 | and enforcement of the case. |
| 6 | CONSUMER COMPLAINT (GREEN/LEWIS): 1996 TOYOTA CAMRY |
| 7 | 22. On or about February 19, 2010, Gwenda Lewis ("Lewis") took her 1996 Toyota |
| 8 | Camry to Respondent's facility, In & Out Smog & Automotive Repair, for a smog inspection. |
| 9 | The facility informed Lewis that the vehicle needed certain repairs in order to pass the inspection, |
| 10 | which Lewis authorized. |
| 11 | 23. On or about March 1, 2010, Lewis and Jessie Green ("Green") went to the facility to |
| 12 | retrieve the vehicle and paid \$1,194.73 for the repairs. Later, when Lewis was driving the |
| 13 | vehicle, she noticed that it was making various noises. Lewis contacted the facility and reported |
| 14 | the problem to Respondent. Respondent told Lewis that he would have one of his mechanics look |
| 15 | at the vehicle. A few days later, Respondent's mechanic met with Lewis at her home and |
| 16 | inspected the vehicle. The mechanic told Lewis that the engine was "gone" and offered to repair |
| 17 | the vehicle for an additional cost. |
| 18 | 24. On or about July 15, 2010, Green filed a complaint with the Bureau on behalf of |
| 19 | Lewis. |
| 20 | 25. On or about July 23, 2010, a Bureau representative obtained information from the |
| 21 | Bureau's Vehicle Information Database ("VID"), indicating that on February 22, 2010, Henry's |
| 22 | Automotive, a test only facility ³ located in Fresno, California, had performed a smog inspection |
| 23 | on the vehicle. |
| 24 | /// |
| 25 | |
| 26 27 | ³ Test only facilities are licensed smog check stations that, by law, are only allowed to test vehicles; they cannot repair them. Any needed repairs must be performed at either a smog check station designated as a test and repair facility or a "gold shield" station. |
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| | Second Amended Accusation: Case No. 79/13-43; OAH No. 2013030565 |

| 1 | 26. On or about August 10, 2010, the representative went to In & Out Smog & |
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| 2 | Automotive Repair and discussed the complaint with Respondent. The representative told |
| 3 | Respondent that he could not sublet smog inspections to another smog check facility. |
| 4 | FIRST CAUSE FOR DISCIPLINE |
| 5 | (Failure to Comply with Regulations Pursuant |
| 6 | to the Motor Vehicle Inspection Program) |
| 7 | 27. Respondent's smog check station license is subject to disciplinary action pursuant to |
| 8 | Health & Saf. Code section 44072.2, subdivision (c), in that Respondent failed to comply with |
| 9 | Regulation 3340.15, subdivision (h), by subletting the smog inspection on Lewis' 1996 Toyota |
| 10 | Canury to Henry's Automotive. |
| 11 | <u>CONSUMER COMPLAINT (SOTO): 1979 CHEVROLET TRUCK</u> |
| 12 | 28. On or about March 9, 2011, Carlos Soto ("Soto") took his 1979 Chevrolet truck to |
| 13 | In & Out Smog & Automotive Repair for emission-related repairs because the vehicle had failed |
| 14 | a smog inspection. The facility informed Soto that an exhaust manifold bolt was broken and |
| 15 | needed replacement, the EFE actuator rod had been modified and needed to be shortened, there |
| 16 | was an exhaust leak at the front of the catalytic converter that was in need of repair, and the |
| 17 | ignition timing needed to be adjusted. Soto authorized the work. |
| 18 | 29. On or about March 15, 2011, Soto returned to the facility to retrieve the vehicle, paid |
| 19 | \$475 in cash for the repairs, and received a copy of a vehicle inspection report ("VIR"). The VIR |
| 20 | indicated that on March 11, 2011, Henry's Automotive had performed a smog inspection on the |
| 21 | vehicle. Soto was not given an invoice for the repairs or the smog inspection. Later, Soto |
| 22 | discovered that the transmission and valve covers on the vehicle were leaking. |
| 23 | 30. On or about March 18, 2011, Soto filed a complaint with the Bureau. |
| 24 | 31. On or about March 28, 2011, a Bureau representative went to the facility and obtained |
| 25 | copies of Respondent's Invoice #51570 for the vehicle repairs and an invoice from Henry's |
| 26 | Automotive for the smog inspection. The representative told Respondent once again that he was |
| 27 | not permitted to sublet an inspection to another smog check facility. |
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| 1 | 32. On or about April 4, 2011, the representative called the facility and spoke with |
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| 2 | Respondent regarding the EGR (exhaust gas recirculation) TVS that was listed on Invoice |
| 3 | #51570. Respondent told the representative that his technician broke the TVS switch on the |
| 4 | vehicle and that they replaced the part at no charge, as authorized by Soto. |
| 5 | SECOND CAUSE FOR DISCIPLINE |
| 6 | (Departure from Trade Standards) |
| 7 | 33. Respondent's Registration No. ARD 186684 is subject to disciplinary action pursuant |
| 8 | to Bus. & Prof. Code section 9884.7, subdivision (a)(7), in that Respondent willfully departed |
| 9 | from or disregarded accepted trade standards for good and workmanlike repair without the |
| 10 | consent of the owner or the owner's duly authorized representative in a material respect, as |
| 11 | follows: Respondent modified, or further modified, the EFE actuator rod (an emissions control |
| 12 | component) on Soto's 1979 Chevrolet truck by cutting or shortening the rod and welding it back |
| 13 | together, rather than replacing the entire component in the vehicle. |
| 14 | THIRD CAUSE FOR DISCIPLINE |
| 15 | (Failure to Comply with Provisions of the Bus. & Prof. Code) |
| 16 | 34. Respondent's Registration No. ARD 186684 is subject to disciplinary action pursuant |
| 17 | to Bus. & Prof. Code section 9884.7, subdivision (a)(6), in that Respondent failed to comply with |
| 18 | provisions of that Code in the following material respects: |
| 19 | a. <u>Section 9884.8</u> : Respondent failed to provide Soto with copies of Invoice #51570 |
| 20 | and the invoice from Henry's Automotive. |
| 21 | b. <u>Section 9884.9, subdivision (a)</u> : Respondent failed to document on Invoice #51570 |
| 22 | Soto's authorization for the replacement of the EGR TVS on his 1979 Chevrolet truck. |
| 23 | FOURTH CAUSE FOR DISCIPLINE |
| 24 | (Violations of the Motor Vchicle Inspection Program) |
| 25 | 35. Respondent's smog check station license is subject to disciplinary action pursuant to |
| 26 | Health & Saf. Code section 44072.2, subdivision (a), in that Respondent failed to comply with |
| 27 | Section 44016 of that Code, as follows: Respondent failed to repair Soto's 1979 Chevrolet truck |
| 28 | in accordance with established specifications and procedures, as set forth in paragraph 33 above. |
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| I | FIFTH CAUSE FOR DISCIPLINE |
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| 2 | (Failure to Comply with Regulations Pursuant |
| 3 | to the Motor Vehicle Inspection Program) |
| 4 | 36. Respondent's smog check station license is subject to disciplinary action pursuant to |
| 5 | Health & Saf. Code section 44072.2, subdivision (c), in that Respondent failed to comply with |
| 6 | provisions of California Code of Regulations, title 16, as follows: |
| 7 | a. <u>Section 3340.15, subdivision (h)</u> : Respondent sublet the smog inspection on Soto's |
| 8 | 1979 Chevrolet truck to Henry's Automotive. |
| 9 | b. <u>Section 3340.41, subdivision (d)</u> : Respondent failed to follow applicable |
| 10 | specifications and procedures when repairing Soto's 1979 Chevrolet truck, as set forth in |
| H | paragraph 33 above. |
| 12 | CONSUMER COMPLAINT (MOYA): 1997 FORD F150 PICKUP |
| 13 | 37. On or about July 22, 2011, Joe Moya ("Moya") had Michel's Smog Check perform a |
| 14 | smog inspection on his 1997 Ford F150 pickup. The vehicle failed the inspection for excessive |
| 15 | NOx (Oxides of Nitrogen). |
| 16 | 38. On or about July 25, 2011, Moya took the vehicle to In & Out Smog & Automotive |
| 17 | Repair for emission-related repairs. The facility performed a diagnosis of the vehicle and |
| 18 | informed Moya that it needed an EGR BPFE sensor and the monitors run to completion. Moya |
| 19 | authorized the work. The facility charged Moya a total of \$317.76 for the repairs and a smog |
| 20 | inspection and gave him copies of an invoice and VIR. |
| 21 | 39. On or about July 26, 2011, Moya filed a complaint with the Bureau. |
| 22 | 40. On or about August 3, 2011, Moya faxed the Bureau representative copies of the |
| 23 | above invoice and VIR. |
| 24 | 41. On or about August 4, 2011, the representative reviewed the VIR and found that it |
| 25 | had been issued by Henry's Automotive. The representative obtained information from the |
| 26 | Bureau's VID, showing that Henry's Automotive had performed a smog inspection on the vehicle |
| 27 | on July 25, 2011. The representative went to In & Out Smog & Automotive Repair and met with |
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| 1 | Respondent. The representative told Respondent yet again that he could not sublet smog |
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| 2 | inspections to another smog check facility. |
| 3 | SIXTH CAUSE FOR DISCIPLINE |
| 4 | (Failure to Comply with Regulations Pursuant |
| 5 | to the Motor Vehicle Inspection Program) |
| 6 | 42. Respondent's smog check station license is subject to disciplinary action pursuant to |
| 7 | Health & Saf. Code section 44072.2, subdivision (c), in that Respondent failed to comply with |
| 8 | Regulation 3340.15, subdivision (h), by subletting the smog inspection on Moya's 1997 Ford |
| 9 | F150 pickup to Henry's Smog. |
| 10 | CONSUMER COMPLAINT (LAZAROTI): 2000 VOLKSWAGEN JETTA |
| 11 | 43. On or about April 19, 2012, Diane Lazaroti ("Lazaroti") took her 2000 Volkswagen |
| 12 | Jetta to In & Out Smog & Automotive Repair for a diagnosis because the "check engine" light |
| 13 | was illuminated. Lazaoriti was informed that the catalytic converter was defective and the |
| 14 | vacuum lines needed to be re-routed. Lazaroti authorized the facility to repair the vehicle for |
| 15 | \$523.96. |
| 16 | 44. On or about April 20, 2012, Lazaroti went to the facility to retrieve the vehicle, paid |
| 17 | \$523.96 for the repairs, and received a copy of Invoice #58963. When Lazaroti left the facility, |
| 18 | she noticed that the vehicle was not operating correctly and the check engine light was on. |
| 19 | 45. On or about April 25, 2012, Lazaroti took the vehicle back to the facility and |
| 20 | authorized them to re-check it and perform a smog inspection for \$100. When Lazaroti returned |
| 21 | to the facility to pick up the vehicle, she was informed by an employee that the total charges were |
| 22 | \$160.88. Lazaroti told the employee that she only authorized \$100 for the work. The employee |
| 23 | told Lazaroti that if she refused to pay the \$160.88, she would not "get the smog" (VIR). Lazaroti |
| 24 | paid the employee \$100 in cash and took the VIR. The VIR indicated that on April 25, 2012, |
| 25 | Super Smog, a test only facility located in Fresno, California, had performed a smog inspection |
| 26 | on the vehicle. |
| 27 | 46. On or about May 4, 2012, Lazaroti filed a complaint with the Bureau. |
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| 1 | 47. On or about May 21, 2012, a Bureau representative went to In & Out Smog & |
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| 2 | Automotive Repair and discussed the complaint with Respondent. Respondent admitted that he |
| 3 | sublet the vehicle to Super Smog for the inspection, in violation of law. |
| 4 | SEVENTH CAUSE FOR DISCIPLINE |
| 5 | (Failure to Comply with Provisions of the Bus. & Prof. Code) |
| 6 | 48. Respondent's Registration No. ARD 186684 is subject to disciplinary action pursuant |
| 7 | to Bus. & Prof. Code section 9884.7, subdivision (a)(6), in that Respondent failed to comply with |
| 8 | section 9884.9, subdivision (a), of that Code in a material respect, as follows: Respondent |
| 9 | documented on Invoice #58963 that on April 19, 2012, at 12:22 hours, Lazaroti had authorized a |
| 10 | total of \$563.96 in additional repairs on her 2000 Volkswagen Jetta, but failed to specify or |
| 11 | describe the additional repairs. |
| 12 | EIGHTH CAUSE FOR DISCIPLINE |
| 13 | (Failure to Comply with Regulations Pursuant |
| 14 | to the Motor Vehicle Inspection Program) |
| 15 | 49. Respondent's smog check station license is subject to disciplinary action pursuant to |
| 16 | Health & Saf. Code section 44072.2, subdivision (c), in that Respondent failed to comply with |
| 17 | Regulation 3340.15, subdivision (h), by subletting the smog inspection on Lazaroti's 2000 |
| 18 | Volkswagen Jetta to Super Smog. |
| 19 | UNDERCOVER OPERATION #1: 2002 FORD MUSTANG |
| 20 | 50. On or about February 21, 2012, a representative of the Bureau went to In & Out |
| 21 | Smog & Automotive Repair and took photographs of Respondent's business signs. Respondent |
| 22 | was advertising his facility as a "Test Only" station when, in fact, the facility is licensed as a <i>test</i> |
| 23 | and repair station. |
| 24 | 51. On or about March 6, 2012, the representative met with Respondent at the facility and |
| 25 | instructed him to remove his "Test Only" business signs. |
| 26 | 52. On or about March 29, 2012, an undercover operator with the Bureau ("operator") |
| 27 | took the Bureau's 2002 Ford Mustang to In & Out Smog & Automotive Repair. The vehicle was |
| 28 | designated as a directed vehicle and could only be smog tested at a test only facility or gold shield |
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| 1 | station. The operator told Respondent's employee that he needed a smog inspection. The |
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| 2 | employee had the operator sign a written estimate in the amount of \$45 and gave him a copy. |
| 3 | The operator left the facility. At approximately 1400 hours, the operator returned to the facility, |
| 4 | paid \$45 for the inspection, and received copies of an invoice and VIR. The VIR indicated that |
| 5 | Henry's Automotive had performed the inspection on the vehicle. That same day, the Bureau |
| 6 | representative took photographs of Respondent's business signs. Respondent was still advertising |
| 7 | the facility as a test only station. |
| 8 | NINTH CAUSE FOR DISCIPLINE |
| 9 | (Untrue or Misleading Statements) |
| 10 | 53. Respondent's Registration No. ARD 186684 is subject to disciplinary action pursuant |
| 11 | to Bus. & Prof. Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized a |
| 12 | statement which he knew or in the exercise of reasonable care should have known to be untrue or |
| 13 | misleading, as follows: Respondent represented on the invoice that his facility, In & Out Smog & |
| 14 | Automotive Repair, had performed the smog inspection on the Bureau's 2002 Ford Mustang. In |
| 15 | fact, Respondent unlawfully sublet the smog inspection on the vehicle to Henry's Automotive, |
| 16 | without the knowledge or consent of the undercover operator. |
| 17 | TENTH CAUSE FOR DISCIPLINE |
| 18 | (Failure to Comply with Regulations Pursuant |
| -19 | to the Motor Vehicle Inspection Program) |
| 20 | 54. Respondent's smog check station license is subject to disciplinary action pursuant to |
| 21 | Health & Saf. Code section 44072.2, subdivision (c), in that Respondent failed to comply with |
| 22 | Regulation 3340.15, subdivision (h), by subletting the smog inspection on the Bureau's 2002 Ford |
| 23 | Mustang to Henry's Automotive. As a consequence thereof, Respondent gained an unfair |
| 24 | advantage over other competitors (test and repair stations and test only facilities). |
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| 1 | ELEVENTH CAUSE FOR DISCIPLINE |
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| 2 | (False Advertising) |
| 3 | 55. Respondent's Registration No. ARD 186684 is subject to disciplinary action pursuant |
| 4 | to Bus. & Prof. Code section 9884.7, subdivision (a)(6), in that Respondent failed to comply with |
| 5 | Regulation 3371 by publishing, uttering, or making or causing to be published, uttered, or made |
| 6 | false or misleading statements or advertising which Respondent knew or in the exercise of |
| 7 | reasonable care should have known to be false or misleading, as follows: Respondent falsely |
| 8 | represented on his business signs that In & Out Smog & Automotive Repair was a test only |
| 9 | station when, in fact, the facility is licensed as a test and repair station. As a consequence thereof, |
| 10 | Respondent gained an unfair advantage over other competitors (test and repair stations and test |
| 11 | only facilities). |
| 12 | UNDERCOVER OPERATION #2: 2000 TOYOTA SOLARA |
| 13 | 56. On or about May 7, 2012, an undercover operator with the Bureau ("operator") took |
| 14 | the Bureau's 2000 Toyota Solara to In & Out Smog & Automotive Repair. The vehicle was |
| 15 | designated as a directed vehicle and could only be smog tested at a test only facility or gold shield |
| 16 | station. The operator told Respondent's employee that he needed a smog inspection. The |
| 17 | employee had the operator sign a written estimate in the amount of \$45 and gave him a copy. |
| 18 | The operator left the facility. At approximately 1145 hours, the operator returned to the facility, |
| 19 | paid S45 for the inspection, and received copies of an invoice and VIR. The VIR indicated that |
| 20 | Henry's Automotive had performed the inspection on the vehicle. That same day, the Bureau |
| 21 | representative took photographs of Respondent's business signs. Respondent was still advertising |
| 22 | the facility as a test only station. |
| 23 | TWELFTH CAUSE FOR DISCIPLINE |
| 24 | (Untrue or Misleading Statements) |
| 25 | 57. Respondent's Registration No. ARD 186684 is subject to disciplinary action pursuant |
| 26 | to Bus. & Prof. Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized a |
| 27 | statement which he knew or in the exercise of reasonable care should have known to be untrue or |
| 28 | misleading, as follows: Respondent represented on the invoice that his facility, In & Out Smog & |
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| Automotive Repair, had performed the smog inspection on the Bureau's 2000 Toyota Solara. In |
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| fact, Respondent unlawfully sublet the smog inspection on the vehicle to Henry's Automotive, |
| without the knowledge or consent of the undercover operator. |
| THIRTEENTH CAUSE FOR DISCIPLINE |
| (Failure to Comply with Regulations Pursuant |
| to the Motor Vehicle Inspection Program) |
| 58. Respondent's smog check station license is subject to disciplinary action pursuant to |
| Health & Saf. Code section 44072.2, subdivision (c), in that Respondent failed to comply with |
| Regulation 3340.15, subdivision (h), by subletting the smog inspection on the Bureau's 2000 |
| Toyota Solara to Henry's Automotive. As a consequence thereof, Respondent gained an unfair |
| advantage over other competitors (test and repair stations and test only facilities). |
| FOURTEENTH CAUSE FOR DISCIPLINE |
| (False Advertising) |
| 59. Respondent's Registration No. ARD 186684 is subject to disciplinary action pursuant |
| to Bus. & Prof. Code section 9884.7, subdivision (a)(6), in that Respondent failed to comply with |
| Regulation 3371 by publishing, uttering, or making or causing to be published, uttered, or made |
| false or misleading statements or advertising which Respondent knew or in the exercise of |
| reasonable care should have known to be false or misleading, as follows: Respondent falsely |
| represented on his business signs that In & Out Smog & Automotive Repair was a test only |
| station when, in fact, the facility is licensed as a test and repair station. As a consequence thereof, |
| Respondent gained an unfair advantage over other competitors (test and repair stations and test |
| only facilities). |
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| 1 | OTHER MATTERS | ļ |
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| 2 | 60. Pursuant to Bus. & Prof. Code section 9884.7, subdivision (c), the Director may | |
| 3 | suspend, revoke, or place on probation the registration for all places of business operated in this | |
| 4 | state by Respondent Eddie Honarchian, owner of Eddie's Auto World, including, but not limited | |
| 5 | to, Automotive Repair Dealer Registration Number ARD 259944, upon a finding that Respondent | |
| 6 | has, or is, engaged in a course of repeated and willful violations of the laws and regulations | |
| 7 | pertaining to an automotive repair dealer. | |
| 8 | 61. Pursuant to Health & Saf. Code section 44072.8, if Smog Check, Test-and-Repair, | |
| 9 | Station License Number RC 186684, issued to Respondent Eddie Honarchian, owner of Eddie's | |
| 10 | Auto World, is revoked or suspended, any additional license issued under this chapter in the name | |
| 11 | of said licensee, including, but not limited to, Respondent's Smog Check, Test-and-Repair, | |
| 12 | Station License Number RC 259944 and technician license, currently designated as EA 622792, | |
| 13 | but upon renewal will be re-designated as EO 622792 and/or EI 622792, may be likewise revoked | |
| 14 | or suspended by the Director. | |
| 15 | PRAYER | |
| 16 | WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, | |
| 17 | and that following the hearing, the Director of Consumer Affairs issue a decision: | |
| 18 | 1. Revoking or suspending Automotive Repair Dealer Registration Number ARD | |
| 19 | 186684, issued to Eddie Honarchian, owner of Eddie's Auto World; | |
| 20 | 2. Revoking or suspending any other automotive repair dealer registration issued to | |
| 21 | Eddie Honarchian, including, but not limited to, Automotive Repair Dealer Registration Number | |
| 22 | ARD 259944; | |
| 23 | 3. Revoking or suspending Smog Check, Test-and-Repair, Station License Number RC | |
| 24 | 186684, issued to Eddie Honarchian, owner of Eddie's Auto World; | |
| 25 | 4. Revoking or suspending any additional license issued under Chapter 5 of the Health | |
| 26 | and Safety Code in the name of Eddie Honarchian, including, but not limited to, Respondent's | |
| 27 | Smog Check, Test-and-Repair, Station License Number RC 259944 and technician license, | |
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| 1 | currently designated as EA 622792, but which, upon renewal, will be re-designated as EO 622792 |
| 2 | and/or EI 622792; |
| 3 | 5. Ordering Eddic Honarchian, owner of Eddie's Auto World, to pay the Director of |
| 4 | Consumer Affairs the reasonable costs of the investigation and enforcement of this case, pursuant |
| 5 | to Business and Professions Code section 125.3; |
| 6 | 6. Taking such other and further action as deemed necessary and proper. |
| 7 | |
| 8 | DATED: 10-5-13 PATRICK DORAIS |
| 9 | Acting Chief Bureau of Automotive Repair |
| 10 | Department of Consumer Affairs State of California |
| 11 | Complainant |
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