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**BEFORE THE
DEPARTMENT OF CONSUMER AFFAIRS
FOR THE BUREAU OF AUTOMOTIVE REPAIR
STATE OF CALIFORNIA**

12

In the Matter of the Accusation Against:

Case No. 77/07-34

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BE GLAD, INC.,
dba MIDAS AUTO SERVICE CENTER
14 MAURICE IRVING GLAD, PRESIDENT
3833 McHenry Avenue
15 Modesto, CA 95356
Mailing Address:
16 P.O. Box 186
Salida, CA 95368

FIRST AMENDED ACCUSATION

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Automotive Repair Dealer Reg. No. AA 209069,

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BE GLAD, INC.,
dba MIDAS AUTO SERVICE CENTER
MAURICE IRVING GLAD, PRESIDENT
1420 V Street
Merced, CA 95340
Mailing Address:
P.O. Box 186
Salida, CA 95368

Automotive Repair Dealer Reg. No. AA 209071,

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1 BE GLAD, INC.,
2 dba MIDAS AUTO SERVICE CENTER
3 MAURICE IRVING GLAD, PRESIDENT
4 338 McHenry Avenue
5 Modesto, CA 95354
6 Mailing Address:
7 P.O. Box 186
8 Salida, CA 95368

9 Automotive Repair Dealer Reg. No. AA 209068,

10 BE GLAD, INC.,
11 dba MIDAS AUTO SERVICE CENTER
12 MAURICE IRVING GLAD, PRESIDENT
13 2651 Geer Road
14 Turlock, CA 95382
15 Mailing Address:
16 P.O. Box 186
17 Salida, CA 95368

18 Automotive Repair Dealer Reg. No. AA 209067,

19 BE GLAD, INC.,
20 dba MIDAS AUTO SERVICE CENTER
21 MAURICE IRVING GLAD, PRESIDENT
22 1412 W. Yosemite Avenue
23 Manteca, CA 95337
24 Mailing Address:
25 P.O. Box 186
26 Salida, CA 95368

27 Automotive Repair Dealer Reg. No. AA 209070,

28 M. I. GLAD, INC.,
29 dba MIDAS AUTO SERVICE CENTER
30 MAURICE I. GLAD, PRESIDENT
31 704 Clovis Avenue
32 Clovis, CA 93612-1804
33 Mailing Address:
34 P.O. Box 186
35 Salida, CA 95368

36 Automotive Repair Dealer Reg. No. AH 168169,

37 M. I. GLAD, INC.,
38 dba MIDAS AUTO SERVICE CENTER
39 MAURICE IRVING GLAD, PRESIDENT
40 3937 N. Blackstone
41 Fresno, CA 93726-3804
42 Mailing Address:
43 P.O. Box 186
44 Salida, CA 95368

45 Automotive Repair Dealer Reg. No. AL 121388,

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1 M. I. GLAD, INC.,
dba MIDAS AUTO SERVICE CENTER
2 MAURICE I. GLAD, PRESIDENT
7340 N. Blackstone
3 Fresno, CA 93650-1212
Mailing Address:
4 P.O. Box 186
Salida, CA 95368

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6 Automotive Repair Dealer Reg. No. AM 151085,

7 M. I. GLAD, INC.,
dba MIDAS AUTO SERVICE CENTER
MAURICE I. GLAD, PRESIDENT
8 4304 W. Shaw
Fresno, CA 93722-6218

9
10 Automotive Repair Dealer Reg. No. AG 167728,

11 M. I. GLAD, INC.,
dba MIDAS AUTO SERVICE CENTER
MAURICE I. GLAD, PRESIDENT
12 13745 E. 14th Street
San Leandro, CA 94578

13 Mailing Address:
14 P.O. Box 186
Salida, CA 95368

15 Automotive Repair Dealer Reg. No. AH 217794,

16 M. I. GLAD, INC.,
dba MIDAS AUTO SERVICE CENTER
17 MAURICE I. GLAD, PRESIDENT
6955 Village Parkway
18 Dublin, CA 94568-2405

19 Mailing Address:
20 P.O. Box 186
Salida, CA 95368

21 Automotive Repair Dealer Reg. No. AF 088614,

22 M. I. GLAD, INC.,
dba MIDAS AUTO SERVICE CENTER
MAURICE I. GLAD, PRESIDENT
23 3741 Washington Blvd.
Fremont, CA 94538

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25 Automotive Repair Dealer Reg. No. AL 121386,

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1 M. I. GLAD, INC.,
dba MIDAS AUTO SERVICE CENTER
2 MAURICE I. GLAD, PRESIDENT
1078 La Playa Drive
3 Hayward, CA 94545
4 Automotive Repair Dealer Reg. No. AH 217792,
5 M. I. GLAD, INC.,
dba MIDAS AUTO SERVICE CENTER
6 JEANNE G. GLAD, PRESIDENT
2525 Monument Blvd.
7 Concord, CA 94520
8 Automotive Repair Dealer Reg. No. ARD 249897,
9 M. I. GLAD, INC.,
dba MIDAS AUTO SERVICE CENTER
10 MAURICE I. GLAD, PRESIDENT
4045 Thornton Avenue
11 Fremont, CA 94536
12 Automotive Repair Dealer Reg. No. ARD 056961,
13 M. I. GLAD, INC.,
dba MIDAS AUTO SERVICE CENTER
14 MAURICE IRVING GLAD, PRESIDENT
2710 N. Main Street
15 Walnut Creek, CA 94596
16 Automotive Repair Dealer Reg. No. AE 210811,
17 M. I. GLAD, INC.,
dba MIDAS AUTO SERVICE EXPERTS
18 MAURICE I. GLAD, President
24659 Mission Boulevard
19 Hayward, CA 94544
20 Automotive Repair Dealer Reg. No. ARD 217793,
21 SO GLAD, INC.,
dba MIDAS AUTO SERVICE CENTER
22 MAURICE I. GLAD, PRESIDENT
2200 Stevens Creek Boulevard
23 San Jose, CA 95128
24 Automotive Repair Dealer Reg. No. AG 206018,
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1 SO GLAD, INC.,
2 dba MIDAS AUTO SERVICE CENTER
3 MAURICE I. GLAD, PRESIDENT
4 93 S. Capitol Avenue
5 San Jose, CA 95127

6 Automotive Repair Dealer Reg. No. ARD 205920,

7 SO GLAD, INC.,
8 dba MIDAS AUTO SERVICE CENTER
9 MAURICE I. GLAD, PRESIDENT
10 4224 Monterey Hwy.
11 San Jose, CA 95111

12 Automotive Repair Dealer Reg. No. ARD 206017,

13 SO GLAD, INC.,
14 dba MIDAS AUTO SERVICE CENTER
15 MAURICE I. GLAD, PRESIDENT
16 1236 White Oaks Avenue
17 Campbell, CA 95008

18 Automotive Repair Dealer Reg. No. ARD 206016,

19 and

20 SO GLAD, INC.,
21 dba MIDAS AUTO SERVICE CENTER
22 MAURICE I. GLAD, PRESIDENT
23 5287 Prospect Road
24 San Jose, CA 95129

25 Automotive Repair Dealer Reg. No. ARD 206013

26 Respondents.

27 Complainant alleges:

28 **PARTIES**

1. Sherry Mehl ("Complainant") brings this First Amended Accusation solely in her official capacity as the Chief of the Bureau of Automotive Repair ("Bureau"), Department of Consumer Affairs. This First Amended Accusation supercedes the Accusation filed by Complainant on February 5, 2008.

Automotive Repair Dealer Registration No. AA 209069

2. On or about January 26, 2000, the Director of Consumer Affairs ("Director") issued Automotive Repair Dealer Registration Number AA 209069 to BE Glad, Inc.

1 (“Respondent BE Glad, Inc.”), doing business as Midas Auto Service Experts, with Maurice
2 Irving Glad as president, for the location of 3833 McHenry Avenue, Modesto, California 95356.
3 On June 18, 2002, Respondent’s business name was changed to Midas Auto Service Center.
4 Respondent’s automotive repair dealer registration was in full force and effect at all times
5 relevant to the charges brought herein and will expire on January 31, 2009, unless renewed.

6 **Automotive Repair Dealer Reg. No. AA 209071**

7 3. On or about January 26, 2000, the Director issued Automotive Repair
8 Dealer Registration Number AA 209071 to Respondent BE Glad, Inc., doing business as Midas
9 Auto Service Experts, with Maurice Irving Glad as president, for the location of 1420 V Street
10 Merced, California 95340. On June 18, 2002, Respondent’s business name was changed to
11 Midas Auto Service Center. Respondent’s automotive repair dealer registration was in full force
12 and effect at all times relevant to the charges brought herein and will expire on January 31, 2009,
13 unless renewed.

14 **Automotive Repair Dealer Reg. No. AA 209068**

15 4. On or about January 26, 2000, the Director issued Automotive Repair
16 Dealer Registration Number AA 209068 to Respondent BE Glad, Inc., doing business as Midas
17 Auto Service Experts, with Maurice Irving Glad as president, for the location of 338 McHenry
18 Avenue, Modesto, California 95354. On June 18, 2002, Respondent’s business name was
19 changed to Midas Auto Service Center. Respondent’s automotive repair dealer registration was
20 in full force and effect at all times relevant to the charges brought herein and will expire on
21 January 31, 2009, unless renewed.

22 **Automotive Repair Dealer Reg. No. AA 209067**

23 5. On or about January 26, 2000, the Director issued Automotive Repair
24 Dealer Registration Number AA 209067 to Respondent BE Glad, Inc., doing business as Midas
25 Auto Service Experts, with Maurice Irving Glad as president, for the location of 2651 Geer Road
26 Turlock, California 95382. On June 18, 2002, Respondent’s business name was changed to
27 Midas Auto Service Center. Respondent’s automotive repair dealer registration was in full force

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1 and effect at all times relevant to the charges brought herein and will expire on January 31, 2009,
2 unless renewed.

3 **Automotive Repair Dealer Reg. No. AA 209070**

4 6. On or about January 26, 2000, the Director issued Automotive Repair
5 Dealer Registration Number AA 209070 to Respondent BE Glad, Inc., doing business as Midas
6 Auto Service Experts, with Maurice Irving Glad as president, for the location of 1412 W.
7 Yosemite Avenue, Manteca, California 95337. On June 18, 2002, Respondent's business name
8 was changed to Midas Auto Service Center. Respondent's automotive repair dealer registration
9 was in full force and effect at all times relevant to the charges brought herein and will expire on
10 January 31, 2009, unless renewed.

11 **Automotive Repair Dealer Reg. No. AH 168169**

12 7. On or about August 10, 1992, the Director issued Automotive Repair
13 Dealer Registration Number AH 168169 to M. I. Glad, Inc. ("Respondent M. I. Glad, Inc."),
14 doing business as Midas Muffler & Brake Shop, with Maurice I. Glad as president, for the
15 location of 704 Clovis Avenue, Clovis, California 93612-1804. On June 18, 2002, Respondent's
16 business name was changed to Midas Auto Service Center. Respondent's automotive repair
17 dealer registration was in full force and effect at all times relevant to the charges brought herein
18 and will expire on August 31, 2008, unless renewed.

19 **Automotive Repair Dealer Reg. No. AL 121388**

20 8. On or about November 22, 1985, the Director issued Automotive Repair
21 Dealer Registration Number AL 121388 to Respondent M. I. Glad, Inc., doing business as Midas
22 Muffler Shop, with Maurice Irving Glad as president, for the location of 3937 N. Blackstone
23 Fresno, California 93726-3804. On June 18, 2002, Respondent's business name was changed to
24 Midas Auto Service Center. Respondent's automotive repair dealer registration was in full force
25 and effect at all times relevant to the charges brought herein and will expire on November 30,
26 2008, unless renewed.

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Automotive Repair Dealer Reg. No. AM 151085

9. On or about December 26, 1989, the Director issued Automotive Repair Dealer Registration Number AM 151085 to Respondent M. I. Glad, Inc., doing business as Midas Muffler Shop, with Maurice I. Glad as president, for the location of 7340 N. Blackstone Fresno, California 93650-1212. On June 18, 2002, Respondent's business name was changed to Midas Auto Service Center. Respondent's automotive repair dealer registration was in full force and effect at all times relevant to the charges brought herein and will expire on December 31, 2008, unless renewed.

Automotive Repair Dealer Reg. No. AG 167728

10. On or about July 22, 1992, the Director issued Automotive Repair Dealer Registration Number AG 167728 to Respondent M. I. Glad, Inc., doing business as Midas Muffler & Brake Shop, with Maurice I. Glad as president, for the location of 4304 W. Shaw Fresno, California 93722-6218. On June 18, 2002, Respondent's business name was changed to Midas Auto Service Center. Respondent's automotive repair dealer registration was in full force and effect at all times relevant to the charges brought herein and will expire on July 31, 2008, unless renewed.

Automotive Repair Dealer Reg. No. AH 217794

11. On or about September 5, 2001, the Director issued Automotive Repair Dealer Registration Number AH 217794 to Respondent M. I. Glad, Inc., doing business as Midas Auto Service Experts, with Maurice I. Glad as president, for the location of 13745 E. 14th Street San Leandro, California 94578. On March 5, 2003, Respondent's business name was changed to Midas Auto Service Center. Respondent's automotive repair dealer registration was in full force and effect at all times relevant to the charges brought herein and will expire on August 31, 2008, unless renewed.

Automotive Repair Dealer Reg. No. AF 088614

12. On or about June 26, 1981, the Director issued Automotive Repair Dealer Registration Number AF 088614 to Respondent M. I. Glad, Inc., doing business as Midas Muffler, with M. I. Glad as president, for the location of 6955 Village Parkway, Dublin,

1 California 94568-2405. On November 30, 1989, Respondent's automotive repair dealer
2 registration was revoked; however, the revocation was stayed and Respondent's automotive
3 repair dealer registration was placed on probation for a period of three (3) years on terms and
4 conditions, as set forth in paragraph 208 below. On November 21, 2002, Respondent's business
5 name was changed to Midas Auto Service Center. Respondent's automotive repair dealer
6 registration was in full force and effect at all times relevant to the charges brought herein and will
7 expire on June 30, 2008, unless renewed.

8 **Automotive Repair Dealer Reg. No. AL 121386**

9 13. On or about November 14, 1985, the Director issued Automotive Repair
10 Dealer Registration Number AL 121386 to Respondent M. I. Glad, Inc., doing business as Midas
11 Muffler Shop, with Maurice Irving Glad as president, for the location of 3741 Washington
12 Boulevard, Fremont, California 94538. On March 5, 2003, the business name was changed to
13 Midas Auto Service Center. Respondent's automotive repair dealer registration was in full force
14 and effect at all times relevant to the charges brought herein and will expire on November 30,
15 2008, unless renewed.

16 **Automotive Repair Dealer Reg. No. AH 217792**

17 14. On or about August 28, 2001, the Director issued Automotive Repair
18 Dealer Registration Number AH 217792 to Respondent M. I. Glad, Inc., doing business as Midas
19 Auto Service Experts, with Maurice I. Glad as president, for the location of 1078 La Playa Drive
20 Hayward, California 94545. On March 5, 2003, the business name was changed to Midas Auto
21 Service Center. Respondent's automotive repair dealer registration was in full force and effect at
22 all times relevant to the charges brought herein and will expire on August 31, 2008, unless
23 renewed.

24 **Automotive Repair Dealer Reg. No. ARD 249897**

25 15. On or about April 18, 2007, the Director issued Automotive Repair Dealer
26 Registration Number ARD 249897 (formerly AC 249897) to Respondent M. I. Glad, Inc., doing

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1 business as Midas, with Jeanne G. Glad¹ as president, for the location of 2525 Monument
2 Boulevard, Concord, California 94520. On June 29, 2007, the business name was changed to
3 Midas Auto Service Center. Respondent's automotive repair dealer registration was in full force
4 and effect at all times relevant to the charges brought herein and will expire on March 31, 2009,
5 unless renewed.

6 **Automotive Repair Dealer Reg. No. ARD 056961**

7 16. On or about January 27, 1977, the Director issued Automotive Repair
8 Dealer Registration Number ARD 056961 (formerly AA 056961) to Respondent M. I. Glad, Inc.,
9 doing business as Midas Muffler Shops, with Maurice I. Glad as president, for the location of
10 4045 Thornton Avenue, Fremont, California 94536. On November 30, 1989, Respondent's
11 automotive repair dealer registration was revoked; however, the revocation was stayed and
12 Respondent's automotive repair dealer registration was placed on probation for a period of three
13 (3) years on terms and conditions, as set forth in paragraph 208 below. On January 2, 2003, the
14 business name was changed to Midas Auto Service Center. Respondent's automotive repair
15 dealer registration was in full force and effect at all times relevant to the charges brought herein
16 and will expire on January 31, 2009, unless renewed.

17 **Automotive Repair Dealer Reg. No. AE 210811**

18 17. On or about August 7, 2000, the Director issued Automotive Repair
19 Dealer Registration Number AE 210811 to Respondent M. I. Glad, Inc., doing business as Midas
20 Auto Service Experts, with Maurice Irving Glad as president, for the location of 2710 N. Main
21 Street, Walnut Creek, California 94596. On or before May 31, 2003, the business name was
22 changed to Midas Auto Service Center. Respondent's automotive repair dealer registration was
23 in full force and effect at all times relevant to the charges brought herein and will expire on May
24 31, 2008, unless renewed.

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26 1. Maurice I. Glad was identified as the "CEO/CFO" of M. I. Glad, Inc. on the corporation's application for
27 automotive repair dealer registration submitted to the Bureau; Jeanne G. Glad was identified as "president". The
28 Restated Articles of Incorporation of M. I. Glad, Inc. and Statement of Information on file with the California
Secretary of State reflect Maurice Glad as CEO or president of the corporation, with Jeanne Glad as CFO or
secretary.

1 **Automotive Repair Dealer Registration No. ARD 217793**

2 18. On or about August 28, 2001, the Director issued Automotive Repair
3 Dealer Registration Number ARD 217793 to Respondent M. I. Glad, Inc., doing business as
4 Midas Auto Service Experts, with Maurice I. Glad as president, for the location of 24659
5 Mission Boulevard, Hayward, California 94544. Respondent's automotive repair dealer
6 registration was in full force and effect at all times relevant to the charges brought herein and will
7 expire on August 31, 2008, unless renewed.

8 **Automotive Repair Dealer Registration No. AG 206018**

9 19. On or about November 16, 1999, the Director issued Automotive Repair
10 Dealer Registration Number AG 206018 to So Glad, Inc. ("Respondent So Glad, Inc."), doing
11 business as Midas Shop, with Maurice I. Glad as president, for the location of 2200 Stevens
12 Creek Boulevard, San Jose, California 95128. On July 1, 2002, Respondent's business name was
13 changed to Midas Auto Service Center. Respondent's automotive repair dealer registration was
14 in full force and effect at all times relevant to the charges brought herein and will expire on July
15 31, 2008, unless renewed.

16 **Automotive Repair Dealer Registration No. ARD 205920**

17 20. On or about November 16, 1999, the Director issued Automotive Repair
18 Dealer Registration Number ARD 205920 (formerly AG 205920) to Respondent So Glad, Inc.,
19 doing business as Midas Shop, with Maurice I. Glad as president, for the location of 93 S.
20 Capitol Avenue, San Jose, California 95127. On or before July 31, 2004, Respondent's business
21 name was changed to Midas Auto Service Center. Respondent's automotive repair dealer
22 registration was in full force and effect at all times relevant to the charges brought herein and will
23 expire on July 31, 2008, unless renewed.

24 **Automotive Repair Dealer Registration No. ARD 206017**

25 21. On or about November 16, 1999, the Director issued Automotive Repair
26 Dealer Registration Number ARD 206017 (formerly AG 206017) to Respondent So Glad, Inc.,
27 doing business as Midas Shop, with Maurice I. Glad as president, for the location of 4224
28 Monterey Highway, San Jose, California 95111. On July 1, 2002, Respondent's business name

1 was changed to Midas Auto Service Center. Respondent's automotive repair dealer registration
2 was in full force and effect at all times relevant to the charges brought herein and will expire on
3 July 31, 2008, unless renewed.

4 **Automotive Repair Dealer Registration No. ARD 206016**

5 22. On or about November 16, 1999, the Director issued Automotive Repair
6 Dealer Registration Number ARD 206016 (formerly AG 206016) to Respondent So Glad, Inc.,
7 doing business as Midas Shop, with Maurice I. Glad as president, for the location of 1236 White
8 Oaks Avenue, Campbell, California 95008. Between July 31, 2001, and July 31, 2003,
9 Respondent's business name was changed to Midas Auto Service Center. Respondent's
10 automotive repair dealer registration was in full force and effect at all times relevant to the
11 charges brought herein and will expire on July 31, 2008, unless renewed.

12 **Automotive Repair Dealer Registration No. ARD 206013**

13 23. On or about November 16, 1999, the Director issued Automotive Repair
14 Dealer Registration Number ARD 206013 (formerly AG 206013) to Respondent So Glad, Inc.,
15 doing business as Midas Shop, with Maurice I. Glad as president, for the location of 5287
16 Prospect Road, San Jose, California 95129. On or before July 31, 2003, Respondent's business
17 name was changed to Midas Auto Service Center. Respondent's automotive repair dealer
18 registration was in full force and effect at all times relevant to the charges brought herein and will
19 expire on July 31, 2008, unless renewed.

20 **JURISDICTION**

21 24. Business and Professions Code ("Code") section 9884.7 provides that the
22 Director may invalidate an automotive repair dealer registration.

23 25. Code section 9884.13 states, in pertinent part, that the expiration of a valid
24 registration shall not deprive the Director of jurisdiction to proceed with a disciplinary
25 proceeding against an automotive repair dealer or to render a decision invalidating a registration
26 temporarily or permanently.

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29. Code section 9884.8 states, in pertinent part:

All work done by an automotive repair dealer, including all warranty work, shall be recorded on an invoice and shall describe all service work done and parts supplied. Service work and parts shall be listed separately on the invoice, which shall also state separately the subtotal prices for service work and for parts, not including sales tax, and shall state separately the sales tax, if any, applicable to each . . .

30. Code section 9884.9, subdivision (a), states, in pertinent part:

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 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 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 . . .

31. Code section 22, subdivision (a), states:

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

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

Regulatory Provisions

33. California Code of Regulations, title 16, section ("Regulation") 3303, subdivision (k), states:

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

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34. Regulation 3356, subdivision (a), states:

The invoice shall show the dealer's registration number and the corresponding business name and address. If the dealer's telephone number is shown, it shall comply with the requirements of Subsection 3371(b) of this chapter. In addition, the invoice shall describe all service work done, including all warranty work, and shall separately identify each part in such a manner that the customer can understand what was purchased, also stating whether the part was new, used, reconditioned, rebuilt, or an OEM crash part, or a non-OEM aftermarket crash part. The dealer shall give the customer a legible copy of the invoice and shall retain a legible copy as part of the dealer's records.

35. Regulation 3366 states:

(a) Except as provided in subsection (b) of this section, any automotive repair dealer that advertises or performs, directly or through a sublet contractor, automotive air conditioning work and uses the words service, inspection, diagnosis, top off, performance check or any expression or term of like meaning in any form of advertising or on a written estimate or invoice shall include and perform all of the following procedures as part of that air conditioning work:

(1) Exposed hoses, tubing and connections are examined for damage or leaks;

(2) The compressor and clutch, when accessible, are examined for damage, missing bolts, missing hardware, broken housing and leaks;

(3) The compressor is rotated to determine if it is seized or locked up;

(4) Service ports are examined for missing caps, damaged threads and conformance with labeling;

(5) The condenser coil is examined for damage, restrictions or leaks;

(6) The expansion device, if accessible, is examined for physical damage or leaks;

(7) The accumulator receiver dryer and in-line filter have been checked for damage, missing or loose hardware or leaks;

(8) The drive belt system has been checked for damaged or missing pulleys or tensioners and for proper belt routing, tension, alignment, excessive wear or cracking;

(9) The fan clutch has been examined for leakage, bearing wear and proper operation;

(10) The cooling fan has been checked for bent or missing blades;

(11) Accessible electrical connections have been examined for loose, burnt, broken or corroded parts;

(12) The refrigerant in use has been identified and checked for contamination;

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(13) The system has been checked for leakage at a minimum of 50-PSI system pressure;

(14) The compressor clutch, blower motor and air control doors have been checked for proper operation;

(15) High and low side system operating pressures, as applicable, have been measured and recorded on the final invoice; and,

(16) The center air distribution outlet temperature has been measured and recorded on the final invoice.

(b) Whenever the automotive air conditioning work being advertised or performed does not involve opening the refrigerant portion of the air conditioning system, refrigerant evacuation, or full or partial refrigerant recharge, the procedures specified in subsection (a) need be performed only to the extent required by accepted trade standards.

36. Regulation 3372 states:

In determining whether any advertisement, statement, or representation is 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 representation shall be considered to be false or misleading if it tends to deceive the public or impose upon credulous or ignorant persons.

37. Regulation 3372.1 states, in pertinent part:

An automotive repair dealer shall not advertise automotive service at a price which is misleading. Price advertising is misleading in circumstances which include but are not limited to the following:

(a) The automotive repair dealer does not intend to sell the advertised service at the advertised price but intends to entice the consumer into a more costly transaction . . .

38. Regulation 3373 states:

No automotive repair dealer or individual in charge shall, in filling out an estimate, invoice, or work order, or record required to be maintained by section 3340.15(f) of this chapter, withhold therefrom or insert therein any statement or information which will cause any such document to be false or misleading, or where the tendency or effect thereby would be to mislead or deceive customers, prospective customers, or the public.

39. Regulation 3375 states, in pertinent part, that for the purposes of this Act (the Automotive Repair Act) and of these regulations the term "guarantee" and "warranty" have like meanings.

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40. Regulation 3376 states, in pertinent part:

All guarantees shall be in writing and a legible copy thereof shall be delivered to the customer with the invoice itemizing the parts, components, and labor represented to be covered by such guarantee. A guarantee shall be deemed false and misleading unless it conspicuously and clearly discloses in writing the following:

(a) The nature and extent of the guarantee including a description of all parts, characteristics or properties covered by or excluded from the guarantee, the duration of the guarantee and what must be done by a claimant before the guarantor will fulfill his obligation (such as returning the product and paying service or labor charges).

(b) The manner in which the guarantor will perform. The guarantor shall state all conditions and limitations and exactly what the guarantor will do under the guarantee, such as repair, replacement or refund. If the guarantor or recipient of the guarantee has an option as to what may satisfy the guarantee, this must be clearly stated . . .

COST RECOVERY

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

RESPONDENT BE GLAD, INC.

RESPONDENT'S 3833 MCHENRY AVENUE, MODESTO FACILITY

CONSUMER COMPLAINT (HASLEY): 2002 MITSUBISHI GALANT

42. On February 14, 2005, consumer Loretta Hasley ("Hasley") took her 2002 Mitsubishi Galant to Respondent Be Glad, Inc.'s facility located at 3833 McHenry Avenue, Modesto, California, to have the front brakes checked for a loud rattling noise. Hasley received a repair order for a "Midas 45 Point Brake Inspection" for \$21.95. Following the inspection, an employee at the facility called Hasley and told her that the vehicle needed brake repairs, including the replacement of the front brake pads, the two wheel cylinders, and one cracked rear drum, and the machining of the front brake rotors and the second drum. The facility gave Hasley an estimate of \$850.78 for the repairs, then reduced the estimate price to \$770.25, and then to \$550, when Hasley questioned the need for the work. Hasley authorized the facility to replace the cracked rear drum, but declined the rest of the repairs. After the repairs were completed,

1 Hasley paid the facility \$164.27 and received a copy of Invoice # 0070297. Hasley was also
2 given the cracked brake drum.

3 43. On February 15, 2005, Hasley took the vehicle to Sears Automotive
4 Center ("Sears") located in Modesto, California, and had the brakes inspected because the noise
5 was still present in the vehicle. Following the inspection, the Sears mechanic told Hasley that the
6 brakes *did not need any repairs*. The mechanic also stated that he could not find the reason for
7 the brake noise.

8 44. On February 16, 2005, Hasley took the vehicle to Metric Motors Modesto.
9 The mechanic found that one of the two brake caliper mounting bolts on the left front wheel was
10 missing and the second bolt was loose, but did not find any other problems with the brakes.
11 Hasley paid the mechanic \$50 to replace the missing caliper bolt and to tighten the other bolt.

12 45. On or about March 2, 2005, Hasley filed a complaint with the Bureau,
13 stating that Midas had attempted to "cheat [her] out of \$770 in unnecessary repairs".

14 46. On March 8, 2005, Bureau Representative Leonard Sweger ("Sweger")
15 inspected the front and rear brakes on the vehicle. Sweger found that the only repair needed on
16 the brake system was the replacement of the two rear wheel cylinders, which were leaking, and
17 the installation of the missing front brake caliper bolt. Sweger also found that the rear brake
18 drum returned to Hasley had been damaged by a hammer (the drum had been broken on the side
19 after being struck with a hammer while attempting to remove it from the vehicle).

20 **FIRST CAUSE FOR DISCIPLINE**

21 **(Untrue or Misleading Statements)**

22 47. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
23 Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized statements which
24 it knew or in the exercise of reasonable care should have known to be untrue or misleading, as
25 follows:

26 a. Respondent's employees represented to Hasley that the brake pads on her
27 2002 Mitsubishi Galant needed replacement. In fact, the front brake pads were in good condition
28 and not in need of replacement.

1 the rear drum and falsely represented on Invoice # 0070297 that the drum was “cracked prior to
2 service”.

3 **THIRD CAUSE FOR DISCIPLINE**

4 **(Failure to Document Authorization for Additional Repairs)**

5 49. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
6 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
7 Code section 9884.9, subdivision (a), as follows: Respondent’s employees failed to record on
8 Invoice # 0070297 Hasley’s authorization for the additional repair on her 2002 Mitsubishi
9 Galant, i.e., the replacement of the brake drum.

10 **CONSUMER COMPLAINT (GOODE): 1990 FORD AEROSTAR**

11 50. On July 14, 2005, consumer Carole Goode (“Goode”) took her 1990 Ford
12 Aerostar to Respondent Be Glad, Inc.’s facility located at 3833 McHenry Avenue, Modesto,
13 California, to have the air conditioning (“A/C”) system checked. Goode signed Work Order #
14 73349 for an “A/C inspection . . . total air conditioning” for \$45.95. Approximately one hour
15 later, Respondent’s shop manager, Avinal Pal, told Goode that there would be an additional
16 charge of \$169.84 to further check the A/C lines in the rear of the vehicle for leaks. Goode
17 declined the additional service, paid the facility \$45.95, and received a copy of Invoice # 72382.

18 **FOURTH CAUSE FOR DISCIPLINE**

19 **(Departure from Trade Standards)**

20 51. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
21 Code section 9884.7, subdivision (a)(7), in that Respondent willfully departed from or
22 disregarded accepted trade standards for good and workmanlike repair without the consent of the
23 owner or the owner’s duly authorized representative in the following material respects:

24 a. Respondent’s employees failed to inspect the entire A/C system on
25 Goode’s 1990 Ford Aerostar, including the rear A/C components, as required by Regulation
26 3366.

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1 In fact, the brake fluid flush was not needed as the brake hydraulic system had been completely
2 bled and flushed with new DOT 3 brake fluid prior to the time the vehicle was taken to
3 Respondent's facility.

4 d. Respondent's employee, Steve, represented to Thygesen that the cooling
5 system on the Bureau's 1999 Toyota Sienna needed to be flushed because the coolant was
6 contaminated. In fact, the engine coolant was not in need of changing in that it was in "as-new"
7 condition at the time the vehicle was taken to Respondent's facility.

8 e. Respondent's employee, Steve, represented to Thygesen that the top and
9 bottom radiator hoses on the Bureau's 1999 Toyota Sienna were soft and had the potential to
10 "blow up". In fact, the upper and lower radiator hoses were in good condition, with no cracking,
11 sponginess, swelling, or other visible deterioration of any kind, and were not in need of
12 replacement.

13 f. Respondent's employees represented on Invoice # 72980 that a brake fluid
14 exchange (flush) was performed on the Bureau's 1999 Toyota Sienna. In fact, a brake fluid flush
15 had not been performed on the vehicle as invoiced.

16 g. Respondent's employees falsely represented on Invoice # 72980 that the
17 Bureau's 1999 Toyota Sienna needed new cooling system fluid and new upper and lower radiator
18 hoses.

19 h. Respondent's employees represented on Invoice # 72980 that "all other
20 parts and/or labor carry a 3 month or 3,000 mile warranty", but failed to disclose the nature and
21 extent of the warranty, a description of all parts, characteristics, or properties covered by or
22 excluded from the warranty and what must be done by a claimant before the warrantor will fulfill
23 his or her obligation, the manner in which Respondent would perform under the warranty, and/or
24 all conditions and limitations on the warranty, as required by Regulation 3376.

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1 **SIXTH CAUSE FOR DISCIPLINE**

2 **(Fraud)**

3 58. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
4 Code section 9884.7, subdivision (a)(4), in that Respondent committed acts constituting fraud, as
5 follows:

6 a. Respondent's employee, Steve, made false or misleading representations
7 to Thygesen regarding the Bureau's 1999 Toyota Sienna, as set forth in subparagraphs 57 (a)
8 through (e) above, in order to induce Thygesen to purchase unnecessary brake repairs and
9 services on the vehicle, then sold Thygesen approximately \$213.68 in unnecessary repairs and
10 services, including the resurfacing of the front brake rotors, the cleaning and adjustment of the
11 rear brakes, and a brake fluid exchange/flush.

12 b. Respondent's employees charged and obtained payment from Thygesen
13 for performing a brake fluid exchange/flush on the Bureau's 1999 Toyota Sienna, when, in fact,
14 that service had not been performed on the vehicle.

15 **SEVENTH CAUSE FOR DISCIPLINE**

16 **(Departure from Trade Standards)**

17 59. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
18 Code section 9884.7, subdivision (a)(7), in that Respondent willfully departed from or
19 disregarded accepted trade standards for good and workmanlike repair without the consent of the
20 owner or the owner's duly authorized representative in the following material respects:

21 a. Respondent's employees failed to reinstall the brake pad anti-squeal shims
22 in the Bureau's 1999 Toyota Sienna when replacing the front brake pads.

23 b. Respondent's employees pushed the brake caliper pistons back into the
24 brake caliper housings on the vehicle to provide clearance for the new brake pads, but failed to
25 remove enough brake fluid from the master cylinder reservoir to force the brake fluid from the

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1 caliper housings back up into the master cylinder. As a result, the brake fluid had overflowed
2 from the master cylinder reservoir and remained under the hood and on the vehicle's frame.³

3 **EIGHTH CAUSE FOR DISCIPLINE**

4 **(Violations of the Code)**

5 60. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
6 Code section 9884.7, subdivision (a)(6), Respondent failed to materially comply with Code
7 section 9884.8, as follows: Respondent's employees failed to record on Invoice # 72980 all
8 service work performed on the Bureau's 1999 Toyota Sienna in that they charged \$28 for a
9 cleaning and adjustment, but failed to indicate the part that was serviced (the rear brakes).

10 **NINTH CAUSE FOR DISCIPLINE**

11 **(Violations of Regulations)**

12 61. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
13 Code section 9884.7, subdivision (a)(6), Respondent failed to materially comply with Regulation
14 3376, as follows: Respondent's employee, Steve, failed to provide Thygesen with the warranty
15 certificate for the "Midas Plus Pads (brake pads)" as specified on Invoice # 72980.

16 **UNDERCOVER OPERATION #2: 1996 TOYOTA CAMRY**

17 62. On October 12, 2005, an undercover operator with the Bureau, using the
18 fictitious name "Rae Tucker" (hereinafter "operator"), took the Bureau's 1996 Toyota Camry to
19 Respondent Be Glad, Inc.'s facility located at 3833 McHenry Avenue, Modesto, California. The
20 operator met with Respondent's manager, Avinal Pal ("Pal"), gave him a "Midas" coupon for a
21 free brake inspection, and requested a brake inspection on the vehicle. Pal prepared a work
22 order, had the operator sign it, but did not give her a copy.

23 63. At approximately 1140 hours that same day, the operator called the facility
24 and spoke with Pal. Pal told the operator that the back struts "were completely blown" and were
25 "leaking a lot of oil" and that the front struts were beginning to leak, but were not a safety issue
26 yet. Pal also stated that the two rear brake rotors needed to be replaced, that the vehicle needed

27 _____
28 3. This condition could cause brake fluid to get onto the brake pads, resulting in a loss of braking, and could damage the vehicle's under hood parts and/or body paint.

1 ELEVENTH CAUSE FOR DISCIPLINE

2 (Failure to Provide Copy of Work Order signed by Customer)

3 67. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
4 Code section 9884.7, subdivision (a)(3), in that Respondent's manager, Pal, failed to give the
5 operator a copy of the work order as soon as the operator signed the document.

6 TWELFTH CAUSE FOR DISCIPLINE

7 (Fraud)

8 68. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
9 Code section 9884.7, subdivision (a)(4), in that Respondent committed acts constituting fraud, as
10 follows: Respondent's manager, Pal, made false or misleading representations to the operator
11 regarding the Bureau's 1996 Toyota Camry, as set forth in paragraph 66 above, in order to induce
12 the operator to purchase unnecessary repairs on the vehicle, then sold the operator approximately
13 \$1,747.07 of unnecessary repairs, including the replacement of the front and rear struts, front and
14 rear brake pads, and rear brake rotors, and the machining or resurfacing of the front brake rotors.

15 THIRTEENTH CAUSE FOR DISCIPLINE

16 (Violations of the Code)

17 69. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
18 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
19 provisions of the Code, as follows:

20 a. Section 9884.8: Respondent's employees recorded on Invoice # 73236
21 that the front brake rotors on the Bureau's 1996 Toyota Camry were "procut" when, in fact, the
22 rotors had been machined or resurfaced.

23 b. Section 9884.9, subdivision (a): Respondent's manager, Pal, failed to
24 provide the operator with a written estimate for parts and labor necessary for a specific job.
25 Further, Respondent's employees changed the engine oil and filter and rotated the tires on the
26 Bureau's 1996 Toyota Camry without the operator's authorization.

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1 **RESPONDENT'S 1420 V STREET, MERCED FACILITY**

2 **UNDERCOVER OPERATION #1: 1999 DODGE CARAVAN**

3 70. On May 15, 2006, an undercover operator with the Bureau, using the
4 fictitious name "Dave Garcia" (hereinafter "operator"), took the Bureau's 1999 Dodge Caravan
5 to Respondent Be Glad, Inc.'s facility located at 1420 V Street, Merced, California. The front
6 brake pads on the Bureau-documented vehicle needed replacement. The operator had a copy of
7 Midas International Corporation's Internet web page advertisement offering "Lifetime
8 Guaranteed Brake Pads or Shoes" at a price of \$99.95 installed per axle. The operator observed
9 the same advertising on Respondent's banners at the facility. The operator met with
10 Respondent's manager, Lorrin Housh ("Housh"), and requested a brake inspection on the
11 vehicle. Housh gave the operator Repair Order # 0018054 for a "Midas 45 Point Brake
12 Inspection" for \$21.95, which included measuring and recording the brake rotors, brake pads,
13 and brake shoe thicknesses, and brake drums diameter. Housh failed to obtain the operator's
14 signature on the repair order. The operator showed Housh the internet advertisement and asked
15 him if he could get the advertised price applied to any repairs. Housh assured the operator that
16 the \$99.95 price would apply.

17 71. At approximately 0951 hours that same day, Housh called the operator and
18 told him that the front brake pads were "down to the rivets" and needed replacement. Housh also
19 stated that the front brake rotors were at .881 (referring to the brake rotor thickness measured in
20 thousands of an inch) and needed resurfacing, and that the rear brakes were good and just needed
21 to be cleaned and adjusted. Housh suggested replacing the front brake hardware as well and gave
22 the operator an estimate price of \$307.61 for the repairs. The operator authorized the repairs.

23 72. At approximately 1240 hours, the operator returned to the facility to
24 retrieve the vehicle, paid Housh \$307.61 in cash, and received a copy of Invoice # 0018054. The
25 invoice did not state what the measurements were of the brake rotors, brake pads, and brake shoe
26 thicknesses, or brake drums diameter.

27 73. On June 5, 2006, Bureau Representative William Espinosa ("Espinosa")
28 inspected the vehicle and compared the repair work performed by Respondent's facility with

1 Invoice # 0018054. Espinosa found that the facility performed unnecessary repairs on the
2 vehicle, as set forth below.

3 **FOURTEENTH CAUSE FOR DISCIPLINE**

4 **(Untrue or Misleading Statements)**

5 74. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
6 Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized statements which
7 it knew or in the exercise of reasonable care should have known to be untrue or misleading, as
8 follows:

9 a. Respondent's manager, Housh, represented to the operator that the front
10 brake rotors on the Bureau's 1999 Dodge Caravan were at .881 and needed resurfacing. In fact,
11 the only repair needed on the vehicle was the replacement of the front brake pads. Further, the
12 front brake rotors were new and in good condition, were within factory specifications, and were
13 not in need of resurfacing at the time the vehicle was taken to Respondent's facility.

14 b. Respondent's manager, Housh, represented to the operator that the rear
15 brakes on the Bureau's 1999 Dodge Caravan needed to be cleaned and adjusted. In fact, the rear
16 brakes, including the parking brake, were properly adjusted at the time the vehicle was taken to
17 Respondent's facility and were not in need of adjustment.

18 c. Respondent's manager, Housh, represented to the operator that
19 the front brake hardware on the Bureau's 1999 Dodge Caravan should be replaced. In fact, the
20 front brake hardware was in good working condition at the time the vehicle was taken to
21 Respondent's facility and was not in need of replacement.

22 **FIFTEENTH CAUSE FOR DISCIPLINE**

23 **(Fraud)**

24 75. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
25 Code section 9884.7, subdivision (a)(4), in that Respondent committed acts constituting fraud, as
26 follows: Respondent's manager, Housh, made false or misleading representations to the operator
27 regarding the Bureau's 1999 Dodge Caravan, as set forth in paragraph 74 above, in order to
28 induce the operator to purchase unneeded brake repairs on the vehicle, then sold the operator

1 approximately \$204.76 in unnecessary repairs, including the replacement of the front brake
2 hardware, the resurfacing of the front brake rotors, and the cleaning and adjusting of the rear
3 brakes.

4 **SIXTEENTH CAUSE FOR DISCIPLINE**

5 **(Departure from Trade Standards)**

6 76. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
7 Code section 9884.7, subdivision (a)(7), in that Respondent willfully departed from or
8 disregarded accepted trade standards for good and workmanlike repair without the consent of the
9 owner or the owner's duly authorized representative in a material respect, as follows:
10 Respondent's employees failed to follow the 1999 Dodge Caravan Factory Service Manual⁴ by
11 resurfacing the front brake rotors on the Bureau's 1999 Dodge Caravan during a routine brake
12 service for worn pads. Further, the front brake rotors were new and in good condition and
13 measured within manufacturer's specifications for thickness, parallelism, and total lateral run-out
14 at the time the vehicle was taken to Respondent's facility.

15 **SEVENTEENTH CAUSE FOR DISCIPLINE**

16 **(Violations of Regulations)**

17 77. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
18 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
19 provisions of California Code of Regulations, title 16, as follows:

20 a. **Regulation 3303, subdivision (k)**: Respondent's manager, Housh, failed
21 to obtain the operator's signature on Repair Order # 0018054 before the repairs were commenced
22 on the Bureau's 1999 Dodge Caravan.

23 b. **Regulation 3372.1, subdivision (a)**: Respondent advertised an
24 automotive service at a price which was misleading, as follows: Respondent's manager, Housh,
25 represented to the operator that the front brakes on the Bureau's 1999 Dodge Caravan needed
26

27 4. The 1999 Dodge Caravan Factory Service Manual states that "Refacing the rotor is not required each
28 time the brake pads are replaced, only when the need is foreseen . . . If the rotor surface is deeply scored or
warped, or there is a complaint of brake roughness or brake pedal pulsation, the rotor should be refaced . . ."

1 replacement, sold the operator new front brake pads at the advertised price of \$99.95, but falsely
2 represented to the operator that the vehicle needed additional brake repairs, including the
3 resurfacing of the front brake rotors and the cleaning and adjustment of the rear brakes, in order
4 to entice the operator into a more costly transaction.

5 **RESPONDENT'S 338 McHENRY AVENUE, MODESTO FACILITY**

6 **UNDERCOVER OPERATION #1: 1992 PONTIAC GRAND AM**

7 78. On February 22, 2006, an undercover operator with the Bureau, using the
8 fictitious name "Michelle Walker" (hereinafter "operator"), took the Bureau's 1992 Pontiac
9 Grand Am to Respondent Be Glad, Inc.'s facility located at 338 McHenry Avenue, Modesto,
10 California, and requested a brake inspection on the vehicle. Respondent's manager, Dylan
11 Bradley ("Bradley"), had the operator sign a work order, but did not give her a copy of the
12 document or a written estimate for the brake inspection. After the inspection was completed,
13 Bradley told the operator that the brakes had 85% lining remaining in the rear and 90% lining
14 remaining in the front, and that the vehicle did not need any brake work performed. Later that
15 same day, the operator retrieved the vehicle from the facility and received an invoice (the facility
16 did not charge the operator for the inspection).

17 **EIGHTEENTH CAUSE FOR DISCIPLINE**

18 **(Failure to Provide Copy of Work Order signed by Customer)**

19 79. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
20 Code section 9884.7, subdivision (a)(3), in that Respondent's manager, Bradley, failed to give
21 the operator a copy of the work order as soon as the operator signed the document.

22 **NINETEENTH CAUSE FOR DISCIPLINE**

23 **(Failure to Provide a Written Estimate)**

24 80. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
25 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
26 Code section 9884.9, subdivision (a), as follows: Respondent's manager, Bradley, failed to give
27 the operator a written estimate for parts and/or labor necessary for a specific job.

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1 **TWENTIETH CAUSE FOR DISCIPLINE**

2 **(Untrue or Misleading Statements)**

3 85. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
4 Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized statements which
5 it knew or in the exercise of reasonable care should have known to be untrue or misleading, as
6 follows: Respondent's manager, Bradley, represented to the operator that the front brakes on the
7 Bureau's 1995 Oldsmobile 88 Royale were "gone and almost metal to metal", that the rear brake
8 linings had 80% lining thickness remaining, and that they would resurface the front rotors,
9 replace the brake pads, and clean and adjust the rear brakes. In fact, the only repair needed on the
10 vehicle was the replacement of the front brake pads. Further, the front brake rotors were new,
11 did not have any scoring, grooves, or hot spots, were within factory specifications, and were not
12 in need of resurfacing or machining at the time the vehicle was taken to Respondent's facility. In
13 addition, the rear brake shoes were self-adjusting, were within factory specifications, and were
14 not in need of adjustment.

15 **TWENTY-FIRST CAUSE FOR DISCIPLINE**

16 **(Failure to Provide Copy of Work Order signed by Customer)**

17 86. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
18 Code section 9884.7, subdivision (a)(3), in that Respondent's manager, Bradley, failed to give
19 the operator a copy of the work order as soon as the operator signed the document.

20 **TWENTY-SECOND CAUSE FOR DISCIPLINE**

21 **(Fraud)**

22 87. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
23 Code section 9884.7, subdivision (a)(4), in that Respondent committed acts constituting fraud, as
24 follows: Respondent's manager, Bradley, made false or misleading representations to the
25 operator regarding the Bureau's 1995 Oldsmobile 88 Royale, as set forth in paragraph 85 above,
26 in order to induce the operator to purchase unnecessary repairs on the vehicle, then sold the
27 operator approximately \$158 in unnecessary repairs, including the resurfacing of the front brake
28 rotors and the cleaning and adjustment of the rear brakes.

1 **TWENTY-THIRD CAUSE FOR DISCIPLINE**

2 **(Departure from Trade Standards)**

3 88. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
4 Code section 9884.7, subdivision (a)(7), in that Respondent willfully departed from or
5 disregarded accepted trade standards for good and workmanlike repair without the consent of the
6 owner or the owner's duly authorized representative in the following material respects:

7 a. Respondent's employees failed to follow the General Motors 1995
8 Oldsmobile Service Manual⁵ by resurfacing the front brake rotors on the Bureau's 1995
9 Oldsmobile 88 Royale during a routine service for worn brake pads. Further, the front brake
10 rotors were free of defects (scoring, grooves, and hot spots) and met the manufacturer's
11 specifications for thickness, parallelism, and total lateral run-out at the time the vehicle was taken
12 to Respondent's facility. Further, the brakes did not pulsate when applied.

13 b. Respondent's employees removed an excessive amount of surface material
14 on both rotors, degrading the effective heat dissipation of the rotors and shortening their life
15 expectancy.

16 c. Respondent's employees failed to properly install the front brake outboard
17 pads on the vehicle in that the outboard pads were installed with the wear sensors at the leading
18 edge of the pad during forward wheel rotation (the wear sensors were supposed to be at the
19 trailing edge of the pad).

20 **TWENTY-FOURTH CAUSE FOR DISCIPLINE**

21 **(Misleading Price Advertising)**

22 89. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
23 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
24 Regulation 3372.1, subdivision (a), by advertising an automotive service at a price which was
25 misleading, as follows: Respondent's manager, Bradley, represented to the operator that the
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27 5. The General Motors service manual states: "Do not refinish brake rotors when doing routine
28 maintenance, such as replacing worn disc brake pads. Refinish a brake rotor only under the following
circumstances: 1. There is a complaint of brake pulsation. 2. There is scoring greater than 1.5 mm (0.060 inch).

1 front brake pads on the Bureau's 1995 Oldsmobile 88 Royale needed replacement, sold the
2 operator new front brake pads at the advertised price of \$99.95, but falsely represented to the
3 operator that the vehicle needed additional brake repairs, including the resurfacing of the front
4 brake rotors and the cleaning and adjustment of the rear brakes, in order to entice the operator
5 into a more costly transaction.

6 **RESPONDENT'S 2651 GEER ROAD, TURLOCK FACILITY**

7 **UNDERCOVER OPERATION #1: 1998 CHRYSLER SEBRING**

8 90. On May 23, 2006, an undercover operator with the Bureau, using the
9 fictitious name "Lisa Anderson" (hereinafter "operator"), took the Bureau's 1998 Chrysler
10 Sebring to Respondent Be Glad, Inc.'s facility located at 2651 Geer Road in Turlock, California.
11 The rear brake shoe linings on the Bureau-documented vehicle needed replacement. The
12 operator met with Respondent's employee, "Chris", and requested a brake inspection on the
13 vehicle. The operator told Chris that she saw the facility's banner for the brake special
14 (Respondent was offering "Lifetime Guaranteed Brake Pads or Shoes" for \$99.95) and asked
15 Chris if she could get the advertised price if the vehicle needed repairs. Chris assured the
16 operator that she would get the advertised price if the vehicle needed brake pads. Chris gave the
17 operator a repair order for a "Midas 45 Point Brake Inspection for \$21.95, which included
18 measuring and recording the brake rotors, brake pads, and brake shoe thicknesses, and brake
19 drums diameter.

20 91. At approximately 1310 hours that same day, Chris called the operator and
21 told her that the front brake pads were coming apart and were overheating, that the rear brake
22 shoes were clearly worn out, and that he wanted to re-surface all around. Chris also told the
23 operator that she could get the brake repair with the stock OEM (original equipment
24 manufacturer) front brake pads at a cost of \$410, or ceramic front brake pads for \$460.22. The
25 operator selected the ceramic brake pads. After the repairs were completed, the operator paid
26 Chris \$460.22 in cash and received a copy of Invoice # 0051942. The invoice did not state what
27 the measurements were of the brake rotors, brake pads, and brake shoe thicknesses, and brake
28 drums diameter.

1 92. On May 24, 2006, Bureau Representative DeVelbiss inspected the vehicle
2 and compared the repair work performed by Respondent's facility with Invoice # 0051942.
3 DeVelbiss determined that the facility failed to repair the vehicle as invoiced and performed
4 unnecessary repairs on the vehicle, as set forth below.

5 **TWENTY-FIFTH CAUSE FOR DISCIPLINE**

6 **(Untrue or Misleading Statements)**

7 93. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
8 Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized statements which
9 it knew or in the exercise of reasonable care should have known to be untrue or misleading, as
10 follows:

11 a. Respondent's employee, Chris, represented to the operator that the front
12 brake pads on the Bureau's 1998 Chrysler Sebring were coming apart and were overheating, that
13 the rear brake shoes were clearly worn out, and that he wanted to re-surface all around. In fact,
14 the only repair needed on the vehicle was the replacement of the rear brake shoe linings. Further,
15 the front brake pads were new and in good condition and were not in need of replacement. In
16 addition, the front brake rotors and rear brake drums were in good serviceable condition, were
17 within factory specifications, and were not in need of resurfacing at the time the vehicle was
18 taken to Respondent's facility.

19 b. Respondent's employees represented on Invoice # 0051942 that a "Midas
20 Courtesy Check" was performed on the Bureau's 1998 Chrysler Sebring, including a visual
21 inspection of the fluid levels. In fact, the power steering and transmission fluid levels were not
22 checked on the vehicle.

23 c. Respondent's employees represented on Invoice # 0051942 that the rear
24 brake drums on the Bureau's 1998 Chrysler Sebring were resurfaced, when, in fact, the rear brake
25 drums were not resurfaced on the vehicle.

26 d. Respondent's employees represented on Invoice # 0051942 that the
27 odometer reading on the Bureau's 1998 Chrysler Sebring was 70,123 miles when, in fact, the
28 odometer reading was 72,154 miles.

1 **TWENTY-SIXTH CAUSE FOR DISCIPLINE**

2 **(Fraud)**

3 94. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
4 Code section 9884.7, subdivision (a)(4), in that Respondent committed acts constituting fraud, as
5 follows:

6 a. Respondent's employee, Chris, made false or misleading representations
7 to the operator regarding the Bureau's 1998 Chrysler Sebring, as set forth in subparagraph 93 (a)
8 above, in order to induce the operator to purchase unnecessary brake repairs on the vehicle, then
9 sold the operator approximately \$357.32 in unnecessary repairs, including the replacement of the
10 front brake pads and the resurfacing of the front brake rotors and rear brake drums.

11 b. Respondent's employees charged and obtained payment from the operator
12 for resurfacing the rear brake drums on the Bureau's 1998 Chrysler Sebring when, in fact, the
13 rear brake drums were not resurfaced on the vehicle as invoiced.

14 **TWENTY-SEVENTH CAUSE FOR DISCIPLINE**

15 **(Violations of the Code)**

16 95. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
17 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
18 Code section 9884.9, subdivision (a), as follows: Respondent's employees failed to document on
19 Invoice # 0051942 the operator's authorization for the brake repairs on the Bureau's 1998
20 Chrysler Sebring.

21 **TWENTY-EIGHTH CAUSE FOR DISCIPLINE**

22 **(Violations of Regulations)**

23 96. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
24 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
25 provisions of California Code of Regulations, title 16, as follows:

26 a. **Regulation 3356, subdivision (a):** Respondent's employees failed to
27 show on Invoice # 0051942 Respondent's current business name as registered with the Bureau;
28 the business name was shown as Midas Auto Service Experts, not Midas Auto Service Center.

1 b. Regulation 3372.1, subdivision (a): Respondent advertised an
2 automotive service at a price which was misleading, as follows: Respondent's employee, Chris,
3 represented to the operator that the rear brake shoe linings on the Bureau's 1998 Chrysler Sebring
4 needed replacement, sold the operator new rear brake shoe linings at the advertised price of
5 \$99.95, but falsely represented to the operator that the Bureau's 1998 Chrysler Sebring needed
6 additional brake repairs, including the replacement of the front brake pads and the resurfacing of
7 the front brake rotors and rear brake drums, in order to entice the operator into a more costly
8 transaction.

9 **RESPONDENT'S 1412 W. YOSEMITE AVENUE, MANTECA FACILITY**

10 **UNDERCOVER OPERATION #1: 1999 CHEVROLET MALIBU**

11 97. On October 12, 2006, an undercover operator with the Bureau, using the
12 fictitious name "Linda Liang" (hereinafter "operator"), took the Bureau's 1999 Chevrolet Malibu
13 to Respondent Be Glad, Inc.'s facility located at 1412 W. Yosemite Avenue in Manteca,
14 California. The front brake pads on the Bureau-documented vehicle needed replacement and the
15 engine oil needed to be changed. The operator told Respondent's employee, "Dylan", that she
16 wanted a brake inspection on the vehicle and an oil change. The operator showed Dylan
17 Respondent's advertisement from the Manteca Sun Post offering a free brake inspection, an oil
18 change for \$9.95, and "Lifetime Guaranteed Brake Pads or Shoes" for \$79.95. Dylan stated that
19 the advertisement for the oil change had expired, so the charge for the service would be \$24.95,
20 and that if the vehicle needed any additional work, he would charge the operator only \$9.95 for
21 the oil change. The operator signed a repair order authorizing the inspection and oil change, but
22 was not given a copy of the document.

23 98. At approximately 1210 hours that same day, Dylan called the operator and
24 told her that the vehicle needed a front brake job at a cost of \$225. The operator asked Dylan
25 about the Manteca Sun Post advertisement offering brake pads for \$79.99. Dylan stated that the
26 advertised price was actually \$89.95 (referring to Respondent's banners posted on the building),
27 but that they would need to machine the rotors at an additional cost. Dylan told the operator that
28 they could machine the rotors without removing them from the vehicle, but in that case, the

1 **THIRTY-FIRST CAUSE FOR DISCIPLINE**

2 **(Fraud)**

3 103. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
4 Code section 9884.7, subdivision (a)(4), in that Respondent committed acts constituting fraud, as
5 follows: Respondent's employee, Dylan, falsely represented to the operator that the front brake
6 rotors on the Bureau's 1999 Chevrolet Malibu needed to be machined in order to induce the
7 operator to purchase that repair on the vehicle, then obtained payment from the operator for
8 needlessly resurfacing or machining the front brake rotors.

9 **THIRTY-SECOND CAUSE FOR DISCIPLINE**

10 **(Departure from Trade Standards)**

11 104. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
12 Code section 9884.7, subdivision (a)(7), in that Respondent willfully departed from or
13 disregarded accepted trade standards for good and workmanlike repair without the consent of the
14 owner or the owner's duly authorized representative in a material respect, as follows:
15 Respondent's employees failed to follow General Motors Brake Service Procedure⁶ by
16 resurfacing the front brake rotors on the Bureau's 1999 Chevrolet Malibu during a routine brake
17 service for worn pads. Further, the front brake rotors were in good operable condition at the time
18 the vehicle was taken to Respondent's facility.

19 **THIRTY-THIRD CAUSE FOR DISCIPLINE**

20 **(Misleading Price Advertising)**

21 105. Respondent BE Glad, Inc. is subject to disciplinary action pursuant to
22 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
23 Regulation 3372.1, subdivision (a), by advertising an automotive service at a price which was
24 misleading, as follows: Respondent's employee, Dylan, represented to the operator that the
25 Bureau's 1999 Chevrolet Malibu needed a front brake job, sold the operator "Lifetime
26 Guaranteed" brake pads at the advertised price of \$89.95, but falsely represented to the operator

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⁶. General Motors Brake Service Procedures state that if performing routine brake service for worn pads only, and the rotors are not damaged and measure within specification, "DO NOT REFINISH ROTORS".

1 that they would need to machine the front brake rotors at an additional cost and that the lifetime
2 guarantee would not apply on the brake pads unless the rotors were removed from the vehicle
3 and machined, in order to entice the operator into a more costly transaction. Further,
4 Respondent's banners and Manteca Sun Post advertisement did not state that machining of the
5 rotors would be necessary for the lifetime guarantee.

6 **RESPONDENT M. I. GLAD, INC.**

7 **RESPONDENT'S 704 CLOVIS AVENUE, CLOVIS FACILITY**

8 **UNDERCOVER OPERATION #1: 1999 TOYOTA SIENNA**

9 106. On October 19, 2005, an undercover operator with the Bureau, using the
10 fictitious name "Anita Tucker" (hereinafter "operator"), took the Bureau's 1999 Toyota Sienna to
11 Respondent M. I. Glad, Inc.'s facility located at 704 Clovis Avenue located in Clovis, California.
12 The front brake pads on the Bureau-documented vehicle needed replacement. The operator gave
13 Respondent's manager, Ray Rodriguez ("Rodriguez"), Midas coupons for 25% off brake pads
14 and/or shoes and \$20 off any brake service, and requested a brake inspection on the vehicle.
15 Rodriguez told the operator that the inspection would cost \$21.95 if no further work was
16 performed on the vehicle and gave the operator a repair order for a "Midas 45 Point Brake
17 Inspection" for \$21.95, which included measuring and recording the brake rotors, brake pads,
18 and brake shoe thicknesses, and brake drums diameter. The operator signed and received a copy
19 of the repair order, then left the facility.

20 107. At approximately 1220 hours that same day, the operator called the facility
21 and spoke with Respondent's mechanic, "Richard". Richard told the operator that he checked
22 the brakes on the vehicle, that the front brakes needed work, and that the rear brakes were like
23 new and did not need any repairs. Richard asked the operator to call back in 15 minutes to speak
24 with Rodriguez.

25 108. At approximately 1252 hours, the operator called the facility and spoke
26 with Rodriguez. Rodriguez recommended replacing the front brake pads and resurfacing the
27 front rotors. Rodriguez also recommended an engine oil and filter change and transmission flush

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1 operator to sign a repair order that did not state the odometer reading of the Bureau's 1999
2 Toyota Sienna at the time of repair.

3 **THIRTY-SIXTH CAUSE FOR DISCIPLINE**

4 **(Fraud)**

5 113. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
6 Code section 9884.7, subdivision (a)(4), in that Respondent committed acts constituting fraud, as
7 follows: Respondent's manager, Rodriguez, made false or misleading representations to the
8 operator regarding the Bureau's 1999 Toyota Sienna, as set forth in paragraph 111 above, in
9 order to induce the operator to purchase unnecessary repairs on the vehicle, then sold the operator
10 approximately \$234.49 in unnecessary repairs, including the resurfacing of the front brake rotors
11 and transmission fluid flush.

12 **THIRTY-SEVENTH CAUSE FOR DISCIPLINE**

13 **(Departure from Trade Standards)**

14 114. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
15 Code section 9884.7, subdivision (a)(7), in that Respondent willfully departed from or
16 disregarded accepted trade standards for good and workmanlike repair without the consent of the
17 owner or the owner's duly authorized representative in a material respect, as follows:
18 Respondent's employees needlessly resurfaced the front brake rotors on the Bureau's 1999
19 Toyota Sienna, as set forth in subparagraph 110 (a) above, reducing the rotor thickness and the
20 life expectancy of the rotors.

21 **UNDERCOVER OPERATION #2: 1992 PONTIAC GRAND AM**

22 115. On January 5, 2006, an undercover operator with the Bureau, using the
23 fictitious name "Michelle Walker" (hereinafter "operator"), took the Bureau's 1992 Pontiac
24 Grand Am to Respondent M. I. Glad, Inc.'s facility located at 704 Clovis Avenue in Clovis,
25 California. The front brake pads on the Bureau-documented vehicle needed replacement. The
26 operator told Respondent's employee, "Ray", that she wanted the brakes inspected on the
27 vehicle because she was hearing noises occasionally when braking. Ray gave the operator a
28 repair order for a "Midas 45 Point Brake Inspection" for \$21.95, which included measuring and

1 recording the brake rotors, brake pads, and brake shoe thicknesses, and brake drums diameter.
2 The operator signed and received a copy of the repair order, then left the facility.

3 116. At approximately 1142 hours that same day, Ray called the operator and
4 told her that he checked the brakes, that the front brakes needed work, and that the rear brakes
5 did not need any repairs, except an adjustment. Ray recommended replacing the front brake
6 pads, machining the front rotors, replacing the front brake hardware, and adjusting the rear
7 brakes and parking brake, at a total estimate cost of \$308.25. The operator authorized the
8 repairs.

9 117. At approximately 1450 hours, the operator returned to the facility, paid
10 Ray \$308.25 in cash, and received a copy of Invoice # 0174869. The invoice did not state what
11 the measurements were of the brake rotors, brake pads, and brake shoe thicknesses, or brake
12 drums diameter.

13 118. On January 6, 2006, Bureau Representative Vietzke inspected the vehicle
14 and compared the repair work performed by Respondent's facility with Invoice # 0174869.
15 Vietzke determined that Respondent's facility failed to repair the vehicle as invoiced and
16 performed unnecessary repairs on the vehicle, as set forth below.

17 **THIRTY-EIGHTH CAUSE FOR DISCIPLINE**

18 **(Untrue or Misleading Statements)**

19 119. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
20 Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized statements which
21 it knew or in the exercise of reasonable care should have known to be untrue or misleading, as
22 follows:

23 a. Respondent's employee, Ray, represented to the operator that the rear
24 brakes on the Bureau's 1992 Pontiac Grand Am needed adjustment. In fact, the rear brake drums
25 were not in need of adjustment at the time the vehicle was taken to Respondent's facility.

26 b. Respondent's employee, Ray, represented to the operator that the front
27 brakes on the Bureau's 1992 Pontiac Grand Am needed work and recommended replacing the
28 front brake pads, machining the front rotors, and replacing the hardware on the front brakes. In

1 fact, the only repair needed on the vehicle was the replacement of the front brake pads. Further,
2 the front brake rotors were new and in good condition, did not have any heat spots or excessive
3 scoring, were within General Motors factory specifications, and were not in need of machining.
4 In addition, front brake hardware (the four rubber sleeves) was new and not in need of servicing
5 or replacement.

6 c. Respondent's employees represented on Invoice # 0174869 that the rear
7 brakes on the Bureau's 1992 Pontiac Grand Am were cleaned. In fact, the rear brakes were not
8 cleaned on the vehicle as invoiced.

9 **THIRTY-NINTH CAUSE FOR DISCIPLINE**

10 **(Failure to Record Odometer Reading on Signed Repair Order)**

11 120. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
12 Code section 9884.7, subdivision (a)(2), in that Respondent's employee, Ray, caused or allowed
13 the operator to sign a repair order/estimate that did not state the odometer reading of the Bureau's
14 1992 Pontiac Grand Am at the time of repair.

15 **FORTIETH CAUSE FOR DISCIPLINE**

16 **(Fraud)**

17 121. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
18 Code section 9884.7, subdivision (a)(4), in that it committed acts constituting fraud, as follows:

19 a. Respondent's employee, Ray, made false or misleading representations to
20 the operator regarding the Bureau's 1992 Pontiac Grand Am, as set forth in subparagraphs 119
21 (a) and (b) above, in order to induce the operator to purchase unnecessary brake repairs on the
22 vehicle, then sold the operator approximately \$205.01 in unnecessary repairs, including the
23 cleaning and adjustment of the rear brakes, the resurfacing of the front brake rotors, and the
24 replacement of the front brake hardware.

25 b. Respondent's employees charged and obtained payment from the operator
26 for cleaning the rear brakes on the Bureau's 1992 Pontiac Grand Am. In fact, the rear brakes
27 were not cleaned on the vehicle as invoiced.

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1 **FORTY-FIRST CAUSE FOR DISCIPLINE**

2 **(Departure from Trade Standards)**

3 122. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
4 Code section 9884.7, subdivision (a)(7), in that Respondent willfully departed from or
5 disregarded accepted trade standards for good and workmanlike repair without the consent of the
6 owner or the owner's duly authorized representative in the following material respects:

7 a. Respondent's employees failed to follow the 1992 Pontiac Grand AM
8 Service Manual⁷ by resurfacing the front brake rotors on the Bureau's vehicle during a routine
9 brake service, i.e., the replacement of worn disc brake pads. Further, the front brake rotors were
10 new and in good condition, did not have any heat spots or excessive scoring, and were within
11 General Motor factory specifications at the time the vehicle was taken to Respondent's facility.

12 b. Respondent's employees unnecessarily removed the surface material from
13 the front brake rotors, reducing their life expectancy.

14 **FORTY-SECOND CAUSE FOR DISCIPLINE**

15 **(Violations of the Code)**

16 123. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
17 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
18 Code section 9884.9, subdivision (a), as follows: Respondent's employees failed to properly
19 document on Invoice # 0174869 the operator's authorization for the additional repairs on the
20 Bureau's 1992 Pontiac Grand Am in that they failed to specify the additional parts and labor that
21 were authorized.

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27 7. The 1992 Pontiac Grand AM Service Manual states "DO NOT refinish brake rotors when performing
28 routine brake maintenance such as replacing worn disc brake pads. Refinish a rotor only under the following
circumstances: 1. There is a complaint of brake pulsation. 2. There are heat spots or excessive scoring".

1 127. On July 24, 2006, Bureau Representative Rafael Guerrios, Jr. ("Guerrios")
2 inspected the vehicle and compared the repair work performed by Respondent's facility with
3 Invoice # 0176624. Guerrios found that the facility failed to repair the vehicle as invoiced and
4 performed unnecessary repairs on the vehicle, as set forth below.

5 **FORTY-THIRD CAUSE FOR DISCIPLINE**

6 **(Untrue or Misleading Statements)**

7 128. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
8 Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized statements which
9 it knew or in the exercise of reasonable care should have known to be untrue or misleading, as
10 follows:

11 a. Respondent's employee, Mike, represented to Thygesen that the front
12 brake rotors on the Bureau's 1996 Toyota Camry would have to be machined. In fact, the front
13 brake rotors were new, were within Toyota factory specifications, and were not in need of
14 machining or resurfacing at the time the vehicle was taken to Respondent's facility.

15 b. Respondent's employee, Mike, represented to Thygesen that the Bureau's
16 1996 Toyota Camry needed a brake fluid exchange (flush). In fact, the vehicle was not in need of
17 a brake fluid flush at the time it was taken to Respondent's facility.

18 c. Respondent's employee, Mike, represented to Thygesen that the rear
19 brakes on the Bureau's 1996 Toyota Camry were in need of adjustment. In fact, the rear brakes
20 were self-adjusting and were not in need of adjustment at the time the vehicle was taken to
21 Respondent's facility.

22 d. Respondent's employees represented on Invoice # 0176624 that a brake
23 fluid exchange was performed on the Bureau's 1996 Toyota Camry. In fact, Respondent's
24 employees failed to perform a complete brake fluid flush or exchange on the vehicle.

25 **FORTY-FOURTH CAUSE FOR DISCIPLINE**

26 **(Failure to Record Odometer Reading on Signed Repair Order)**

27 129. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
28 Code section 9884.7, subdivision (a)(2), in that Respondent's manager, Rodriguez, caused or

1 allowed Thygesen to sign a repair order/estimate that did not state the odometer reading of the
2 Bureau's 1996 Toyota Camry at the time of repair.

3 **FORTY-FIFTH CAUSE FOR DISCIPLINE**

4 **(Fraud)**

5 130. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
6 Code section 9884.7, subdivision (a)(4), in that it committed an act constituting fraud, as follows:
7 Respondent's employee, Mike, made false or misleading representations to Thygesen regarding
8 the Bureau's 1996 Toyota Camry, as set forth in subparagraphs 128 (a) through (c) above, in
9 order to induce Thygesen to purchase unnecessary brake repairs and services on the vehicle, then
10 sold Thygesen approximately \$279.65 in unnecessary repairs and services, including the
11 replacement of the front disc brake hardware, the resurfacing of the front brake rotors, the brake
12 fluid exchange/flush, and the cleaning and adjustment of the rear brakes.

13 **FORTY-SIXTH CAUSE FOR DISCIPLINE**

14 **(Violations of Regulations)**

15 131. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
16 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
17 provisions of California Code of Regulations, title 16, as follows:

18 a. **Regulation 3372.1, subdivision (a)**: Respondent advertised an
19 automotive service at a price which was misleading, as follows: Respondent's employee, Mike,
20 represented to Thygesen that the front brake pads on the Bureau's 1996 Toyota Camry need
21 replacement and sold Thygesen new front brake pads at the advertised price of \$99.95 (including
22 a charge of \$20 for an upgrade to ceramic brake pads, for a total of \$119.95). Mike then falsely
23 represented to Thygesen that additional brake repairs were needed on the vehicle, including the
24 resurfacing of the front brake rotors, the brake fluid exchange/flush, and the adjustment of the
25 rear brakes, in order to entice Thygesen into a more costly transaction.

26 b. **Regulation 3376**: Respondent's employees failed to provide Thygesen
27 with the warranty certificate for the new brake pads as specified on Invoice # 0176624.

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1 **RESPONDENT'S 3937 N. BLACKSTONE, FRESNO FACILITY**

2 **UNDERCOVER OPERATION #1: 1996 TOYOTA CAMRY**

3 132. On April 12, 2006, an undercover operator with the Bureau, using the
4 fictitious name "Dave Garcia" (hereinafter "operator"), took the Bureau's 1996 Toyota Camry to
5 Respondent M. I. Glad, Inc.'s facility located at 3937 N. Blackstone in Fresno, California. The
6 front brake pads on the Bureau-documented vehicle needed replacement. The operator had a
7 copy of Midas International Corporation's Internet web page advertisement offering "Lifetime
8 Guaranteed Brake Pads or Shoes" at a price of \$99.95 installed, per axle. Respondent was
9 advertising the same brake special on its banners at the facility. The operator met with
10 Respondent's manager, Justin Smith ("Smith"), and told him that he wanted the brakes inspected
11 on the vehicle because the brake light on the dashboard was coming on at times. The operator
12 showed Smith the Internet advertisement and asked him if the advertised price of \$99.95 would
13 apply if repairs were needed. Smith stated that the advertised price was a promotion, that the
14 normal price was \$159, and that with the promotion, the operator would save about \$50. The
15 operator signed and received a copy of a repair order for a "Midas 45 Point Brake Inspection" for
16 \$21.95, which included measuring and recording the brake rotors, brake pads, and brake shoe
17 thicknesses, and brake drums diameter. The operator then left the facility.

18 133. At approximately 1033 hours that same day, the operator called the facility
19 and spoke with Smith. Smith told the operator that someone had changed the front brake pads,
20 but did not machine the rotors, that the front brake pads were "worn out all the way down", and
21 that the rotors needed to be machined. Smith stated, among other things, that the rear drums
22 should be machined as well "to remove a lip on them", that they would also clean and adjust the
23 rear brakes, and that the repairs cost a total of \$381.08, which would include all of the hardware
24 needed to complete the job. The operator authorized the repairs.

25 134. After the repairs were completed, the operator returned to the facility to
26 retrieve the vehicle, paid Smith \$381.08 in cash, and received a copy of Invoice # 0853359. The
27 invoice did not state what the measurements were of the brake rotors, brake pads, and brake shoe
28 thicknesses, or brake drums diameter.

1 135. On April 18, 2006, Bureau Representative Guerrios inspected the vehicle
2 and compared the repair work performed by Respondent's facility with Invoice # 0853359.
3 Guerrios found that the facility performed unnecessary repairs on the vehicle, as set forth below.

4 **FORTY-SEVENTH CAUSE FOR DISCIPLINE**

5 **(Untrue or Misleading Statements)**

6 136. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
7 Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized statements which
8 it knew or in the exercise of reasonable care should have known to be untrue or misleading, as
9 follows:

10 a. Respondent's manager, Smith, represented to the operator that the front
11 brake rotors on the Bureau's 1996 Toyota Camry needed to be machined. In fact, the front brake
12 rotors were new, were within Toyota factory specifications, and were not in need of machining or
13 resurfacing at the time the vehicle was taken to Respondent's facility.

14 b. Respondent's manager, Smith, represented to the operator that the rear
15 drums on the Bureau's 1996 Toyota Camry had "a lip on them" and should be machined, and that
16 the facility would also clean and adjust the rear brakes. In fact, the rear brake drums were in
17 serviceable condition, had no cracks or heat checks, were within Toyota factory specifications,
18 and were not in need of machining or resurfacing at the time the vehicle was taken to
19 Respondent's facility. Further, the rear brakes were self-adjusting and not in need of adjustment.

20 c. Respondent's manager, Smith, represented to the operator that the facility
21 would install all of the hardware on the Bureau's 1996 Toyota Camry needed to complete the
22 brake job. In fact, the brake hardware, including the pad support plates and anti-squeal springs,
23 was new and not in need of replacement.

24 **FORTY-EIGHTH CAUSE FOR DISCIPLINE**

25 **(Fraud)**

26 137. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
27 Code section 9884.7, subdivision (a)(4), in that it committed acts constituting fraud, as follows:
28 Respondent's manager, Smith, made false or misleading representations to the operator regarding

1 the Bureau's 1996 Toyota Camry, as set forth in paragraph 136 above, in order to induce the
2 operator to purchase unnecessary brake repairs on the vehicle, then sold the operator
3 approximately \$277.94 in unnecessary repairs on the vehicle, including the resurfacing of the
4 front brake rotors and rear brake drums, the cleaning and adjustment of the rear brakes, and the
5 installation of new brake hardware:

6 **FORTY-NINTH CAUSE FOR DISCIPLINE**

7 **(Misleading Price Advertising)**

8 138. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
9 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
10 Regulation 3372.1, subdivision (a), by advertising an automotive service at a price which was
11 misleading, as follows: Respondent's manager, Smith, represented to the operator that the front
12 brake pads on the Bureau's 1996 Toyota Camry needed replacement, sold the operator new front
13 brake pads at the advertised price of \$99.95, but falsely represented to the operator that the
14 vehicle needed additional brake repairs, including the machining or resurfacing of the front brake
15 rotors and rear brake drums and the installation of new brake hardware, in order to entice the
16 operator into a more costly transaction.

17 **CONSUMER COMPLAINT (HOLSTON-NESTLE): 1997 GMC SIERRA 1500**

18 139. On March 18, 2006, consumer Denise Holston-Nestle ("Holston-Nestle")
19 took her husband's 1997 GMC Sierra 1500 pickup to Respondent M. I. Glad, Inc.'s facility
20 located at 3937 N. Blackstone in Fresno, California, to have the brakes checked. Holston-Nestle
21 signed Repair Order # 0853173 for a "Midas 45 Point Brake Inspection" on the vehicle for
22 \$21.95. Following the inspection, Respondent's manager, Justin Smith ("Smith"), told Holston-
23 Nestle that the front brake pads needed to be replaced because they were cracked and over-heated
24 and that there was a fluid leak in the brake system. Smith stated that it would cost \$1,050 to
25 repair the front and rear brakes on the vehicle. Holston-Nestle declined the repairs and paid the
26 facility \$21.95 for the inspection.

27 140. Approximately two days later, Holston-Nestle had the vehicle towed to
28 another automotive repair facility, Honesty Automotive. The mechanic at Honesty Automotive

1 checked the front and rear brakes and told Holston-Nestle that the rear brakes needed repairs, but
2 that the front brakes were okay.

3 141. On or about June 23, 2006, Holston-Nestle filed a complaint with the
4 Bureau.

5 142. On September 27, 2006, Bureau Representative Leonard Sweger
6 (“Sweger”) inspected the vehicle and found that the front brake pads were not in need of
7 replacement, as set forth below.

8 **FIFTIETH CAUSE FOR DISCIPLINE**

9 **(Untrue or Misleading Statements)**

10 143. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
11 Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized statements which
12 it knew or in the exercise of reasonable care should have known to be untrue or misleading, as
13 follows:

14 a. Respondent’s manager, Smith, represented to Holston-Nestle that the front
15 brake pads on the 1997 GMC Sierra 1500 pickup needed to be replaced because they were
16 cracked and over-heated. In fact, the front brake pads were in good condition, did have any
17 cracks or overheating of the pad lining material, were within manufacturer’s specifications, and
18 were not in need of replacement at the time Bureau Representative Sweger inspected the vehicle.

19 b. Respondent’s employees falsely represented on a Midas “Brake Evaluation
20 Report” pertaining to the 1997 GMC Sierra 1500 pickup that the front brake pads on the vehicle
21 were cracked.

22 **FIFTY-FIRST CAUSE FOR DISCIPLINE**

23 **(Failure to Record Odometer Reading on Signed Repair Order)**

24 144. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
25 Code section 9884.7, subdivision (a)(2), in that Respondent’s employees caused or allowed
26 Holston-Nestle to sign Repair Order # 0853173 that did not state the odometer reading of the
27 1997 GMC Sierra 1500 pickup at the time of repair.

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1 it knew or in the exercise of reasonable care should have known to be untrue or misleading, as
2 follows:

3 a. Respondent's employee represented to Ballecer that the front struts and
4 rear shocks on his 2001 Toyota 4-Runner were leaking and needed replacement. In fact, the
5 shocks and struts were not leaking or in need of replacement.

6 b. Respondent's employees falsely represented on the Midas Touch Visual
7 Courtesy Check that the rear shocks on Ballecer's 2001 Toyota 4-Runner were leaking.

8 **UNDERCOVER OPERATION #1: 1995 OLDSMOBILE 88 ROYALE**

9 151. On January 25, 2006, an undercover operator with the Bureau, using the
10 fictitious name "Ken Miller" (hereinafter "operator"), took the Bureau's 1995 Oldsmobile 88
11 Royale to Respondent M. I. Glad, Inc.'s facility located at 7340 N. Blackstone in Fresno,
12 California. The front brake pads on the Bureau-documented vehicle needed replacement. The
13 operator told Respondent's employee, "Jason", that he was hearing a squeaking noise in the front
14 brakes, the brake light on the dashboard was on, and there was a continuous beeping/chiming
15 sound. The operator gave Jason a "Midas" coupon for a free brake inspection and requested a
16 brake inspection on the vehicle. The operator signed and received a copy of a repair order for a
17 free "Midas 45 Point Brake Inspection", then left the facility.

18 152. At approximately 1138 hours that same day, Jason called the operator and
19 told him, among other things, that the front brake pads would need to be replaced and that the
20 brake rotors would need to be machined. Jason also stated that the rear brakes were okay, but
21 would need to be cleaned and adjusted. Jason gave the operator an estimate price of \$257 for the
22 repairs, which the operator authorized.

23 153. At approximately 1400 hours, the operator returned to the facility to
24 retrieve the vehicle, paid the facility \$261.14 in cash, and received a final invoice.

25 154. On January 31, 2006, Bureau Representative Michael Frerichs ("Frerichs")
26 inspected the vehicle and compared the repair work performed by Respondent's facility with the
27 invoice. Frerichs determined that the facility performed unnecessary repairs on the vehicle, as set
28 forth below.

1 **FIFTY-THIRD CAUSE FOR DISCIPLINE**

2 **(Untrue or Misleading Statements)**

3 155. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
4 Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized statements which
5 it knew or in the exercise of reasonable care should have known to be untrue or misleading, as
6 follows:

7 a. Respondent's employee, Jason, represented to the operator that the front
8 brake rotors on the Bureau's 1995 Oldsmobile 88 Royale needed to be machined. In fact, the
9 front brake rotors had only .001 inch in lateral run-out at the time the vehicle was taken to
10 Respondent's facility and did not need to be resurfaced or machined to correct the defect, as set
11 forth in paragraph 161 below.

12 b. Respondent's employee, Jason, represented to the operator that the rear
13 brakes on the Bureau's 1995 Oldsmobile 88 Royale needed to be cleaned and adjusted. In fact,
14 the rear brakes were not in need of cleaning or adjusting at the time the vehicle was taken to
15 Respondent's facility.

16 **FIFTY-FOURTH CAUSE FOR DISCIPLINE**

17 **(Fraud)**

18 156. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
19 Code section 9884.7, subdivision (a)(4), in that it committed acts constituting fraud, as follows:
20 Respondent's employee, Jason, made false or misleading representations to the operator
21 regarding the Bureau's 1995 Oldsmobile 88 Royale, as set forth in paragraph 155 above, in order
22 to induce the operator to purchase unnecessary brake repairs on the vehicle, then sold the
23 operator approximately \$158 of unnecessary repairs on the vehicle, i.e., the resurfacing of the
24 front brake rotors and the cleaning and adjustment of the rear brakes.

25 **FIFTY-FIFTH CAUSE FOR DISCIPLINE**

26 **(Departure from Trade Standards)**

27 157. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
28 Code section 9884.7, subdivision (a)(7), in that Respondent willfully departed from or

1 disregarded accepted trade standards for good and workmanlike repair without the consent of the
2 owner or the owner's duly authorized representative in the following material respects:

3 a. Respondent's employees resurfaced the front brake rotors on the Bureau's
4 1995 Oldsmobile 88 Royale to correct the lateral run-out, rather than installing tapered shim or
5 correction plates between the rotors and the hubs as per General Motors established procedures.
6 Further, the employees removed an excessive amount of surface material from the rotors to
7 correct the lateral run-out, degrading the effective heat dissipation of the rotors and shortening
8 their life expectancy.

9 b. Respondent's employees failed to properly adjust the rear brake shoes on
10 the Bureau's 1995 Oldsmobile 88 Royale in that they adjusted the brake shoes to a closer
11 tolerance than the manufacturer recommends, which could cause dragging and overheating of the
12 rear brakes.

13 UNDERCOVER OPERATION #3: 1998 TOYOTA AVALON

14 158. On June 14, 2006, an undercover operator with the Bureau, using the
15 fictitious name "Annie Tucker" (hereinafter "operator"), took the Bureau's 1998 Toyota Avalon
16 to Respondent M. I. Glad, Inc.'s facility located at 7340 N. Blackstone in Fresno, California. The
17 front brake pads on the Bureau-documented vehicle needed replacement. The operator met with
18 Respondent's employee, "Louis", and requested a brake inspection on the vehicle. The operator
19 asked Louis if she would get the \$99.95 price advertised on the banner outside of the building if
20 she needed any brake repairs (Respondent was offering "Lifetime Guaranteed brake pads or
21 shoes" for \$99.95, installed). Louis told the operator that she would get the advertised price and
22 that the \$21.95 inspection charge would be waived if any brake repairs were needed on the
23 vehicle. The operator signed and received a copy of a repair order for a "Midas 45 Point Brake
24 Inspection" for \$21.95.

25 159. At approximately 1015 hours that same day, Louis called the operator and
26 told her that he checked the brakes, that the front brake pads needed replacement, and that the
27 rear brakes did not need any repairs. Louis also told the operator that the brake rotors needed to
28 be resurfaced and that the resurfacing was optional, but highly recommended. Louis gave the

1 operator an estimate price of \$99.95 to replace the front brakes and an estimate price of \$130 to
2 resurface the rotors. The operator authorized the repairs.

3 160. At approximately 1435 hours, the operator returned to the facility to
4 retrieve the vehicle, paid Louis \$233.14 in cash, and received a copy of Invoice # 0149153. The
5 invoice contained the following notation: "Timing Belt: remove & replace . . . Declined".

6 FIFTY-SIXTH CAUSE FOR DISCIPLINE

7 (Untrue or Misleading Statements)

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

12 a. Respondent's employee, Louis, represented to the operator that the front
13 brake rotors on the Bureau's 1998 Toyota Avalon needed to be resurfaced and that the
14 resurfacing was optional, but highly recommended. In fact, the only repairs needed on the
15 vehicle were the replacement of the front brake pads and the filling of the brake fluid to the
16 proper level in the brake master cylinder reservoir. Further, the brake rotors were new and in
17 good condition, were within manufacturer's specifications, and were not in need of resurfacing.

18 b. Respondent's employees represented on Invoice # 0149153 that the
19 operator had declined the facility's recommendation to replace the timing belt on the Bureau's
20 1998 Toyota Avalon. In fact, Louis did not make any recommendations to the operator regarding
21 the timing belt on the vehicle.

22 FIFTY-SEVENTH CAUSE FOR DISCIPLINE

23 (Fraud)

24 162. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
25 Code section 9884.7, subdivision (a)(4), in that it committed acts constituting fraud, as follows:
26 Respondent's employee, Louis, made false or misleading representations to the operator
27 regarding the Bureau's 1998 Toyota Avalon, as set forth in subparagraph 161 (a) above, in order
28 to induce the operator to purchase an unnecessary repair on the vehicle, the resurfacing of the

1 front brake rotors, then obtained approximately \$130 from the operator for the needless
2 resurfacing of the brake rotors.

3 **FIFTY-EIGHTH CAUSE FOR DISCIPLINE**

4 **(Departure from Trade Standards)**

5 163. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
6 Code section 9884.7, subdivision (a)(7), in that Respondent willfully departed from or
7 disregarded accepted trade standards for good and workmanlike repair without the consent of the
8 owner or the owner's duly authorized representative in a material respect, as follows:
9 Respondent's employees unnecessarily resurfaced the front brake rotors on the Bureau's 1998
10 Toyota Avalon, as set forth in subparagraph 160 (a) above, reducing the rotor thickness and the
11 life expectancy of the rotors.

12 **FIFTY-NINTH CAUSE FOR DISCIPLINE**

13 **(Misleading Price Advertising)**

14 164. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
15 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
16 Regulation 3372.1, subdivision (a), by advertising an automotive service at a price which was
17 misleading, as follows: Respondent's employee, Louis, represented to the operator that the front
18 brake pads on the Bureau's 1998 Toyota Avalon needed replacement, sold the operator new front
19 brake pads at the advertised price of \$99.95, but falsely represented to the operator that the
20 vehicle needed an additional brake repair, the resurfacing of the front brake rotors, in order to
21 entice the operator into a more costly transaction.

22 **RESPONDENT'S 4304 W. SHAW, FRESNO FACILITY**

23 **UNDERCOVER OPERATION #1: 1997 TOYOTA CAMRY**

24 165. On April 11, 2006, an undercover operator with the Bureau, using the
25 fictitious name "Lisa Anderson" (hereinafter "operator"), took the Bureau's 1997 Toyota Camry
26 to Respondent M. I. Glad, Inc.'s facility located at 4304 W. Shaw in Fresno, California. The
27 front brake pads on the Bureau-documented vehicle needed replacement. The operator had a
28 copy of Midas International Corporation's Internet web page advertisement offering "Lifetime

1 **RESPONDENT'S 13745 E. 14TH STREET, SAN LEANDRO FACILITY**

2 **UNDERCOVER OPERATION #1: 1996 PONTIAC GRAND PRIX**

3 171. On June 28, 2007, an undercover operator with the Bureau, using the
4 fictitious name "Kim Cook" (hereinafter "operator"), took the Bureau's 1996 Pontiac Grand Prix
5 to Respondent M. I. Glad, Inc.'s facility located at 13745 E. 14th Street in San Leandro,
6 California. The front brake pads on the Bureau-documented vehicle needed replacement. The
7 operator had copies of a Midas Internet coupon for "\$5 off oil change" and a Midas web page
8 advertisement offering "Lifetime Guaranteed Brake Pads or Shoes" for \$89.95 installed, per axle⁸
9 (Respondent was advertising the same brake special on its banners at the facility). The operator
10 met with Respondent's employee, "Frank", and requested an oil change and brake inspection on
11 the vehicle. The operator showed Frank the coupon and requested the advertised price on the oil
12 change. Frank told the operator that it would cost \$34.95 to perform the oil change, to check the
13 brakes, and to check and top off the fluids. Frank filled out a work order, but did not have the
14 operator sign it and did not give her a copy. The operator left the facility.

15 172. At approximately 1115 hours that same day, the operator telephoned the
16 facility and spoke with Frank. Frank told the operator that the front brake pads needed
17 replacement, that the front brake rotors needed to be resurfaced because they are glazed, and that
18 the brakes would be fine if the rotors were not resurfaced, but would squeak. Frank also stated
19 that the rear brakes were fine, but the brake fluid needed to be serviced and flushed. Frank gave the
20 operator an estimate price of \$239.84 for the repairs. The operator asked Frank about the \$89.95
21 price for the brake job. Frank stated that the repairs cost more than the advertised price because
22 of the resurfacing of the rotors and the brake fluid flush. The operator authorized the repairs.

23 173. At approximately 1350 hours, the operator returned to the facility to
24 retrieve the vehicle, paid Frank \$229 in cash, and received a copy of a final invoice.

25 174. On June 29, 2007, Bureau Representative John Steinwert ("Steinwert")
26 inspected the vehicle and compared the repair work performed by Respondent's facility with the

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28 8. The web page advertisement had a disclaimer indicating that "There may be substantial extra cost for additional parts and labor".

1 final invoice. Steinwert found that unnecessary repairs were performed on the vehicle, as set
2 forth below.

3 **SIXTY-THIRD CAUSE FOR DISCIPLINE**

4 **(Untrue or Misleading Statements)**

5 175. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
6 Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized statements which
7 it knew or in the exercise of reasonable care should have known to be untrue or misleading, as
8 follows:

9 a. Respondent's employee, Frank, represented to the operator that the front
10 brake rotors on the Bureau's 1996 Pontiac Grand Prix needed to be resurfaced. In fact, the only
11 repair needed on the vehicle was the replacement of the front brake pads. Further, the front brake
12 rotors were new, had no defects (heavy rust, cracks, or heat spots), were within manufacturer
13 specifications, and were not in need of resurfacing at the time the vehicle was taken to
14 Respondent's facility.

15 b. Respondent's employee, Frank, represented to the operator that the brake
16 fluid on the Bureau's 1996 Pontiac Grand Prix needed to be serviced and flushed, when, in fact, a
17 brake fluid exchange/flush was not needed on the vehicle.

18 **SIXTY-FOURTH CAUSE FOR DISCIPLINE**

19 **(Fraud)**

20 176. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
21 Code section 9884.7, subdivision (a)(4), in that it committed acts constituting fraud, as follows:
22 Respondent's employee, Frank, made false or misleading representations to the operator
23 regarding the Bureau's 1996 Pontiac Grand Prix, as set forth in paragraph 175 above, in order to
24 induce the operator to purchase unnecessary brake repairs and services on the vehicle, then sold
25 the operator unnecessary repairs and or services, i.e., the resurfacing of the front brake rotors and
26 brake fluid exchange/flush.

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1 **SIXTY-FIFTH CAUSE FOR DISCIPLINE**

2 **(Departure from Trade Standards)**

3 177. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
4 Code section 9884.7, subdivision (a)(7), in that Respondent willfully departed from or
5 disregarded accepted trade standards for good and workmanlike repair without the consent of the
6 owner or the owner's duly authorized representative in the following material respects:

7 a. Respondent's employees failed to follow General Motors Brake Service
8 Procedure by resurfacing the front brake rotors on the Bureau's 1996 Pontiac Grand Prix during a
9 routine brake service, i.e., the replacement of worn disc brake pads. Further, the front brake
10 rotors were new, had no defects (heavy rust, cracks, or heat spots), and were within manufacturer
11 specifications for thickness, parallelism, and total lateral run-out at the time the vehicle was taken
12 to Respondent's facility.

13 b. Respondent's employees failed to properly resurface the front brake rotors
14 on the Bureau's 1996 Pontiac Grand Prix in that the lateral run-out exceeded the manufacturer's
15 maximum lateral run-out specification of 0.003 inch.

16 **SIXTY-SIXTH CAUSE FOR DISCIPLINE**

17 **(Failure to Provide Written Estimate)**

18 178. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
19 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
20 Code section 9884.9, subdivision (a), as follows: Respondent's employee, Frank, failed to
21 provide the operator with a written estimate for parts and/or labor necessary for a specific job.

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1 vehicle would be \$119, instead of \$89.95. JR prepared a work order and had the operator sign it,
2 but did not give her a copy. The operator left the facility.

3 181. At approximately 1230 hours that same day, the operator called the facility
4 and spoke with Respondent's employee, "John". John told the operator that the vehicle needed
5 front brake pads and that the rotors "could be saved" if they were resurfaced. The operator
6 authorized the brake repairs at an estimate price of \$396.

7 182. At approximately 1400 hours, the operator returned to the facility to
8 retrieve the vehicle, paid \$388.89 for the repairs, and received a copy of Invoice # 0277020. The
9 invoice indicated that ceramic brake pads were installed on the vehicle.

10 183. On May 14, 2007, Bureau Representative Steinwert inspected the vehicle
11 and compared the repair work performed by Respondent's facility with Invoice # 0277020.
12 Steinwert found, among other things, that the front brake rotors were needlessly resurfaced, as set
13 forth below.

14 **SIXTY-EIGHTH CAUSE FOR DISCIPLINE**

15 **(Untrue or Misleading Statements)**

16 184. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
17 Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized statements which
18 it knew or in the exercise of reasonable care should have known to be untrue or misleading, as
19 follows:

20 a. Respondent's employee, JR, represented to the operator that the \$89.95
21 brake special was for thin brake pads, that the Bureau's 2001 Chevrolet Camaro is a sports car
22 and needs thicker pads, and that the price for the vehicle would be \$119, instead of the advertised
23 price of \$89.95. In fact, the vehicle did not need ceramic brake pads in that the manufacturer
24 lists or shows semi-metallic brake pads as a direct replacement for the vehicle (ceramic brake
25 pads are available *as an option*).

26 b. Respondent's employee, John, represented to the operator that the front
27 brake rotors on the Bureau's 2001 Chevrolet Camaro needed to be resurfaced. In fact, the only
28 repair needed on the vehicle was the replacement of the front brake pads. Further, the front brake

1 rotors were new, had no defects (heavy rust, cracks, or heat spots), were within manufacturer
2 specifications, and were not in need of resurfacing at the time the vehicle was taken to
3 Respondent's facility.

4 c. Respondent's employees represented on Invoice # 0277020 that all four
5 wheels on the Bureau's 2001 Chevrolet Camaro were removed for inspection. In fact, only three
6 wheels were removed for inspection (the right rear wheel had not been removed).

7 **SIXTY-NINTH CAUSE FOR DISCIPLINE**

8 **(Failure to Provide Copy of Repair Order signed by Customer)**

9 185. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
10 Code section 9884.7, subdivision (a)(3), in that Respondent's employee, JR, failed to give the
11 operator a copy of the work order as soon as the operator signed the document.

12 **SEVENTIETH CAUSE FOR DISCIPLINE**

13 **(Fraud)**

14 186. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
15 Code section 9884.7, subdivision (a)(4), in that it committed acts constituting fraud, as follows:
16 Respondent's employees, JR and John, made false or misleading representations to the operator
17 regarding the Bureau's 2001 Chevrolet Camaro, as set forth in subparagraphs 184 (a) and (b),
18 above, in order to induce the operator to purchase unnecessary brake repairs on the vehicle, then
19 sold the operator unnecessary repairs, the installation of ceramic front brake pads and the
20 resurfacing of the front brake rotors.

21 **SEVENTY-FIRST CAUSE FOR DISCIPLINE**

22 **(Departure from Trade Standards)**

23 187. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
24 Code section 9884.7, subdivision (a)(7), in that Respondent willfully departed from or
25 disregarded accepted trade standards for good and workmanlike repair without the consent of the
26 owner or the owner's duly authorized representative in a material respect as follows:
27 Respondent's employees failed to follow General Motors brake service procedure by resurfacing
28 the front brake rotors on the Bureau's 2001 Chevrolet Camaro during a routine brake service for

1 worn pads. Further, the brake rotors were new, were not damaged or defective (the brake rotors
2 did not have any heavy rust, cracks, or heat spots), and measured within manufacturer's
3 specifications for thickness, parallelism, and total lateral run-out at the time the vehicle was taken
4 to Respondent's facility.

5 **SEVENTY-SECOND CAUSE FOR DISCIPLINE**

6 **(Failure to Provide Written Estimate)**

7 188. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
8 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
9 Code section 9884.9, subdivision (a), as follows: Respondent's employee, JR, failed to provide
10 the operator with a written estimate for parts and/or labor necessary for a specific job.

11 **RESPONDENT'S 3741 WASHINGTON BOULEVARD, FREMONT FACILITY**

12 **UNDERCOVER OPERATION #1: 1995 CHEVROLET LUMINA**

13 189. On August 16, 2007, an undercover operator with the Bureau, using the
14 fictitious name "Franklin Tom" (hereinafter "operator"), took the Bureau's 1995 Chevrolet
15 Lumina to Respondent M. I. Glad, Inc.'s facility located at 3741 Washington Boulevard in
16 Fremont, California. The front brake pads on the Bureau-documented vehicle needed
17 replacement. The operator had coupons for a Midas Touch Maintenance Package for \$29.95 and
18 \$10 off services over \$50. The banners at the facility indicated that Respondent was offering an
19 "\$89.95 brake special installed per axle". The operator met with Respondent's manager, Danny
20 Beltran ("Beltran"), and requested a maintenance package and brake inspection on the vehicle.
21 The operator signed and received a copy of a repair order for a Midas courtesy check, which
22 included a visual inspection of the brake system, a "Midas Touch" maintenance service, and an
23 oil and filter service for \$31.02.

24 190. At approximately 1058 hours that same day, the operator telephoned the
25 facility and spoke with Beltran. Beltran told the operator that the front brake pads on the vehicle
26 were "at the rotors, down to zero". Beltran stated that he needed the operator's authorization to
27 perform a more detailed brake inspection, that the detailed inspection would allow them to make

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1 **RESPONDENT'S 2525 MONUMENT BOULEVARD, CONCORD FACILITY**

2 **UNDERCOVER OPERATION #1: 2000 TOYOTA TACOMA**

3 198. On January 22, 2008, Bureau Representative Ronald Grasmick
4 ("Grasmick"), using the fictitious name "Ron Cush", took the Bureau's 2000 Toyota Tacoma to
5 Respondent M. I. Glad, Inc.'s facility located at 2525 Monument Boulevard, Concord,
6 California. The front brake pads on the Bureau-documented vehicle needed replacement.
7 Grasmick had a copy of a Midas Internet coupon for "Lifetime Guaranteed Brake Pads or Shoes"
8 for \$89.95 installed per axle. Grasmick told Respondent's employee, "Joyce", that he was told
9 the brakes may need to be replaced soon and requested a brake inspection. Grasmick also stated
10 that the brake warning light had just come on in the vehicle. Grasmick presented the coupon to
11 Joyce and asked her if it could be used toward the repairs if the vehicle needed brakes. Grasmick
12 also stated that he had seen an advertisement on television recently advertising the same cost.
13 Joyce told Grasmick that the coupon may be good, but it did not cover labor, and that she would
14 check the Internet to verify the coupon. Joyce stated that they would inspect the brakes, perform
15 a safety inspection, including a check of the fluids, and top off the fluids as needed, at no charge.
16 Grasmick signed and received a copy of a repair order, then left the facility.

17 199. At approximately 1200 hours, Grasmick telephoned the facility and spoke
18 with Joyce. Joyce told Grasmick that the front brake pads needed to be replaced, but were not
19 metal to metal. Joyce then stated that the right front brake rotor had a groove in it and that they
20 would resurface both rotors, clean and adjust the rear brakes, and flush the brake fluid for a total
21 of \$340.91. Joyce explained that the \$89.95 coupon price was for more expensive brake pads
22 and that the brake pads for the vehicle cost \$59.95. Grasmick authorized the repairs.

23 200. On January 23, 2008, Grasmick returned to the facility, paid \$340.91 for
24 the repairs, and received a copy of Invoice # 0919024.

25 201. On January 24, 2008, Bureau Representative DeVelbiss inspected the
26 vehicle and compared the repair work performed by Respondent's facility with Invoice
27 # 0919024. DeVelbiss found that the facility performed unnecessary repairs on the vehicle and
28 failed to repair the vehicle as invoiced, as set forth below.

1 **SEVENTY-SEVENTH CAUSE FOR DISCIPLINE**

2 **(Untrue or Misleading Statements)**

3 202. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
4 Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized statements which
5 it knew or in the exercise of reasonable care should have known to be untrue or misleading, as
6 follows:

7 a. Respondent's employee, Joyce, represented to Grasmick that the right
8 front brake rotor on the Bureau's 2000 Toyota Tacoma had a groove in it and that the facility
9 would resurface both rotors, clean and adjust the rear brakes, and flush the brake fluid. In fact,
10 the only repair needed on the vehicle was the replacement of the front brake pads. Further, the
11 front brake rotors were new and in good serviceable condition, met Toyota new rotor
12 specifications and tolerances, were not scored or worn, and were not in need of machining or
13 resurfacing; the rear brakes were not in need of adjustment; and the brake system had been
14 flushed and filled with new Toyota DOT 3 brake fluid and the brake fluid exchange was not
15 needed at the time the vehicle was taken to the facility.

16 b. Respondent represented on Invoice # 0919024 that a brake fluid exchange
17 had been performed on the Bureau's 2000 Toyota Tacoma. In fact, the brake system fluid had
18 not been completely flushed or exchanged as invoiced.

19 **SEVENTY-EIGHTH CAUSE FOR DISCIPLINE**

20 **(Fraud)**

21 203. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
22 Code section 9884.7, subdivision (a)(4), in that it committed acts constituting fraud, as follows:

23 a. Respondent's employee, Joyce, made false or misleading representations
24 to Grasmick regarding the Bureau's 2000 Toyota Tacoma, as forth in subparagraph 202 (a)
25 above, in order to induce Grasmick to purchase unnecessary brake repairs on the vehicle, then
26 sold Grasmick unnecessary repairs, i.e., the machining or resurfacing of the front brake rotors,
27 the adjustment of the rear brakes, and the brake fluid exchange.

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1 vehicle was the replacement of the front brake pads. Further, the front brake rotors were in good,
2 serviceable condition, were within manufacturer's specifications, had no scoring or blemishes,
3 and were not in need of replacement or resurfacing.

4 b. Respondent's employee, Steve, represented to Nicks that the Bureau's
5 1998 Chrysler Sebring needed the rear brakes cleaned and adjusted. In fact, the rear brakes were
6 not in need of adjustment.

7 **EIGHTY-SECOND CAUSE FOR DISCIPLINE**

8 **(Fraud)**

9 211. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
10 Code section 9884.7, subdivision (a)(4), in that it committed acts constituting fraud, as follows:
11 Respondent's employee, Steve, made false or misleading representations to Nicks regarding the
12 Bureau's 1998 Chrysler Sebring, as forth in paragraph 210 above, in order to induce Nicks to
13 purchase unnecessary brake repairs on the vehicle, then sold Nicks unnecessary repairs, i.e., the
14 machining or resurfacing of the front brake rotors and the adjustment of the rear brakes.

15 **EIGHTY-THIRD CAUSE FOR DISCIPLINE**

16 **(Violations of Regulations)**

17 212. Respondent M. I. Glad, Inc. is subject to disciplinary action pursuant to
18 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
19 Regulation 3356, subdivision (a), as follows: Respondent failed to show on Invoice # 0154613
20 its current business name as registered with the Bureau; the business name was shown as Midas
21 Auto Service Experts, not Midas Auto Service Center.

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1 **EIGHTY-SIXTH CAUSE FOR DISCIPLINE**

2 **(Violations of Regulations)**

3 219. Respondent SO Glad, Inc. is subject to disciplinary action pursuant to
4 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
5 provisions of California Code of Regulations, title 16, as follows:

6 a. **Regulation 3356, subdivision (a)**: Respondent's employees failed to
7 identify on Invoice # 0069930 the brake parts that were installed on the Bureau's 1995
8 Oldsmobile 88 in such a manner that the customer could understand what was purchased in that
9 the employees described the brake hardware kit as a "Drum Brake All-In-One".

10 b. **Regulation 3376**: Respondent's employees failed to provide the operator
11 with the warranty certificate for the new brake shoes and pads as specified on Invoice # 0069930.

12 c. **Regulation 3372.1, subdivision (a)**: Respondent advertised an
13 automotive service at a price which was misleading, as follows: Respondent advertised
14 "Lifetime Guaranteed Brake Pads or Shoes" at a price of \$89.95 installed, per axle.
15 Respondent's manager, Schmidt, represented to the operator that the Bureau's 1995 Oldsmobile
16 88 needed new front brake pads, sold the operator new front brake pads at a \$20 discount, but
17 falsely represented to the operator that the vehicle needed additional brake repairs, the
18 replacement of the rear brake shoes, front disc brake hardware, and rear brake hardware, and the
19 resurfacing of the rear brake drums and front brake rotors, in order to entice the operator into a
20 more costly transaction.

21 **RESPONDENT'S 93 S. CAPITOL AVENUE, SAN JOSE FACILITY**

22 **UNDERCOVER OPERATION #1: 2001 CHEVROLET CAMARO**

23 220. On January 22, 2008, Bureau Representative Nicks, using the fictitious
24 name "Jim Watkins", took the Bureau's 2001 Chevrolet Camaro to Respondent SO Glad, Inc.'s
25 facility located at 93 S. Capitol Avenue, San Jose, California. The front brake pads on the
26 Bureau-documented vehicle needed replacement. Nicks had a copy of a Midas Internet
27 advertisement for "Lifetime Guaranteed Brake Pads or Shoes" for \$89.95 installed per axle.
28 Nicks met with Respondent's manager, Duke Creech ("Creech"), and requested a brake

1 **EIGHTY-EIGHTH CAUSE FOR DISCIPLINE**

2 **(Failure to Provide Copy of Work Order signed by Customer)**

3 225. Respondent SO Glad, Inc. is subject to disciplinary action pursuant to
4 Code section 9884.7, subdivision (a)(3), in that Respondent's manager, Creech, failed to give
5 Nicks a copy of the repair order as soon as Nicks signed the document.

6 **EIGHTY-NINTH CAUSE FOR DISCIPLINE**

7 **(Fraud)**

8 226. Respondent SO Glad, Inc. is subject to disciplinary action pursuant to
9 Code section 9884.7, subdivision (a)(4), in that it committed an act constituting fraud, as follows:
10 Respondent's manager, Creech, made a false or misleading representation to Nicks regarding the
11 Bureau's 2001 Chevrolet Camaro, as forth in paragraph 224 above, in order to induce Nicks to
12 purchase an unnecessary brake repair on the vehicle, then sold Nicks an unnecessary repair, i.e.,
13 the machining or resurfacing of the front brake rotors.

14 **NINETIETH CAUSE FOR DISCIPLINE**

15 **(Departure from Trade Standards)**

16 227. Respondent SO Glad, Inc. is subject to disciplinary action pursuant to
17 Code section 9884.7, subdivision (a)(7), in that Respondent willfully departed from or
18 disregarded accepted trade standards for good and workmanlike repair without the consent of the
19 owner or the owner's duly authorized representative in the following material respects:

20 a. Respondent's employees failed to machine or resurface the front brake
21 rotors on the Bureau's 2001 Chevrolet Camaro to manufacturer's specifications in that the lateral
22 run-out measured 0.004 inches for the left rotor and 0.003 inches for the right rotor (the
23 manufacturer's specifications for maximum lateral run-out are 0.002 inches).

24 b. Respondent's employees tore the front caliper piston dust boot seal during
25 the installation of the new brake pads, requiring the overhaul or replacement of the caliper.

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1 **NINETY-SIXTH CAUSE FOR DISCIPLINE**

2 **(Violations of Regulations)**

3 237. Respondent SO Glad, Inc. is subject to disciplinary action pursuant to
4 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
5 provisions of California Code of Regulations, title 16, as follows:

6 a. **Regulation 3356, subdivision (a)**: Respondent's employees failed to
7 show on Invoice # 0100605 Respondent's business name as registered with the Bureau; the
8 business name was shown as Midas Auto Service Centers, not Midas Auto Service Center.

9 b. **Regulation 3372.1, subdivision (a)**: Respondent advertised an
10 automotive service at a price which was misleading, as follows: Respondent's manager,
11 Echeverria, represented to Nicks that the Bureau's 1995 Oldsmobile "88" Royale needed new
12 front brake pads, sold Nicks new front brake pads at the advertised price of \$89.95, but falsely
13 represented to Nicks that the vehicle needed additional brake repairs, the machining or
14 resurfacing of the front brake rotors and the cleaning and adjustment of the rear brakes, in order
15 to entice Nicks into a more costly transaction.

16 **RESPONDENT'S 1236 WHITE OAKS AVENUE, CAMPBELL FACILITY**

17 **UNDERCOVER OPERATION #1: 1996 PONTIAC GRAND PRIX**

18 238. On January 23, 2008, Bureau Representative Grasmick, using the fictitious
19 name "Ron Lee", took the Bureau's 1996 Pontiac Grand Prix to Respondent SO Glad, Inc.'s
20 facility located at 1236 White Oaks Avenue, Campbell, California. The front brake pads on the
21 Bureau-documented vehicle needed replacement. Grasmick had a copy of a Midas Internet
22 coupon for "Lifetime Guaranteed Brake Pads or Shoes" for \$89.95 installed per axle.
23 Respondent's banners, located on the outside of the building, offered the same brake special.
24 Grasmick met with Respondent's employee, "Steve", and requested a brake inspection on the
25 vehicle. Grasmick presented the Midas coupon to Steve and asked him if he could use it if
26 repairs were needed. Grasmick stated that he had also seen the same advertised price on
27 television. Steve told Grasmick that he would see what he could do and handed the coupon back

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1 were not in need of replacement and the front and rear brake rotors were within manufacturer's
2 specifications, had no defects (heavy rust, cracks, or heat spots), and were not in need of
3 machining or resurfacing at the time the vehicle was taken to Respondent's facility.

4 b. Respondent's employees represented on Invoice # 3036717 that brake
5 hardware kits were installed in the Bureau's 1996 Pontiac Grand Prix along with the front and
6 rear brake pads when, in fact, the hardware parts were not replaced on the vehicle. Further, the
7 hardware parts were not in need of replacement.

8 **NINETY-EIGHTH CAUSE FOR DISCIPLINE**

9 **(Fraud)**

10 243. Respondent SO Glad, Inc. is subject to disciplinary action pursuant to
11 Code section 9884.7, subdivision (a)(4), in that it committed acts constituting fraud, as follows:
12 Respondent's employee, Steve, made false or misleading representations to Grasmick regarding
13 the Bureau's 1996 Pontiac Grand Prix, as set forth in subparagraph 242 (a) above, in order to
14 induce Grasmick to purchase unnecessary brake repairs on the vehicle, then sold Grasmick
15 unnecessary repairs, i.e., the replacement of the rear brake pads and the machining or resurfacing
16 of the front and rear brake rotors.

17 **NINETY-NINTH CAUSE FOR DISCIPLINE**

18 **(Departure from Trade Standards)**

19 244. Respondent SO Glad, Inc. is subject to disciplinary action pursuant to
20 Code section 9884.7, subdivision (a)(7), in that Respondent willfully departed from or
21 disregarded accepted trade standards for good and workmanlike repair without the consent of the
22 owner or the owner's duly authorized representative in the following material respects:

23 a. Respondent's employees failed to follow General Motors established
24 procedures when inspecting the front and rear brake rotors on the Bureau's 1996 Pontiac Grand
25 Prix.

26 b. Respondent's employees machined or resurfaced the front and rear brake
27 rotors during a brake service for worn pads (the vehicle manufacturer does not recommend brake
28 rotor machining during routine brake service for worn pads). Further, the brake rotors were

1 within manufacturer's specifications, had no defects (heavy rust, cracks, or heat spots), and were
2 not in need of machining or resurfacing; and the vehicle did not exhibit any braking pulsation or
3 abnormal brake problems.

4 c. Respondent's employees removed an excessive amount of rotor surface
5 material on all of the rotors to correct only 0.0005 inches to 0.001 inch of lateral run-out, and
6 increased the total lateral run-out on two of the four rotors.

7 **ONE HUNDREDTH CAUSE FOR DISCIPLINE**

8 **(Violations of the Code)**

9 245. Respondent SO Glad, Inc. is subject to disciplinary action pursuant to
10 Code section 9884.7, subdivision (a)(6), Respondent failed to materially comply with Code
11 section 9884.8, as follows: Respondent's employees failed to record on Invoice # 3036717 all
12 service work performed on the Bureau's 1996 Pontiac Grand Prix by failing to state that the rear
13 brake pads were replaced on the vehicle.

14 **ONE HUNDRED-FIRST CAUSE FOR DISCIPLINE**

15 **(Violations of Regulations)**

16 246. Respondent SO Glad, Inc. is subject to disciplinary action pursuant to
17 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
18 provisions of California Code of Regulations, title 16, as follows:

19 a. **Regulation 3356, subdivision (a)**: Respondent's employees failed to
20 show on Invoice # 3036717 Respondent's business name as registered with the Bureau; the
21 business name was shown as Midas Auto Service Experts, not Midas Auto Service Center.

22 b. **Regulation 3372.1, subdivision (a)**: Respondent advertised an
23 automotive service at a price which was misleading, as follows: Respondent's employee, Steve,
24 represented to Grasmick that the Bureau's 1996 Pontiac Grand Prix needed new front brake pads,
25 sold Grasmick new front brake pads at the advertised price of \$89.95, but falsely represented to
26 Grasmick that the vehicle needed additional brake repairs, the replacement of the rear brake pads
27 and the machining or resurfacing of the front and rear brake rotors, in order to entice Grasmick
28 into a more costly transaction.

1 c. **Regulation 3376:** Respondent's employees failed to provide the operator
2 with the warranty certificate for the new front and rear brake pads as specified on Invoice
3 # 3036717.

4 **RESPONDENT'S 5287 PROSPECT ROAD, SAN JOSE FACILITY**
5 **UNDERCOVER OPERATION #1: 1995 CHEVROLET LUMINA**

6 247. On January 22, 2008, Bureau Representative Grasmick, using the fictitious
7 name "Ron Cush", took the Bureau's 1995 Chevrolet Lumina to Respondent SO Glad, Inc.'s
8 facility located at 5287 Prospect Road, San Jose, California. The front brake pads on the Bureau-
9 documented vehicle needed replacement. Grasmick had a copy of a Midas Internet coupon for
10 "Lifetime Guaranteed Brake Pads or Shoes" for \$89.95 installed per axle. Grasmick told
11 Respondent's employee, "Alfredo", that he wanted a brake inspection on the vehicle because a
12 friend had told him that the vehicle needed new brakes. Grasmick presented the Midas coupon
13 to Alfredo and asked him if he could use it in the event the vehicle needed brake repairs.
14 Grasmick stated that he had seen the same advertised price on television. Alfredo told
15 Grasmick that the coupon was good, but it did not cover any labor and that labor would be extra.
16 Grasmick signed and received a copy of Repair Order # 0070764 for a "Midas 45 Point Brake
17 Inspection" for \$24.95 and a "Midas Courtesy Check", then left the facility.

18 248. At approximately 1445 hours that same day, Grasmick called the facility
19 and spoke with Respondent's employee, "Mohamed". Mohamed told Grasmick that the vehicle
20 needed the front brakes replaced and the front rotors resurfaced, and that they would also clean
21 and adjust the rear brakes and flush the brake fluid. Mohamed also told Grasmick that the
22 coupon he provided did not include the cost for resurfacing the rotors and that the total cost of
23 the brake repairs with the coupon would be \$339.42, which included a lifetime warranty.
24 Grasmick authorized the brake repairs.

25 249. On January 23, 2008, Grasmick returned to the facility, paid \$339.42 for
26 the repairs, and received a copy of Invoice # 0070764. The invoice contained a statement
27 indicating in part that "Midas International corporation issues written warranties on . . . brake
28 shoes and pads . . . The warranty terms for these products are stated on separate printed warranty

1 certificates issued to you, together with the invoice, upon purchase of the appropriate warranted
2 product . . . “

3 250. On January 24, 2008, Bureau Representative Frerichs inspected the
4 vehicle and compared the repair work performed by Respondent’s facility with Invoice
5 # 0070764. Frerichs found that the facility performed unnecessary brake repairs on the vehicle
6 and failed to repair the vehicle as invoiced, as set forth below.

7 **ONE HUNDRED-SECOND CAUSE FOR DISCIPLINE**

8 **(Untrue or Misleading Statements)**

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

13 a. Respondent’s employee, Mohamed, represented to Grasmick that the
14 Bureau’s 1995 Chevrolet Lumina needed the front brakes replaced and the front rotors
15 resurfaced, and that they would also clean and adjust the rear brakes and flush the brake fluid. In
16 fact, the only brake repair needed on the vehicle was the replacement of the front brake pads.
17 Further, the front brake rotors were new and in good working condition, were within
18 manufacturer’s specifications for thickness, parallelism, and total lateral run-out, had no scoring
19 or excessive corrosion on the braking surfaces, and were not in need of machining or resurfacing
20 at the time the vehicle was taken to Respondent’s facility. In addition, the rear brake shoes were
21 adjusted to manufacturer’s specifications and were not in need of adjustment, and the vehicle was
22 not in need of a brake fluid exchange.

23 b. Respondent’s employees represented on Invoice # 0070764 that a brake
24 fluid exchange had been performed on the Bureau’s 1995 Chevrolet Lumina when, in fact, that
25 brake repair or service was not performed on the vehicle as invoiced.

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1 c. Respondent's employees removed an excessive amount of rotor surface
2 material on both front brake rotors and increased the total lateral run-out on the right side rotor
3 by 0.001 inch.

4 d. Respondent's employees failed to adjust the rear brake shoes to
5 manufacturer's specifications in that the left side brake shoe to brake drum clearance measured
6 .013 inches and the right side brake shoe to brake drum clearance measured .039 inches (factory
7 specifications are .050 inch clearance).

8 **ONE HUNDRED-FIFTH CAUSE FOR DISCIPLINE**

9 **(Violations of Regulations)**

10 254. Respondent SO Glad, Inc. is subject to disciplinary action pursuant to
11 Code section 9884.7, subdivision (a)(6), in that Respondent failed to materially comply with
12 provisions of California Code of Regulations, title 16, as follows:

13 a. **Regulation 3356, subdivision (a)**: Respondent's employees failed to
14 show on Invoice # 0070764 Respondent's business name as registered with the Bureau; the
15 business name was shown as Midas Auto Service Experts, not Midas Auto Service Center.

16 b. **Regulation 3372.1, subdivision (a)**: Respondent advertised an
17 automotive service at a price which was misleading, as follows: Respondent's employee,
18 Mohamed, represented to Grasmick that the Bureau's 1995 Chevrolet Lumina needed new front
19 brake pads, sold Grasmick new front brake pads at the advertised price of \$89.95, but falsely
20 represented to Grasmick that the vehicle needed additional brake repairs, the machining or
21 resurfacing of the front brake rotors, the cleaning and adjustment of the rear brakes, and the brake
22 fluid flush, in order to entice Grasmick into a more costly transaction.

23 c. **Regulation 3376**: Respondent's employees failed to provide the operator
24 with the warranty certificate for the new front brake pads as specified on Invoice # 0070764.

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1 MATTERS IN AGGRAVATION

2 255. To determine the degree of discipline, if any, to be assessed against
3 Respondent M. I. Glad, Inc., Complainant alleges by way of aggravation, as follows:

4 ACCUSATION NO. 77/87-54

5 256. On October 12, 1989, pursuant to the Stipulation and Waiver adopted by
6 the Director as its Decision in the disciplinary action titled *In the Matter of the Accusation*
7 *Against: Maurice Irving Glad, Jr., dba Midas Muffler*, et al., Case No. 77/87-54, the Director
8 revoked Automotive Repair Dealer Registration Numbers AF 088614, AL 106391, AL 098636,
9 AL 098637, and ARD 056961 issued to Respondent M. I. Glad, Inc., doing business as Midas
10 Muffler and Midas Muffler Shops, with Maurice Irving Glad, Jr. as president, effective
11 November 30, 1989. The revocations were stayed and Respondent M. I. Glad, Inc.'s automotive
12 repair dealer registrations were placed on probation for a period of three (3) years on terms and
13 conditions.

14 PRO-ACTIVE CONFERENCE OF JULY 14, 2003

15 257. On July 14, 2003, Bureau Representative Michael Bolton ("Bolton") held
16 a pro-active conference with Maurice Glad regarding two consumer complaints filed against
17 Respondent M. I. Glad, Inc.'s 704 Clovis Avenue, Clovis, California facility. Bolton informed
18 Maurice Glad at that time that the Bureau had established during their investigation of the
19 complaints that his employees had attempted to sell a total of \$993.54 of unnecessary repairs to
20 the two consumers and that future violations may result in formal disciplinary action by the
21 Bureau.

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1 services did not involve replacement parts, just labor. In some cases, Respondents' automotive
2 repair facilities failed to perform repairs that were paid for by the Bureau.

3 261. The Bureau has also demonstrated that Respondents have repeatedly
4 engaged in unfair and fraudulent business practices, that Respondents have used scare tactics to
5 sell unnecessary repairs, and that Respondents' violations of law enumerated above are pervasive
6 throughout their stores, suggesting a deliberate scheme to defraud customers of the Respondents'
7 automotive repair businesses.

8 262. Pursuant to Code section 9884.7, subdivision (c), the Director may refuse
9 to validate or may invalidate temporarily or permanently the registrations for all places of
10 business operated in this state by Respondent BE Glad, Inc. upon a finding that Respondent has,
11 or is, engaged in a course of repeated and willful violations of the laws and regulations pertaining
12 to an automotive repair dealer.

13 263. Pursuant to Code section 9884.7, subdivision (c), the Director may refuse
14 to validate or may invalidate temporarily or permanently the registrations for all places of
15 business operated in this state by Respondent M. I. Glad, Inc., including, but not limited to,
16 Automotive Repair Dealer Registration Numbers AH 217792, AE 210811, and ARD 217793,
17 upon a finding that Respondent has, or is, engaged in a course of repeated and willful violations
18 of the laws and regulations pertaining to an automotive repair dealer.

19 264. Pursuant to Code section 9884.7, subdivision (c), the Director may refuse
20 to validate or may invalidate temporarily or permanently the registration for all places of business
21 operated in this state by Respondent So Glad, Inc. upon a finding that Respondent has, or is,
22 engaged in a course of repeated and willful violations of the laws and regulations pertaining to an
23 automotive repair dealer.

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PRAYER

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

1. Temporarily or permanently invalidating Automotive Repair Dealer Registration Number AA 209069, issued to BE Glad, Inc., doing business as Midas Auto Service Center, for the location at 3833 McHenry Avenue, Modesto, California 95356;

2. Temporarily or permanently invalidating Automotive Repair Dealer Registration Number AA 209071, issued to BE Glad, Inc., doing business as Midas Auto Service Center, for the location at 1420 V Street, Merced, California 95340;

3. Temporarily or permanently invalidating Automotive Repair Dealer Registration Number AA 209068, issued to BE Glad, Inc., doing business as Midas Auto Service Center, for the location at 338 McHenry Avenue, Modesto, California 95354;

4. Temporarily or permanently invalidating Automotive Repair Dealer Registration Number AA 209067, issued to BE Glad, Inc., doing business as Midas Auto Service Center, for the location at 2651 Geer Road, Turlock, California 95382;

5. Temporarily or permanently invalidating Automotive Repair Dealer Registration Number AA 209070, issued to BE Glad, Inc., doing business as Midas Auto Service Center, for the location at 1412 W. Yosemite Avenue, Manteca, California 95337;

6. Making a finding that Respondent BE Glad, Inc. has, or is, engaged in a course of repeated and willful violations of the laws and regulations pertaining to an automotive repair dealer;

7. Temporarily or permanently invalidating any other automotive repair dealer registration issued in the name of BE Glad, Inc.;

8. Temporarily or permanently invalidating Automotive Repair Dealer Registration Number AH 168169, issued to M. I. Glad, Inc., doing business as Midas Auto Service Center, for the location at 704 Clovis Avenue, Clovis, California 93612-1804;

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1 9. Temporarily or permanently invalidating Automotive Repair Dealer
2 Registration Number AL 121388, issued to M. I. Glad, Inc., doing business as Midas Auto
3 Service Center, for the location at 3937 N. Blackstone, Fresno, California 93726-3804;

4 10. Temporarily or permanently invalidating Automotive Repair Dealer
5 Registration Number AM 151085, issued to M. I. Glad, Inc., doing business as Midas Auto
6 Service Center, for the location at 7340 N. Blackstone, Fresno, California 93650-1212;

7 11. Temporarily or permanently invalidating Automotive Repair Dealer
8 Registration Number AG 167728, issued to M. I. Glad, Inc., doing business as Midas Auto
9 Service Center, for the location at 4304 W. Shaw, Fresno, California 93722-6218;

10 12. Temporarily or permanently invalidating Automotive Repair Dealer
11 Registration Number AH 217794, issued to M. I. Glad, Inc., doing business as Midas Auto
12 Service Center, for the location at 13745 E. 14th Street, San Leandro, California 94578;

13 13. Temporarily or permanently invalidating Automotive Repair Dealer
14 Registration Number AF 088614, issued to M. I. Glad, Inc., doing business as Midas Auto
15 Service Center, for the location at 6955 Village Parkway, Dublin, California 94568-2405;

16 14. Temporarily or permanently invalidating Automotive Repair Dealer
17 Registration Number AL 121386, issued to M. I. Glad, Inc., doing business as Midas Auto
18 Service Center, for the location at 3741 Washington Boulevard, Fremont, California 94538;

19 15. Temporarily or permanently invalidating Automotive Repair Dealer
20 Registration Number ARD 249897, issued to M. I. Glad, Inc., doing business as Midas Auto
21 Service Center, for the location at 2525 Monument Boulevard, Concord, California 94520;

22 16. Temporarily or permanently invalidating Automotive Repair Dealer
23 Registration Number ARD 056961, issued to M. I. Glad, Inc., doing business as Midas Auto
24 Service Center, for the location at 4045 Thornton Avenue, Fremont, California 94536;

25 17. Temporarily or permanently invalidating Automotive Repair Dealer
26 Registration Number ARD 217793, issued to M. I. Glad, Inc., doing business as Midas Auto
27 Service Experts, for the location at 24659 Mission Boulevard, Hayward, California 94544;

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1 18. Making a finding that Respondent M. I. Glad, Inc. has, or is, engaged in a
2 course of repeated and willful violations of the laws and regulations pertaining to an automotive
3 repair dealer;

4 19. Temporarily or permanently invalidating any other automotive repair
5 dealer registration issued in the name of M. I. Glad, Inc., including, but not limited to,
6 Automotive Repair Dealer Registration Numbers AH 217792 and AE 210811, for the locations
7 at 1078 La Playa Drive, Hayward, California 94545 and 2710 N. Main Street, Walnut Creek,
8 California 94596, respectively;

9 20. Temporarily or permanently invalidating Automotive Repair Dealer
10 Registration Number AG 206018, issued to So Glad, Inc., doing business as Midas Auto Service
11 Center, for the location at 2200 Stevens Creek Boulevard, San Jose, California 95128;

12 21. Temporarily or permanently invalidating Automotive Repair Dealer
13 Registration Number ARD 205920, issued to So Glad, Inc., doing business as Midas Auto
14 Service Center, for the location at 93 S. Capitol Avenue, San Jose, California 95127;

15 22. Temporarily or permanently invalidating Automotive Repair Dealer
16 Registration Number ARD 206017, issued to So Glad, Inc., doing business as Midas Auto
17 Service Center, for the location at 4224 Monterey Highway, San Jose, California 95111;

18 23. Temporarily or permanently invalidating Automotive Repair Dealer
19 Registration Number ARD 206016, issued to So Glad, Inc., doing business as Midas Auto
20 Service Center, for the location at 1236 White Oaks Avenue, Campbell, California 95008;

21 24. Temporarily or permanently invalidating Automotive Repair Dealer
22 Registration Number ARD 206013, issued to So Glad, Inc., doing business as Midas Auto
23 Service Center, for the location at 5287 Prospect Road, San Jose, California 95129;

24 25. Making a finding that Respondent So Glad, Inc. has, or is, engaged in a
25 course of repeated and willful violations of the laws and regulations pertaining to an automotive
26 repair dealer;

27 26. Temporarily or permanently invalidating any other automotive repair
28 dealer registration issued in the name of So Glad, Inc.;

1 27. Ordering Respondents BE Glad, Inc., M. I. Glad, Inc., and So Glad, Inc.,
2 doing business as Midas Auto Service Centers, to pay the Director of Consumer Affairs the
3 reasonable costs of the investigation and enforcement of this case, pursuant to Business and
4 Professions Code section 125.3;

5 28. Taking such other and further action as deemed necessary and proper.

6 DATED: 7/7/08

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SHERRY MEHL
Chief
Bureau of Automotive Repair
Department of Consumer Affairs
State of California

Complainant

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

12 In the Matter of the Accusation Against:
13 BE GLAD, INC.,
dba MIDAS AUTO SERVICE CENTER
14 MAURICE IRVING GLAD, PRESIDENT, et al.
15 Respondents.

Case No. 77/07-34

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ACCUSATION**

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