

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

In the Matter of the Accusation Against:

**STRAIGHT LINE MANAGEMENT, INC.,
DBA CITYWIDE AUTO BODY SHOP,
PATRICK DAVID LEWIS, PRESIDENT
MARGAUX REGINA HUNT, SECRETARY
JAMES LOWELL ROBERTS, TREASURER**

Automotive Repair Dealer Registration
No. ARD 262928

Agency Case No. 77/14-15

OAH No. 2014020157

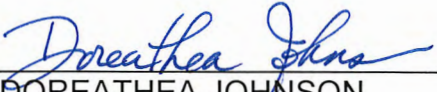
Respondent.

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.

This Decision shall become effective November 18, 2014.

DATED: October 6, 2014


DOREATHEA JOHNSON
Deputy Director, Legal Affairs
Department of Consumer Affairs

**BEFORE THE
DEPARTMENT OF CONSUMER AFFAIRS
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Respondent.

Agency Case No. 77/14-15

OAH No. 2014020157

PROPOSED DECISION

The hearing in this matter took place on July 29 and 31, 2014, before Joseph D. Montoya, Administrative Law Judge (ALJ), Office of Administrative Hearings. Complainant was represented by Kevin J. Rigley, Deputy Attorney General. Respondent Straight Line Management, Inc. appeared through its officers Patrick David Lewis and James Lowell Roberts.

On July 31, at Respondent's request, the hearing was continued until August 29, 2014. However, no representative of the Respondent appeared for the hearing on August 29, and the matter was submitted for decision on that date.

Color copies of black and white photos contained in exhibit 4 were received, and the duplicate color photos are marked as exhibit 4A. An updated license certification was added to exhibit 2.

The ALJ hereby makes his factual findings, legal conclusion, and orders.

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FACTUAL FINDINGS

The Parties and Jurisdiction

1. Complainant Patrick Dorais filed the Accusation in this matter while acting in his official capacity as Acting Chief of the Bureau of Automotive Repair (Bureau), Department of Consumer Affairs.

2. In August 2010, the Bureau issued Automotive Repair Dealer Registration (ARD) Number ARD 262928 to Straight Line Management, Inc., doing business as Citywide Auto Body Shop (Straight Line or Respondent). Patrick David Lewis (Lewis) is the president of the corporation, James Lowell Roberts (Roberts) is the corporation's treasurer, and Margaux Regina Hunt is the corporate secretary.

3. At all times relevant hereto, Respondent was doing business at 10303 South Western Avenue in Los Angeles, California.

4. The Respondent's ARD was due to expire on August 31, 2014, unless renewed. If the ARD was not renewed, the Bureau retains jurisdiction in this matter pursuant to Business and Professions Code section 118, subdivision (b).

5. In general, Complainant alleged that in two transactions Respondent contracted to repair collision damage to a 2007 Honda Accord, and a 2003 Mercedes-Benz, and that in each case an insurance company inspected the cars, generated an estimate, and paid for the repairs. However, Complainant alleges that in each case Respondent failed to make some of the repairs, failed to install new parts as contracted, and provided substandard and shoddy workmanship.

6. Respondent filed a Notice of Defense, and this proceeding ensued. All jurisdictional requirements have been met. It should be noted that documents obtained by the Bureau from the California Secretary of State establish that on April 1, 2011, Respondent Straight Line's corporate powers were suspended, and that they remained suspended through, at least, June 10, 2013. As both of the subject transactions occurred during that time period, Respondent entered into the contracts with the two consumers while its power to do business was suspended. (Ex. 4, p. AG 022.)¹

¹ Although the Secretary of State's certificate was offered in evidence as part of a group of documents, it was not asserted by Complainant as a ground to bar a defense by Respondent Straight Line. Thus, Lewis was allowed to cross examine witnesses and to object to evidence on the corporation's behalf. Had it been brought to the ALJ's attention, he would have barred any acts by Straight Line to defend, as a suspended corporation may not sue or defend a suit. (*Waltrip v. Kimberlin* (2008) 164 Cal.App.4th 512, 522, fn. 2.) The Secretary of State's certificate is prima facie evidence of the suspension. (Rev. & Tax. Code, §23305d.) Any contract made by a suspended corporation is voidable. (Rev. & Tax. Code, §

The 2007 Honda Accord Transaction

7. On or about September 14, 2011, Jessica Jones (Jones) took her 2007 Honda Accord to Respondent for repairs. Although she had possession and day-to-day use of the car, it was owned by her mother, Melvina Starks (Starks). Jones had struck a curb, and damaged the front end, primarily the undercarriage at the right front wheel, on September 10, 2011. The car would not steer properly, and the front end would shake at speeds over approximately 40 miles per hour.

8. Jones spoke to Roberts. The vehicle's insurer, Mercury Insurance, was contacted by Jones from Respondent's shop, and an adjuster later came and examined the vehicle. Mercury estimated the total cost of repair at \$3,730.73, of which \$2,280.35 was attributed to parts, and \$1,326.40 was attributed to labor. Additional costs were estimated at \$123.98.

9. Among other things, Mercury's estimate called for the removal and replacement (R & R) of several expensive components, replacement to be with OEM (Original Equipment Manufacturer) parts. The largest and most expensive part to be replaced was the front subframe, priced at \$788.03. The subframe, a large rectangular piece of metal, attaches to the rest of the car, and the front suspension and steering components are attached to it. The Respondent was also to R & R the right front steering knuckle (part value, \$369.30), right front control arm assembly (\$175.65), wheel bearing and hub. The estimate called for replacement of the front bumper cover.

10. Included in the estimate was replacement of two wheels and tires, the wheels to be replaced with remanufactured wheels, these parts totaling \$364.03. Jones spoke to Lowell about getting better wheels—at least from the point of view of appearance—for the car. She had been saving money to buy new wheels.

11. When Jones left her car, she did not receive a signed work order from Lowell. Meanwhile, Respondent, through Lowell or Lewis, agreed to repair the car pursuant to the estimate generated by Mercury Insurance.

12. Approximately three weeks later, on October 7, 2011, Jones went to pick the car up. It now had aftermarket wheels, but she could perceive that the repairs were inadequate, at least from a cosmetic perspective, as she noted a run in the paint on the front end. She noted that there were some parts for her car on a table. She drove the car and the wheel still shook. When she expressed her displeasure, Lowell asked for a couple of days to make everything right, and Jones assented.

23304.1, subd. (a).) It should also be noted that it is a crime to carry on business while a corporation is suspended. (Rev. & Tax. Code, § 19719, subd. (a).)

13. When Jones came back for the car, Lowell and Lewis had Mercury's check (less the \$500 deductible amount) and the check included Starks as a payee along with Respondent. This puzzled Jones, and she started to call Mercury; meanwhile, Lowell and Lewis had been pressuring Jones to have her mother come and sign the check because they wanted to cash it. When Jones wanted to speak to Mercury about the check, either Lowell or Lewis took it back from her and said that they would take care of it. She did not see the check again.

14. Jones did not like the wheels and tires that Respondent installed, in part because the tires were low profile, and she needed to drive her car throughout the state in connection with her work.

15. The Honda did not drive properly, as it still shook when Jones drove it to speeds in the area of 50 miles per hour. Jones took the car to the Bureau's office, where a Bureau representative inspected it.

16. The inspection revealed that only one major component was replaced, that being the lower control arm. But, it was not replaced with an OEM part as specified in the Mercury Insurance estimate, but instead was replaced with a used part that gave the appearance of having come from a junkyard. The subframe, front bumper cover, and steering knuckle had not been replaced. The bumper cover had been repainted, in a manner that exhibited poor workmanship.

17. A Bureau representative, Mr. Medina, undertook further investigation. He went to Respondent's place of business, and spoke to Mr. Lewis. He asked for all of the paperwork connected with the repair of Jones' Honda, which would include documentation of any sublet work. Under applicable regulations, an ARD is obligated to maintain copies of all paperwork pertinent to a repair for a period of three years.

18. (A) Lewis could not locate any paperwork, but he told Medina that aftermarket parts were installed on the car. He asked for additional time to provide the paperwork. As Medina was about to leave, Lewis did locate the final invoice and insurance estimate, and did provide those documents. He stated he would provide others when located. The final invoice provided that all of the components listed in the insurance estimate, i.e., the subframe, steering knuckle, control arm, bumper cover, had been replaced. However, during that visit by Medina, Lewis was unable to provide any documentation that established where such parts came from.

(B) The final invoice was dated November 1, 2011, and showed Starks as the customer. As noted, the final invoice stated that the bumper cover and subframe had been replaced, there were labor charges listed for replacement of those parts. A charge for the other parts listed in the insurance estimate, that is, the steering knuckle and control arm, was set out, but there was no separate labor charge for installing those parts. Although the invoice does not describe the parts as OEM, the prices charged were the same as for OEM parts, as shown in the insurance estimate and as shown on the doctored invoice that Lewis later attempted to pass to Medina.

(C) The invoice also had a charge for "supply's" (sic), in the amount of 153.35, a charge of \$300 for tires, and \$540 for wheels. The final invoice did not show the Respondents' ARD number.

19. Medina gave Lewis more time to provide the paperwork regarding the parts purchases. On December 12, 2011, Lewis sent a fax to Medina which included an invoice for some of the parts, and for the wheels and tires.² The invoice for the front end parts was from Gardena Honda and showed the sale to Respondent of the OEM parts including the subframe and steering components, but not the bumper cover. The Gardena Honda invoice was dated September 21, 2011.

20. Medina went to Gardena Honda to verify the invoice. Gardena Honda staff had no invoice to Straight Line for the period of September 2011; the only invoice they had in their records for Respondent was from December 6, 2011, and it was identical to that sent by Lewis to Medina, except for the date. Indeed, it even had the same invoice number. Gardena Honda also had a credit memo for the parts listed in the invoice, dated December 8, 2011, and issued because the parts were never picked up. The only inference that can be reached is that Straight Line obtained the invoice in December, altered its date, and then sent it by FAX to Medina at the Bureau's office. This was an attempt by Straight Line, acting through Lewis, to defraud the Bureau with a forged document.

21. In the course of the investigation, the cancelled check from Mercury Insurance was produced. A signature on the back purported to be Starks'. She credibly testified that she did not sign the check. As Lewis and Lowell had possession of the check, it is found that one of them forged Starks' signature on the check so that they could cash it and obtain payment, ostensibly for repairing the car as required by the insurer's estimate.

22. Ultimately, Starks sold the car, as Jones could no longer use it in her work, which at times required her to take long trips, such as to San Francisco.

The 2003 Mercedes Benz Transaction

23. On September 12, 2012, Ahmber Azali (Azali) took her 2003 Mercedes Benz C230 to Respondent's facility because the rear end had been damaged. She spoke to Roberts about the repairs. He gave her a work order so that she could fill out her personal information. She signed the work order, but did not receive a copy.

24. Azali gave Roberts a copy of an insurance estimate which showed that repairs valued at \$4,815.41 were necessary. The estimate had been generated in early August 2011 by Progressive Choice Insurance, the company that insured the person who had rear-ended

² A copy of what had been referred to as the final invoice was sent with the fax, though it was identified as the repair estimate. Since it was dated November 1, 2011, it could not be the repair estimate.

Azali's car. Roberts stated that he would try to get more money from the insurance carrier, but did not say that the repairs would not be completed. He estimated it would take about two weeks to finish the repairs.

25. Under the estimate, Respondent was to replace several parts, including the rear body lock panel, the rear body panel and the left quarter lamp mount panel. The replacement parts were to be OEM parts. Those parts had a value of \$409, and associated labor was another \$405.90. Tax on the parts was \$35.79.

26. Azali stayed in phone contact with Roberts after she left her car. At one point she was told that the shop was waiting for parts. On September 29, 2011, she went to pick up her car. It was supposedly ready, but it was not. When she arrived, people were still working on the car, even though she had been told that the car had been washed and detailed. She could see the repairs weren't properly completed, in that the trunk—the car can be described as a hatchback—did not close properly, and inside the trunk or luggage area a compartment had not been reassembled. Roberts wanted a "second chance" to get it right, and Azali left the car.³

27. After several weeks, Azali received a call and was told that the work on her car was complete. When she came back to the Straight Line facility it was in the evening, and she spoke to Lewis. The car was supposed to be ready, but would not start; the battery needed charging. While that was happening, Lewis left the facility, and thus Azali could not register her complaints about the fact that the repairs had not been completed properly.

28. At the point of her second visit to pick up her car, Azali had paid for the repairs, as she had endorsed the check and Lewis or Roberts had cashed it. Azali took her car. She then made a complaint to the Bureau.

29. Albert Ramos (Ramos), a Bureau Program Representative, inspected Azali's Mercedes. He found that the left quarter lamp mount panel had not been replaced as was supposed to occur; instead, an effort had been made to repair it. The rear body panel, which like the quarter lamp mount panel, was to be replaced with an OEM part, had not been replaced. Instead, repairs had been attempted on it, and the effort was inadequate. The rear body lock panel had not been replaced with an OEM part.

30. Much of the other work was substandard, not performed in a workmanlike manner. For example, the C230 name plate had been affixed to the wrong side of the car; it was placed where the tag that reads "Kompressor" was to be placed, and the Kompressor tag placed where the C230 badge belonged. Various main components did not fit properly, such as the rear lift gate. The paint had pits, and exhibited scratch marks.

³ According to Azali, Roberts claimed that Respondent was entitled to a "second chance" under the law.

31. On February 7, 2012, Ramos went to Straight Line and spoke to Lewis. He asked for all the paperwork pertaining to the repair of Azali's car. Lewis said that the person who took care of the files was not available. Ramos came back on the February 13, but Lewis could not produce the paperwork. Ramos scheduled a return visit for February 21, but Lewis called him to put off the appointment, claiming his secretary was out of the office. On February 29, 2012, Ramos went to the repair shop and spoke to Lewis. He was given invoices for an emblem, taillight assembly, and a spare tire wheel well, which component had not been listed on the insurance estimate. Lewis did not produce invoices for the quarter lamp mount panel, the rear body lock panel, or the rear panel.

32. Azali sued Straight Line in small claims court and obtained a judgment for \$6,000, which had not been satisfied as of the time of the hearing.

Costs

33. The Bureau has incurred costs in the investigation and enforcement of this matter, in the amount of \$5,022. That amount is reasonable.

LEGAL CONCLUSIONS

1. Jurisdiction to proceed pursuant to Business and Professions Code sections 22, 477, subdivision (b), and section 9884.7, subdivision (a), based on Factual Findings 1 through 6.⁴

2. Cause exists to suspend or revoke Respondent's ARD pursuant to section 9884.7, subdivision (a)(1), for making numerous untrue and misleading statements, including by representing to two customers that repairs would be made on their automobiles in conformity with applicable insurance company estimates; representing to the insurance companies that the repairs would be made per the estimate, and by taking payment from the insurance companies in question, representing that such repairs had been made. Further, Respondent, acting through Lewis made untrue statements about purchasing OEM Honda parts for repair of Jones's vehicle, and by representing that Respondent possessed documents that would establish the purchase of the proper parts, when no such parts had been purchased. This Conclusion is based on Factual Findings 7 through 31.

3. Cause exists to suspend or revoke Respondent's ARD pursuant to section 9884.7, subdivision (a)(4), for fraud, based on Factual Findings 7 through 31. The fraudulent acts include but are not limited to the representations that the Jones and Azali vehicles would be repaired in conformity with the insurance estimates, and obtaining payment for such

⁴ All further statutory citations are to the Business and Professions Code unless otherwise noted.

work, when in fact Respondent did not conform to the specifications set out in the insurance estimates when repairing either vehicle. Other fraudulent conduct includes forging Starks' name on the check from the insurer, and sending a forged parts invoice to the Bureau.

4. (A) Respondent committed a number of acts which constitute both a violation of a provision of the Business and Professions Code, as well as one of the regulations governing auto repair, found in California Code of Regulations (CCR), title 16.⁵ In other instances, Respondent violated applicable provisions of the CCR.

(B) Respondent twice violated section 9884.9, subdivision (c), and CCR section 3353, subdivision (b), by failing to provide Jones and Azali with a written estimated price for parts and labor charges for their vehicles, based on Factual Findings 11 and 23.

(C) Respondent twice violated section 9884.9, subdivision (a), and CCR section 3353, subdivision (e), by changing the method of repairing the Jones and Azali vehicles without providing notification to those persons, based on Factual Findings 7 through 31.

(D) Respondent violated CCR section 3356, subdivision (a)(1), by failing to show its dealer registration number on its invoice, based on Factual Finding 18(C).

(E) It was not established that Respondent failed to maintain legible copies of all records in violation of section 9884.11 and CCR section 3358. Respondent did not have certain records because it had not purchased parts it was supposed to purchase. Respondent did produce some records.

5. Cause exists to suspend or revoke Respondent's ARD pursuant to section 9884.7, subdivision (a)(6), for the several violations of the Code or CCR which are established in Legal Conclusion 4, above.

6. The Bureau is entitled to recover its costs of investigation and prosecution pursuant to section 125.3, based on Legal Conclusions 1 through 3, and 5. The reasonable amount of those costs is \$5,022, based on Factual Finding 32.

7. Any allegations upon which findings of fact or conclusions of law were not made are deemed unproven, or surplusage.

8. The purpose of proceedings of this type is to protect the public, and not to punish an errant licensee. (E.g., *Camacho v. Youde* (1979) 95 Cal.App.3d 161, 164.) Here the evidence overwhelmingly established that Respondent, as operated by Lewis and Roberts, presents a threat to the public. In two transactions Respondent engaged in unmitigated fraud upon two unsuspecting consumers. In the case of Jones, her car, after being repaired by Respondent, was unsafe to drive. Lewis aggravated the situation by

⁵ All citations to the CCR shall be to title 16.

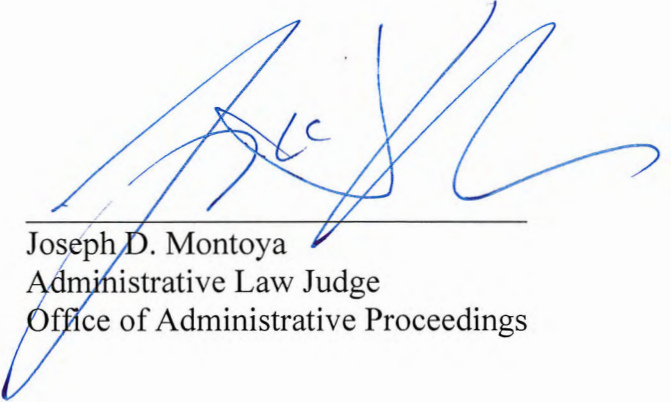
sending a forged parts invoice to Medina, and misleading Ramos with claims that he had invoices and paperwork for Azali's car. Finally, Respondent illegally did business with both Jones and Azali, in that its corporate powers had been suspended. (Fn. 1, *ante*.) It is plain that the public can only be protected by revoking Respondent's registration.

ORDER

1. The Automotive Repair Dealer Registration issued to Respondent Straight Line Management, Inc., doing business as Citywide Auto Body Shop, number 262928, is hereby revoked.

2. Respondent Straight Line Management, Inc. shall pay the Bureau costs in the amount of \$5,022 within 30 days of the effective date of this order.

September 15, 2014



Joseph D. Montoya
Administrative Law Judge
Office of Administrative Proceedings

1 KAMALA D. HARRIS
Attorney General of California
2 ARMANDO ZAMBRANO
Supervising Deputy Attorney General
3 ALVARO MEJIA
Deputy Attorney General
4 State Bar No. 216956
300 So. Spring Street, Suite 1702
5 Los Angeles, CA 90013
Telephone: (213) 897-0083
6 Facsimile: (213) 897-2804

7 *Attorneys for Complainant*

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. 77/14-15

13 **STRAIGHT LINE MANAGEMENT, INC. DBA**
14 **CITYWIDE AUTO BODY SHOP**
15 **PATRICK DAVID LEWIS, PRESIDENT**
16 **MARGAUX REGINA HUNT, SECRETARY**
17 **JAMES LOWELL ROBERTS, TREASURER**
18 **10303 S. Western Avenue**
19 **Los Angeles, CA 90047**

A C C U S A T I O N

20 **Automotive Repair Dealer Registration**
21 **No. ARD 262928**

Respondent.

22 Complainant alleges:

23 **PARTIES**

24 1. Patrick Dorais (“Complainant”) brings this Accusation solely in his official capacity
25 as the Acting Chief of the Bureau of Automotive Repair (“Bureau”), Department of Consumer
26 Affairs.

27 **Automotive Repair Dealer Registration**

28 2. On or about August 6, 2010, the Bureau issued Automotive Repair Dealer
Registration Number ARD 262928 (“registration”) to Straight Line Management, Inc. doing
business as Citywide Auto Body Shop (“Respondent”), with Patrick David Lewis as President,

1 Margaux Regina Hunt as Secretary, and James Lowell Roberts as Treasurer. The registration was
2 in full force and effect at all times relevant to the charges brought herein and will expire on
3 August 31, 2013, unless renewed.

4 **STATUTORY PROVISIONS**

5 3. Code section 22, subdivision (a), states:

6 "Board" as used in any provision of this Code, refers to the board in which
7 the administration of the provision is vested, and unless otherwise expressly
8 provided, shall include "bureau," "commission," "committee," "department,"
"division," "examining committee," "program," and "agency."

9 4. Code section 477, subdivision (b), states, in pertinent part, that a "license"
10 includes "registration" and "certificate."

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

12 (a) The director, where the automotive repair dealer cannot show there
13 was a bona fide error, may deny, suspend, revoke, or place on probation the
14 registration of an automotive repair dealer for any of the following acts or
15 omissions 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, 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
18 which by the exercise of reasonable care should be known, to be untrue or
misleading.

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20 (3) Failing or refusing to give to a customer a copy of any document
requiring his or her signature, as soon as the customer signs the document.

21 (4) Any other conduct that constitutes fraud.

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

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

3 7. Code section 9884.8 states, in pertinent part, that “[a]ll work done by an automotive
4 repair dealer, including all warranty work, shall be recorded on an invoice and shall describe all
5 service work done and parts supplied . . .

6 8. Code section 9884.9 states, in pertinent part:

7 (a) The automotive repair dealer shall give to the customer a written
8 estimated price for labor and parts necessary for a specific job. No work shall be
9 done and no charges shall accrue before authorization to proceed is obtained from
10 the customer. No charge shall be made for work done or parts supplied in excess
11 of the estimated price without the oral or written consent of the customer that
12 shall be obtained at some time after it is determined that the estimated price is
13 insufficient and before the work not estimated is done or the parts not estimated
14 are supplied. Written consent or authorization for an increase in the original
15 estimated price may be provided by electronic mail or facsimile transmission
16 from the customer. The bureau may specify in regulation the procedures to be
17 followed by an automotive repair dealer when an authorization or consent for an
18 increase in the original estimated price is provided by electronic mail or facsimile
19 transmission. If that consent is oral, the dealer shall make a notation on the work
20 order of the date, time, name of person authorizing the additional repairs and
21 telephone number called, if any, together with a specification of the additional
22 parts and labor and the total additional cost . . .

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24 (c) In addition to subdivisions (a) and (b), an automotive repair dealer,
25 when doing auto body or collision repairs, shall provide an itemized written
26 estimate for all parts and labor to the customer. The estimate shall describe labor
27 and parts separately and shall identify each part, indicating whether the
28 replacement part is 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.

9. Code section 9884.11 states that “[e]ach automotive repair dealer shall maintain
any records that are required by regulations adopted to carry out this chapter [the Automotive
Repair Act]. Those records shall be open for reasonable inspection by the chief or other law
enforcement officials. All of those records shall be maintained for at least three years.”

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REGULATORY PROVISIONS

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10. California Code of Regulations, title 16 (Regulation), section 3353, subdivisions

(b) and (d) state:

(b) Estimate for Auto Body or Collision Repairs. Every dealer, when doing auto body or collision repairs, shall give to each customer a written estimated price for parts and labor for a specific job. Parts and labor shall be described separately and each part shall be identified, indicating whether the replacement part is new, used, rebuilt, or reconditioned. The estimate shall also describe replacement crash parts as original equipment manufacturer (OEM) crash parts or non-OEM aftermarket crash parts.

...

(e) Revising an Itemized Work Order. If the customer has authorized repairs according to a work order on which parts and labor are itemized, the dealer shall not change the method of repair or parts supplied without the written, oral, or electronic authorization of the customer. The authorization shall be obtained from the customer as provided in subsection (c) and Section 9884.9 of the Business and Professions Code.

11. Regulation 3356 states, in pertinent part:

(a) All invoices for service and repair work performed, and parts supplied, as provided for in Section 9884.8 of the Business and Professions Code, shall comply with the following:

(1) The invoice shall show the automotive repair dealer's registration number and the corresponding business name and address as shown in the Bureau's records.

(2) The invoice shall separately list, describe and identify all of the following:

(A) All service and repair work performed, including all diagnostic and warranty work, and the price for each described service and repair.

(B) Each part supplied, in such a manner that the customer can understand what was purchased, and the price for each described part. The description of each part shall state whether the part was new, used, reconditioned, rebuilt, or an OEM crash part, or a non-OEM aftermarket crash part.

(C) The subtotal price for all service and repair work performed.

(D) The subtotal price for all parts supplied, not including sales tax.

(E) The applicable sales tax, if any . . .

....

(c) Separate billing in an invoice for items generically noted as shop supplies, miscellaneous parts, or the like, is prohibited.

1 12. Regulation 3358 states:

2 Each automotive repair dealer shall maintain legible copies of the
3 following records for not less than three years:

4 (a) All invoices relating to automotive repair including invoices received
5 from other sources for parts and/or labor.

6 (b) All written estimates pertaining to work performed.

7 (c) All work orders and/or contracts for repairs, parts and labor. All such
8 records shall be open for reasonable inspection and/or reproduction by the bureau or
9 other law enforcement officials during normal business hours.

10 **COST RECOVERY**

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

15 **CONSUMER COMPLAINT (J.J.): 2007 Honda Accord**

16 14. On November 8, 2011, the Bureau received a consumer complaint from J.J.
17 alleging that Respondent failed to properly repair her 2007 Honda Accord in that the vehicle
18 shook when driving over 40 miles per hour. The Bureau's re-inspection of J.J.'s vehicle, in
19 reference to Mercury Insurance Company's estimate of record¹, found Respondent failed to
20 replace and/or repair the following work as per the estimate of record:

21	Remove/Replace Front Bumper Cover-\$227.00
22	Remove /Replace Sub-Frame-\$788.03
23	Right Front Suspension Steering Knuckle-\$369.30
24	Right Front Lower Control Arm Assembly-\$175.65
25	Total Parts: \$1559.98
26	Tax on Parts: \$136.50
27	Total Mechanical Labor Hours: 10.6 x \$85.00= \$901.00
28	Total Body Labor Hours: 2.3 x \$42.00= \$96.60

29 _____
30 ¹ Mercury Insurance estimate #110024006132-7600101.

1 **Grand Total: \$2694.08.**

2 When interviewed by Bureau investigators, Patrick David Lewis ("Lewis"), President of
3 Respondent company, initially told the investigators that new aftermarket parts were utilized in
4 the repair of the vehicle. Lewis subsequently supplied the Bureau with false and misleading
5 documents showing that original equipment manufacturer parts (OEM²) parts were purchased
6 and used, when in fact, the parts were not purchased new, and were not installed.

7 **FIRST CAUSE FOR DISCIPLINE**

8 **(Untrue or Misleading Statements)**

9 15. Respondent's registration is subject to disciplinary action pursuant to Code section
10 9884.7, subdivision (a)(1), in that Respondent made or authorized statements which it knew, or
11 in the exercise of reasonable care should have known to be untrue or misleading, as follows:

12 a. On or about September 14, 2011, Respondent represented to J.J. that it
13 would remove and replace the front bumper cover with an aftermarket part. In fact, the front
14 bumper cover was not replaced but was instead repaired with scratches still visible after the part
15 was painted. Photographs taken of the vehicle show the same crack on the lower part of the
16 bumper cover prior to the repairs being performed by Respondent.

17 b. On or about September 14, 2011, Respondent represented to J.J. that it
18 would remove and replace the sub-frame with a new OEM part. In fact, the sub-frame was not
19 replaced in that the sub-frame mounting bolts had not been disturbed and showed no signs of
20 removal.

21 c. On or about September 14, 2011, Respondent represented to J.J. that it
22 would replace the right front suspension steering knuckle with a new OEM part. In fact,
23 Respondent failed to replace the right front suspension steering knuckle as evidenced by the fact
24 that the bolts for the brake hose were not disturbed, and grease and road grime was consistent
25 with other surrounding areas of the vehicle. Further, the upper mounting of the right front

26 ² Original Equipment Manufacturer (OEM) crash part means "a crash part made for or by
27 the original vehicle manufacturer, who manufactured, fabricated, or supplied a vehicle or
28 component part". Non-original manufacturer (Non-OEM or aftermarket) crash part means "an
aftermarket crash part not made for or by the manufacturer of the motor vehicle".

1 suspension steering knuckle is undisturbed and looks identical to the upper mounting of the left
2 side knuckle.

3 d. On or about September 14, 2011, Respondent represented to J.J. that it would
4 replace the right lower front suspension control arm with a new OEM part. In fact, Respondent
5 failed to replace the right lower front suspension control arm with a new OEM part. The
6 appearance of the right side lower control arm is not consistent with that of a new recently
7 replaced part. The marks on the attaching bolt heads prove they were moved with a wrench.
8 There are also marks of dragging the mounting bushings into place on the front attachment
9 points. The vehicle manufacturer states that the mounting hardware for the lower control arm is
10 one time use and must be replaced with new hardware which was not replaced in the subject
11 vehicle.

12 e. On or about September 22, 2011, by cashing Mercury's check no.
13 462757514, Respondent represented to that insurer that it had replaced the front bumper cover
14 of J.J.'s vehicle with a new aftermarket part, when, in fact, Respondent had not.

15 f. On or about September 22, 2011, by cashing Mercury's check no.
16 462757514, Respondent represented to that insurer that it had removed and replaced the sub-
17 frame of J.J.'s vehicle with a new OEM part, when, in fact, Respondent had not.

18 g. On or about September 22, 2011, by cashing Mercury's check no.
19 462757514, Respondent represented to that insurer that it had replaced the right front suspension
20 knuckle of J.J.'s vehicle with a new OEM part, when, in fact, Respondent had not.

21 h. On or about September 22, 2011, by cashing Mercury's check no.
22 462757514, Respondent represented to that insurer that it had replaced the right lower front
23 suspension control arm of J.J.'s vehicle with a new OEM part when, in fact, Respondent had not.

24 **SECOND CAUSE FOR DISCIPLINE**

25 **(Fraud)**

26 16. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
27 subdivision (a)(4), in that Respondent committed acts constituting fraud, as follows:
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1 a. Respondent obtained payment from Mercury to replace the front bumper
2 cover on J.J.'s vehicle. In fact, Respondent did not replace that part on the vehicle.

3 b. Respondent obtained payment from Mercury for replacement of the sub-
4 frame on J.J.'s vehicle. In fact, Respondent did not replace that part on the vehicle.

5 c. Respondent obtained payment from Mercury for replacement of the right
6 front suspension steering knuckle on J.J.'s vehicle. In fact, Respondent did not replace that part
7 on the vehicle.

8 d. Respondent obtained payment from Mercury for replacement of the right
9 lower front suspension control arm on J.J.'s vehicle. In fact, Respondent did not replace that part
10 on the vehicle.

11 **THIRD CAUSE FOR DISCIPLINE**

12 (Violations of the Code)

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

16 a. **Section 9884.8:** Respondent failed to record on an invoice and describe
17 all service work done and parts supplied in its repair of J.J.'s vehicle.

18 b. **Section 9884.9, subdivision (a):** Respondent changed the method of
19 repair of J.J.'s vehicle without the authorization of the customer.

20 c. **Section 9884.9, subdivision (c):** Respondent failed to provide J.J. with an
21 itemized written estimate for all parts and labor for the auto body repairs on her vehicle.

22 d. **Section 9884.11:** Respondent failed to maintain legible copies of all
23 records pertaining to the repair of J.J.'s vehicle for a period of three years.

24 **FOURTH CAUSE FOR DISCIPLINE**

25 (Violations of Regulations)

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

1 a. Section 3353, subdivision (b): Respondent failed to provide J.J. a written
2 estimated price for parts and labor for the auto body repair of her vehicle.

3 b. Section 3353, subdivision (e): Respondent changed the method of repair
4 without providing notification to customer J.J.

5 c. Section 3356, subdivision (a)(1): Respondent failed to show its dealer
6 registration number on its invoice.

7 d. Section 3356, subdivision (a)(2)(B): Respondent failed to state on its
8 invoice whether the parts used on J.J.'s vehicle were new, used, reconditioned or rebuilt.

9 e. Section 3356, subdivision (c): Respondent impermissably billed
10 separately for items generically noted as shop supplies, miscellaneous parts, or the like.

11 f. Section 3358: Respondent failed to maintain legible copies of all records
12 pertaining to the repair of J.J.'s vehicle for a period of three years.

13 CONSUMER COMPLAINT (A.A.): 2003 MERCEDES BENZ C230

14 19. On or about December 9, 2011, the Bureau received a consumer complaint from
15 A.A., alleging that on or about September 12, 2011, A.A. had taken her car to Respondent shop
16 for collision repairs which were not completed when the vehicle was returned to A.A. While at
17 the shop, A.A. spoke to an employee, Lowell Roberts ("Roberts"). Roberts gave A.A. a blank
18 work order to fill out with her personal information. A.A. signed the document and did not
19 receive a copy. A.A. provided Roberts with insurance estimate #11-3933962-02 that was
20 generated on or about August 8, 2011, for \$4815.41, by Progressive Choice Insurance. Roberts
21 stated to A.A. that he would perform the work as listed on the Progressive Choice Insurance
22 estimate #11-3933962-02. On or about September 29, 2011, A.A. picked up the vehicle and
23 noticed that the trunk did not close completely and it was obvious that work on the vehicle was
24 not completed. A.A. left the vehicle with Respondent shop. On or about October 25, 2011, A.A.
25 received a telephone call from Lewis indicating that the repairs on her vehicle were complete and
26 that the car was ready for pick up. When A.A. arrived to pick up the vehicle, the vehicle did not
27 have any additional work performed and appeared to have the same quality of work as
28 previously performed.

1 The Bureau's re-inspection of A.A.'s vehicle, in reference to Progressive Choice
2 Insurance, estimate #11-3933962-02, found Respondent failed to replace and/or repair the
3 following work as per the estimate of record:

4 Left Quarter Lamp Mount Panel-\$37.00

5 Rear Body Panel-\$320.00

6 Rear Body Lock Panel-\$52.00

7 Total Parts: \$409.00

8 Tax on Parts: \$35.79

9 Total Body Labor Hours:\$405.90

10 **Grand Total: \$850.69**

11
12 **FIFTH CAUSE FOR DISCIPLINE**

13 **(Untrue or Misleading Statements)**

14 20. Respondent's registration is subject to disciplinary action pursuant to Code
15 section 9884.7, subdivision (a)(1), in that Respondent made or authorized statements which it
16 knew, or in the exercise of reasonable care should have known to be untrue or misleading, as
17 follows:

18 a. On or about September 12, 2011, Respondent represented to A.A. that it
19 would replace the left quarter lamp mount panel on A.A.'s vehicle with a new OEM part. In
20 fact, Respondent did not replace that part on the vehicle but instead repaired the part.

21 b. On or about September 12, 2011, Respondent respresented to A.A. that it
22 would replace the rear body panel on A.A.'s vehicle with a new OEM part. In fact, Respondent
23 did not replace that part on the vehicle and it remains damaged.

24 c. On or about September 12, 2011, Respondent represented to A.A. that it
25 would replace the rear body lock panel on A.A.'s vehicle with a new OEM part. In fact,
26 Respondent did not replace that part on the vehicle.

1 d. On or about September 26, 2011, by receiving payment on Progressive
2 Choice Insurance estimate #11-3933962-02, Respondent represented to that insurer that it had
3 replaced the left quarter lamp mount panel on A.A.'s vehicle with a new OEM part, when, in
4 fact, Respondent had not.

5 e. On or about September 26, 2011, by receiving payment on Progressive
6 Choice Insurance estimate #11-3933962-02, Respondent represented to that insurer that it had
7 replaced the rear body panel on A.A.'s vehicle with a new OEM part, when, in fact, Respondent
8 had not.

9 f. On or about September 26, 2011, by receiving payment on Progressive
10 Choice Insurance estimate #11-3933962-02, Respondent represented to that insurer that it had
11 replaced the rear body lock panel on A.A.'s vehicle with a new OEM part when, in fact,
12 Respondent had not.

13 **SIXTH CAUSE FOR DISCIPLINE**

14 **(Fraud)**

15 21. 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 g. Respondent obtained payment from Progressive for replacement of the left
18 quarter lamp mount panel on A.A.'s vehicle with a new OEM part. In fact, Respondent did not
19 replace that part on the vehicle but instead repaired the part.

20 h. Respondent obtained payment from Progressive for replacement of the
21 rear body panel on A.A.'s vehicle with a new OEM part. In fact, Respondent did not replace
22 that part on the vehicle and it remains damaged.

23 i. Respondent obtained payment from Progressive for replacement of the
24 rear body lock panel on A.A.'s vehicle with a new OEM part. In fact, Respondent did not
25 replace that part on the vehicle.

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1 SEVENTH CAUSE FOR DISCIPLINE

2 (Violations of the Code)

3 22. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
4 subdivision (a)(6), in that Respondent failed to comply with provisions of that Code in the
5 following material respects:

- 6 a. Section 9884.8: Respondent failed to record on an invoice and describe
7 all service work done and parts supplied in its repair of A.A.'s vehicle.
- 8 b. Section 9884.9, subdivision (c): Respondent failed to provide A.A. with
9 an itemized written estimate for all parts and labor for the auto body repairs on her vehicle.
- 10 c. Section 9884.11: Respondent failed to maintain legible copies of all
11 records pertaining to the repair of A.A.'s vehicle for a period of three years.

12 EIGHTH CAUSE FOR DISCIPLINE

13 (Violations of Regulations)

14 23. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
15 subdivision (a)(6), in that Respondent failed to comply with the following provisions of the
16 Regulations in a material respect:

- 17 a. Section 3353, subdivision (b): Respondent failed to provide A.A. a
18 written estimated price for parts and labor for the auto body repair of her vehicle.
- 19 b. Section 3353, subdivision (e): Respondent changed the method of repair
20 without providing notification to customer A.A.
- 21 c. Section 3356, subdivision (a)(1): Respondent failed to show its dealer
22 registration number on its invoice.
- 23 d. Section 3358: Respondent failed to maintain legible copies of all records
24 pertaining to the repair of A.A.'s vehicle for a period of three years.

25 NINTH CAUSE FOR DISCIPLINE

26 (Departure from Trade Standards)

27 24. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
28 subdivision (a)(7), in that Respondent willfully departed from or disregarded accepted trade

1 standards for good and workmanlike repair without the consent of the owner or the owner's duly
2 authorized representative in a material respect, as follows: Respondent failed to attach the
3 luggage lid ornament properly in that it does not sit flush on the luggage lid panel; the C230
4 nameplate was installed on the passenger side of the vehicle when it should have been installed
5 on the driver's side of luggage lid; the Kompressor nameplate was installed on the driver's side
6 and should have been installed on the passenger side and was falling off when inspected; the rear
7 lift gate does not align with the rear body panel and the paint has pits and sanding scratches
8 visible.

9 **OTHER MATTERS**

10 25. Under Code section 9884.7, subdivision (c), the director may invalidate temporarily
11 or permanently or refuse to validate, the registrations for all places of business operated in this
12 state by Straight Line Management, Inc. doing business as Citywide Auto Body Shop, upon a
13 finding that it has, or is, engaged in a course of repeated and willful violations of the laws and
14 regulations pertaining to an automotive repair dealer.

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, suspending, or placing on probation Automotive Repair Dealer
19 Registration Number ARD 262928, issued to Straight Line Management, Inc. doing business as
20 Citywide Auto Body Shop;

21 2. Revoking, suspending, or placing on probation any other automotive repair dealer
22 registration issued to Straight Line Management, Inc. doing business as Citywide Auto Body
23 Shop;

24 3. Ordering Straight Line Management, Inc. doing business as Citywide Auto Body
25 Shop, to pay the Bureau of Automotive Repair the reasonable costs of the investigation and
26 enforcement of this case, pursuant to Business and Professions Code section 125.3; and,

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

DATED: September 4, 2013 *Patrick Dorais*

PATRICK DORAIS
Acting Chief
Bureau of Automotive Repair
Department of Consumer Affairs
State of California
Complainant

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