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8 **BEFORE THE**
9 **DEPARTMENT OF CONSUMER AFFAIRS**
10 **FOR THE BUREAU OF AUTOMOTIVE REPAIR**
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

Case No. 771102

13 **VISALIA MOTORSPORTS, INC. dba THE ROAD HOUSE**
14 **WAYNE HAMPTON HOUSE,**
15 **aka WAYNE HOUSE, JR., PRESIDENT**
16 **LYDIA REBECCA HOUSE, SECRETARY**
17 **808 E. Acequia**
18 **Visalia, CA 93292**
19 **Mailing Address:**
20 **P.O. Box 2751**
21 **Visalia, CA 93279**
22 **Automotive Repair Dealer Registration No. ARD 257083**

A C C U S A T I O N

Respondent.

23 Complainant alleges:

24 **PARTIES**

25 1. Sherry Mehl ("Complainant") brings this Accusation solely in her official capacity as
26 the Chief of the Bureau of Automotive Repair ("Bureau"), Department of Consumer Affairs.

27 2. On or about January 7, 2009, the Director of Consumer Affairs ("Director") issued
28 Automotive Repair Dealer Registration Number ARD 257083 to Visalia Motorsports, Inc.
("Respondent"), doing business as The Road House, with Wayne Hampton House, also known as
Wayne House, Jr. ("Wayne House, Jr."), as president and Lydia Rebecca House as secretary.

Respondent's automotive repair dealer registration expired on December 31, 2010.

1 **JURISDICTION**

2 3. Business and Professions Code ("Code") section 9884.7 provides that the Director
3 may revoke an automotive repair dealer registration.

4 4. Code section 9884.13 provides, in pertinent part, that the expiration of a valid
5 registration shall not deprive the Director of jurisdiction to proceed with a disciplinary proceeding
6 against an automotive repair dealer or to render a decision temporarily or permanently
7 invalidating (suspending or revoking) a registration.

8 **STATUTORY AND REGULATORY PROVISIONS**

9 5. Code section 9884.7 states, in pertinent part:

10 (a) The director, where the automotive repair dealer cannot show there
11 was a bona fide error, may deny, suspend, revoke, or place on probation the
12 registration of an automotive repair dealer for any of the following acts or omissions
13 related to the conduct of the business of the automotive repair dealer, which are done
14 by the automotive repair dealer or any automotive technician, employee, partner,
15 officer, or member of the automotive repair dealer.

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

19

20 (4) Any other conduct that constitutes fraud.

21

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

24 6. Code section 9884.7, subdivision (c), states, in pertinent part, that the Director may
25 suspend, revoke, or place on probation the registration for all places of business operated in this
26 state by an automotive repair dealer upon a finding that the automotive repair dealer has, or is,
27 engaged in a course of repeated and willful violations of the laws and regulations pertaining to an
28 automotive repair dealer.

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1 7. Code section 9884.9 states, in pertinent part:

2 (a) The automotive repair dealer shall give to the customer a written
3 estimated price for labor and parts necessary for a specific job. No work shall be done
4 and no charges shall accrue before authorization to proceed is obtained from the
5 customer. No charge shall be made for work done or parts supplied in excess of the
6 estimated price without the oral or written consent of the customer that shall be
7 obtained at some time after it is determined that the estimated price is insufficient and
8 before the work not estimated is done or the parts not estimated are supplied. Written
9 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 when 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 . . .

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11 (c) In addition to subdivisions (a) and (b), an automotive repair dealer,
12 when doing auto body or collision repairs, shall provide an itemized written estimate
13 for all parts and labor to the customer. The estimate shall describe labor and parts
14 separately and shall identify each part, indicating whether the replacement part is
15 new, used, rebuilt, or reconditioned. Each crash part shall be identified on the written
estimate and the written estimate shall indicate whether the crash part is an original
equipment manufacturer crash part or a nonoriginal equipment manufacturer
aftermarket crash part.

16 8. Code section 490, subdivision (a), states:

17 In addition to any other action that a board is permitted to take against a
18 licensee, a board may suspend or revoke a license on the ground that the licensee has
19 been convicted of a crime, if the crime is substantially related to the qualifications,
functions, or duties of the business or profession for which the license was issued.

20 9. Code section 498 states that "[a] board may revoke, suspend, or otherwise restrict a
21 license on the ground that the licensee secured the license by fraud, deceit, or knowing
22 misrepresentation of a material fact or by knowingly omitting to state a material fact."

23 10. 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
26 provided, shall include "bureau," "commission," "committee," "department,"
"division," "examining committee," "program," and "agency."

27 11. Code section 477, subdivision (b), states, in pertinent part, that a "license" includes
28 "registration" and "certificate."

1 12. California Code of Regulations, title 16, section 3303, subdivision (j), states:

2 "Authorization" means consent. Authorization shall consist of the
3 customer's signature on the work order, taken before repair work begins.
4 Authorization shall be valid without the customer's signature only when oral or
5 electronic authorization is documented in accordance with applicable sections of
6 these regulations.

7 COST RECOVERY

8 13. Code section 125.3 provides, in pertinent part, that a Board may request the
9 administrative law judge to direct a licentiate found to have committed a violation or violations of
10 the licensing act to pay a sum not to exceed the reasonable costs of the investigation and
11 enforcement of the case.

12 FIRST CAUSE FOR DISCIPLINE

13 (Criminal Conviction)

14 14. Respondent is subject to disciplinary action pursuant to Code section 490, subdivision
15 (a), in that on or about May 13, 1999, in the criminal proceeding titled *People v. Wayne Hampton*
16 *House* (Super. Ct. Tulare County, 1999, Case No. CR-0044599-A), Respondent pled nolo
17 contendere to violating Penal Code section 211 (second degree robbery, a felony), a crime
18 substantially related to the qualifications, duties, and functions of an automotive repair dealer.

19 SECOND CAUSE FOR DISCIPLINE

20 (Untrue or Misleading Statements)

21 15. In or about December 2008, the Bureau received an application for an automotive
22 repair dealer registration from Wayne House, Jr. and Linda Rebecca House, president and
23 secretary, respectively, for Respondent, doing business as The Road House. On or about
24 December 12, 2008, the Houses certified under penalty of perjury that all statements made in the
25 application were true and correct.

26 16. Item 8 (a) on the application states:

27 Has any person in Number 7 been convicted of any offense in this state or
28 elsewhere? If YES, you must provide a DETAILED statement, including the crime
for which there was a conviction, the approximate date, location, and sentence served,
if any.

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1 17. On or about January 7, 2009, Automotive Repair Dealer Registration Number ARD
2 257083 was issued to Respondent as set forth in paragraph 2 above.

3 18. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
4 subdivision (a)(1), in that Respondent made or authorized a statement which it knew or in the
5 exercise of reasonable care should have known to be untrue or misleading, as follows:
6 Respondent's president, Wayne House, Jr. ("House"), certified that he had never been convicted
7 of any offenses in this state or elsewhere. In fact, House had been convicted of robbery on June
8 23, 1999, in Tulare County Superior Court, Case No. CR-0044599-A, as set forth in paragraph 14
9 above.

10 **THIRD CAUSE FOR DISCIPLINE**

11 **(Securing a License through Fraud, Deceit, or Knowing Misrepresentation)**

12 19. Complainant incorporates by reference as though fully set forth herein the allegations
13 contained in paragraphs 14 through 17 above.

14 20. Respondent is subject to disciplinary action pursuant to Code section 498 in that
15 Respondent's president, House, secured or obtained Automotive Repair Dealer Registration
16 Number ARD 257083 by fraud, deceit, or knowing misrepresentation of a material fact, as set
17 forth in paragraph 18 above.

18 **CONSUMER COMPLAINT (MOORE): 1969 CHEVROLET CAMARO**

19 21. On or about March 23, 2010, House picked up a 1969 Chevrolet Camaro from
20 consumer Gladys Moore's ("Moore") shop because Moore wanted the vehicle restored. House
21 gave Moore a written estimate totaling \$13,613.69 and told her that the restoration work would be
22 completed in about 3 months. Moore gave House a \$9,000 deposit as well as a Jeep at an agreed
23 value of \$4,500 as an additional down payment. House did not have Moore sign the estimate or a
24 repair order authorizing the work.

25 22. On or about May 13, 2010, Moore went to Respondent's facility to select the wheels
26 and tires for the vehicle, and gave House a cashier's check for \$2,500. House told Moore that the
27 vehicle was in the paint booth and that the restoration work would be finished on July 3, 2010.

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1 The work was not completed on July 3, 2010, as promised. House made various other promises
2 to Moore regarding the completion date for the work.

3 23. On or about September 27, 2010, Moore filed a complaint with the Bureau.

4 24. On October 5, 2010, the Visalia Police Department served a search warrant at the
5 facility after receiving complaints from numerous consumers, alleging that they had been
6 defrauded by the facility (the facility had received money for restoring the consumers' vehicles,
7 but had not completed the work). Approximately 50 unfinished vehicles, allegedly being restored
8 or repaired by the facility, were found at two locations (808 E. Acequia and 940 E. Main Street in
9 Visalia). That same day, the 1969 Chevrolet Camaro was released to Moore.

10 25. On October 5, 2010, the Bureau inspected the vehicle using Respondent's estimate for
11 comparison, and found that Respondent had not performed a number of repairs on the vehicle, as
12 set forth below.

13 **FOURTH CAUSE FOR DISCIPLINE**

14 **(Fraud)**

15 26. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
16 subdivision (a)(4), in that Respondent committed acts constituting fraud, as follows:

17 a. Respondent obtained payment from Moore for coating the interior floor of the 1969
18 Chevrolet Camaro when, in fact, that repair had not been performed on the vehicle.

19 b. Respondent obtained payment from Moore for replacing the interior of the 1969
20 Chevrolet Camaro, including the carpet, headliner, interior door handles, dash, trim panels, trunk
21 panels, and two tone seats. In fact, none of those parts had been replaced on the vehicle.

22 c. Respondent obtained payment from Moore for installing the transmission in the 1969
23 Chevrolet Camaro when, in fact, that part had not been installed in the vehicle.

24 d. Respondent obtained payment from Moore for replacing the bushings and ball joints
25 in the 1969 Chevrolet Camaro when, in fact, those parts had not been replaced on the vehicle.

26 e. Respondent obtained payment from Moore for installing a vintage air conditioning
27 system in the 1969 Chevrolet Camaro when, in fact, that part had not been installed on the
28 vehicle.

1 f. Respondent obtained payment from Moore for installing a stereo in the 1969
2 Chevrolet Camaro when, in fact, that part had not been installed on the vehicle.

3 g. Respondent obtained payment from Moore for installing hoses and belts in the 1969
4 Chevrolet Camaro when, in fact, those parts had not been installed on the vehicle.

5 h. Respondent obtained payment from Moore for installing a tachometer in the 1969
6 Chevrolet Camaro when, in fact, that part had not been installed on the vehicle.

7 i. Respondent obtained payment from Moore for repairing and cleaning the wiring in
8 the 1969 Chevrolet Camaro when, in fact, those repairs had not been performed on the vehicle.

9 j. Respondent obtained payment from Moore for installing a four gauge center cluster in
10 the 1969 Chevrolet Camaro when, in fact, that part had not been installed on the vehicle.

11 k. Respondent obtained payment from Moore for polishing the chrome and stainless on
12 the 1969 Chevrolet Camaro when, in fact, that labor operation had not been performed on the
13 vehicle.

14 l. Respondent obtained payment from Moore for installing rocker trim on the 1969
15 Chevrolet Camaro when, in fact, rocker trim had not been installed on the vehicle.

16 m. Respondent obtained payment from Moore for installing weather strips and felts on
17 the 1969 Chevrolet Camaro when, in fact, those parts had not been installed on the vehicle.

18 n. Respondent obtained payment from Moore for installing a lighting kit in the 1969
19 Chevrolet Camaro when, in fact, a lighting kit had not been installed in the vehicle.

20 o. Respondent obtained payment from Moore for installing a cowl hood on the 1969
21 Chevrolet Camaro when, in fact, that part had not been installed on the vehicle.

22 **FIFTH CAUSE FOR DISCIPLINE**

23 **(Violations of the Code)**

24 27. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
25 subdivision (a)(6), in that Respondent failed to comply with provisions of that Code in the
26 following material respects:

27 a. **Section 9884.9, subdivision (a):** Respondent failed to obtain Moore's authorization
28 for the restoration of the 1969 Chevrolet Camaro.

1 b. Section 9884.9, subdivision (c): Respondent provided Moore with an itemized
2 written estimate for the restoration of the 1969 Chevrolet Camaro, but failed to describe the labor
3 and parts separately, and failed to indicate whether the replacement parts were new, used, rebuilt,
4 or reconditioned.

5 **CONSUMER COMPLAINT (HAMMOND): 1957 CHEVROLET PICKUP**

6 28. On or about June 1, 2010, Matt Hammond ("Hammond") took his 1957 Chevrolet
7 pickup to Respondent's facility to have it completely restored and rebuilt. House looked at the
8 vehicle and told Hammond that he would fax him a quote for the work. Later, Hammond
9 received a written estimate totaling \$34,942.19 from House. Hammond called House and
10 authorized the restoration work. House told Hammond that he needed \$21,000 so that he could
11 obtain the new parts that were necessary for the rebuild.

12 29. On June 2, 2010, Hammond met with House and gave him a check for \$21,000.
13 Later that evening, Hammond delivered the vehicle to the facility. About two weeks later, House
14 called Hammond and told him that he needed the new engine and transmission that Hammond
15 had agreed to supply for the rebuild. The following day, Hammond delivered the components to
16 the facility and asked House if he could see the vehicle. House told Hammond that the vehicle
17 was in the paint booth and that Hammond should return in a couple of days. A few weeks later,
18 Hammond went to the facility and looked at the vehicle. Hammond found that only a minimal
19 amount of body work had been performed. When Hammond asked House about the status of the
20 work, House stated that they were having a new paint booth installed at the Main Street building.

21 30. In or about August 2010, Hammond called House to set up a time to look at paint
22 samples for the vehicle and to check on the status of the work. House told Hammond that the
23 progress on the vehicle had slowed because he recently had a heart attack and that the paint
24 sample would be ready by the end of the week. The paint sample was not ready as promised. A
25 few weeks later, Hammond met with House at the facility and looked at the paint sample.
26 Hammond did not like the paint color, so House told him that he would have another paint sample
27 ready that Thursday or Friday. Later, Hammond contacted House and indicated that he was not
28 happy with the lack of progress on the vehicle. House assured Hammond that he had nothing to

1 worry about. Hammond told House that he wanted to see the vehicle and all of the new parts that
2 were allegedly purchased for the rebuild. House told Hammond to return the following Tuesday.

3 31. On October 5, 2010, Hammond retrieved the vehicle, engine, and transmission from
4 the facility.

5 32. On or about October 6, 2010, Hammond filed a complaint with the Bureau.

6 33. On October 7, 2010, the Bureau inspected the vehicle and found that the only work
7 performed was the application of a coat of primer on the cab and the removal and shaving of the
8 door handles and gas filler neck.

9 **SIXTH CAUSE FOR DISCIPLINE**

10 **(Fraud)**

11 34. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
12 subdivision (a)(4), in that Respondent committed acts constituting fraud, as follows: After
13 obtaining \$21,000 from Hammond for the restoration and rebuilding of his 1957 Chevrolet
14 pickup, Respondent's president, House, fraudulently appropriated the money entrusted to him and
15 failed to perform any work on the vehicle, with the exception of the work listed in paragraph 33
16 above, failed to purchase or obtain any new parts for the vehicle, and/or failed to return any
17 portion of the \$21,000 to Hammond.

18 **SEVENTH CAUSE FOR DISCIPLINE**

19 **(Violations of the Code)**

20 35. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
21 subdivision (a)(6), in that Respondent failed to comply with section 9884.9, subdivision (c), of
22 that Code in a material respect, as follows: Respondent provided Hammond with an itemized
23 written estimate for the restoration and rebuilding of his 1957 Chevrolet pickup, but failed to
24 describe the labor and parts separately, and failed to indicate whether the replacement parts were
25 new, used, rebuilt, or reconditioned.

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CONSUMER COMPLAINT (LEAL): 1954 CHEVROLET CORVETTE

36. On or about September 3, 2008, Eugene Leal's ("Leal") 1954 Chevrolet Corvette sustained collision damage when a car ran into his garage.

37. On or about September 8, 2008, House inspected the vehicle at Leal's residence. About one week later, House took the vehicle to Respondent's facility and prepared a written estimate totaling \$18,151.79 for the restoration and repair of the vehicle. House never had Leal sign the estimate or a repair order authorizing the work. Later, AAA Insurance Company ("AAA") had one of their adjusters inspect the vehicle. The adjuster reviewed the estimate and agreed to pay for the work. Later, Leal received a check for \$18,151.79 from AAA.

38. On October 2, 2008, Leal paid House a \$10,000 deposit. House told Leal that the work would be completed in 9 months to a year.

39. On or about December 19, 2008, Leal paid House \$3,000.

40. During the next few months, Leal made various visits to the facility to check on the status of the vehicle. The facility completed the frame work, removed the damaged fender, and performed some body work.

41. On February 6, 2009, Leal paid House another \$3,000.

42. On March 4, 2009, Leal paid House \$2,500, for total payments on the restoration work and repairs of \$18,500. Approximately two months later, Leal went to the facility and found that additional work had been completed on the vehicle, but the new fender still had not been installed.

43. In or about June 2009, House told Leal that he was moving to another shop on Main Street (Visalia) and that there would be some delays in the work. Over the next several months, Leal attempted to check on the progress of the work, but House kept giving Leal excuses as to why he could not see the vehicle and why the work still had not been completed.

44. On October 5, 2010, Leal retrieved the vehicle from the facility and found, among other things, that the original Vehicle Identification Number (VIN) plate was missing, which reduced the value of the vehicle. That same day, the Bureau inspected the vehicle and found that the restoration work had not been completed.

1 **EIGHTH CAUSE FOR DISCIPLINE**

2 **(Fraud)**

3 45. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
4 subdivision (a)(4), in that Respondent committed acts constituting fraud, as follows: After
5 obtaining \$18,500 from Leal for the restoration and repair of his 1954 Chevrolet Corvette,
6 Respondent's president, House, fraudulently appropriated the money entrusted to him, failed to
7 complete the work, including the replacement of the damaged fender, and/or failed to return any
8 portion of the \$18,500 to Leal.

9 **NINTH CAUSE FOR DISCIPLINE**

10 **(Violations of the Code)**

11 46. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
12 subdivision (a)(6), in that Respondent failed to comply with provisions of that Code in the
13 following material respects:

14 a. **Section 9884.9, subdivision (a):** Respondent failed to obtain Leal's authorization for
15 the restoration and repair of his 1954 Chevrolet Corvette.

16 b. **Section 9884.9, subdivision (c):** Respondent provided Leal with an itemized written
17 estimate for the restoration and repair of his 1954 Chevrolet Corvette, but failed to describe the
18 labor and parts separately, and failed to indicate whether the replacement parts were new, used,
19 rebuilt, or reconditioned.

20 **OTHER MATTERS**

21 47. Pursuant to Code section 9884.7, subdivision (c), the Director may suspend, revoke,
22 or place on probation the registration for all places of business operated in this state by
23 Respondent Visalia Motorsports, Inc., doing business as The Road House, upon a finding that
24 Respondent has, or is, engaged in a course of repeated and willful violations of the laws and
25 regulations pertaining to an automotive repair dealer.

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1 PRAYER

2 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
3 and that following the hearing, the Director of Consumer Affairs issue a decision:

4 1. Revoking or suspending Automotive Repair Dealer Registration Number ARD
5 257083, issued to Visalia Motorsports, Inc., doing business as The Road House;

6 2. Revoking or suspending any other automotive repair dealer registration issued to
7 Visalia Motorsports, Inc;

8 3. Ordering Visalia Motorsports, Inc., doing business as The Road House, to pay the
9 Director of Consumer Affairs the reasonable costs of the investigation and enforcement of this
10 case, pursuant to Business and Professions Code section 125.3;

11 4. Taking such other and further action as deemed necessary and proper.

12
13 DATED: 7/21/11



SHERRY MEHL

14 Chief

15 Bureau of Automotive Repair
16 Department of Consumer Affairs
17 State of California
18 Complainant
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