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

### GLASS EMPORIUM OF MARIN, INC., dba GLASS PRO GERALD ALEXANDER, PRESIDENT

1258 W. Grand Avenue Oakland, CA 94607 Automotive Repair Dealer Reg. No. ARD 219795

## GLASS EMPORIUM OF MARIN, INC., dba GLASS PRO

GERALD ALEXANDER, PRESIDENT 526 16th Street Sacramento, CA 95814 Automotive Repair Dealer Reg. No. ARD 219797

# GLASS EMPORIUM OF MARIN, INC., dba GLASS PRO

GERALD ALEXANDER, PRESIDENT 863 Bryant Street San Francisco, CA 94103 <u>Mailing Address</u>: 1276 West Grand Avenue Oakland, CA 94607 Automotive Repair Dealer Reg. No. ARD 219801,

and

GLASS EMPORIUM OF MARIN, INC., dba GLASS PRO MEHRDAD HAKIMIAN, PRESIDENT 201/203 Santa Rosa Avenue Santa Rosa, CA 95404 <u>Mailing Address</u>: 1276 West Grand Avenue Oakland, CA 94607

Automotive Repair Dealer Reg. No. ARD 219796

Respondents.

Case No. 77/11-05

OAH No. 2012010102

### DECISION

The attached Stipulated Settlement and Disciplinary Order is hereby accepted and adopted as the Decision of the Director of the Department of Consumer Affairs in the above-entitled matter.

This Decision shall become effective

9/25/12

DATED: \_ September 6, 2012

BOREATHEA JOHNSON Deputy Director, Legal Affairs Department of Consumer Affairs

1	KAMALA D. HARRIS Attorney General of California	
2	FRANK H. PACOE Supervising Deputy Attorney General	
3	JUSTIN R. SURBER Deputy Attorney General	
4	State Bar No. 226937 455 Golden Gate Avenue, Suite 11000	
5	San Francisco, CA 94102-7004 Telephone: (415) 355-5437	
6	Facsimile: (415) 703-5480 Attorneys for Complainant	
7		
8	DEPARTMENT OF	DRE THE CONSUMER AFFAIRS
9	FOR THE BUREAU O STATE OF	F AUTOMOTIVE REPAIR CALIFORNIA
10		
11	GLASS EMPORIUM OF MARIN, INC.,	Case No. 77/11 - 05
12	dba GLASS PRO GERALD ALEXANDER, PRESIDENT	OAH No. 2012010102
13	1258 W. Grand Avenue Oakland, CA 94607	STIPULATED SETTLEMENT AND DISCIPLINARY ORDER
14	Automotive Repair Dealer Reg. No. ARD 219795,	DISCIPLINARY ORDER
15	GLASS EMPORIUM OF MARIN, INC., dba GLASS PRO	
16	GERALD ALEXANDER, PRESIDENT 526 16th Street	
17	Sacramento, CA 95814	
18	Automotive Repair Dealer Reg. No. ARD 219797,	
19	GLASS EMPORIUM OF MARIN, INC.,	
20	dba GLASS PRO GERALD ALEXANDER, PRESIDENT	
21	863 Bryant Street San Francisco, CA 94103	
22	<u>Mailing Address</u> : 1276 West Grand Avenue	
23	Oakland, CA 94607 Automotive Repair Dealer Reg. No. ARD	
24	219801,	
25	and	
26	111	
27	///	
28		
		-
		STIPULATED SETTLEMENT (77/11 - 05)

•

· ·

1	GLASS EMPORIUM OF MARIN, INC., dba GLASS PRO
2	MEHRDAD HAKIMIAN, PRESIDENT 201/203 Santa Rosa Avenue
3	Santa Rosa, CA 95404 <u>Mailing Address</u> :
4	1276 West Grand Avenue Oakland, CA 94607
5	Automotive Repair Dealer Reg. No. ARD 219796
6	Respondents.
7	
8	
9	IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
10	entitled proceedings that the following matters are true:
11	PARTIES
12	1. John Wallauch (Complainant) is the Chief of the Bureau of Automotive Repair. He
13	brought this action solely in his official capacity and is represented in this matter by Kamala D.
14	Harris, Attorney General of the State of California, by Justin R. Surber, Deputy Attorney General.
15	2. Respondent Glass Emporium of Marin Inc. (Respondent) is represented in this
16	proceeding by attorney William Ferreira, whose address is:
17	
18	William Ferreira Automotive Defense Specialists
19	582 Market St Ste 1608
20	San Francisco, CA 94104
21	3. 1. In or about 2002, the Director of Consumer Affairs ("Director") issued
22	Automotive Repair Dealer Registration Number ARD 219795 to Glass Emporium of Marin, Inc.
23	("Respondent Glass Emporium" or "Glass Emporium"), doing business as Glass Pro, with
24	Mehrdad Hakimian ("Hakimian") as president. On or about August 12, 2010, Gerald Alexander
25	("Alexander") replaced Hakimian as president. Respondent's automotive repair dealer
26	registration will expire on January 31, 2013, unless renewed.
27	2. On or about January 14, 2002, the Director issued Automotive Repair Dealer
28	Registration Number ARD 219797 to Respondent Glass Emporium, doing business as Glass Pro,
	2
[]	STIPULATED SETTLEMENT (77/11 - 05)

,

.

•

1	with Hakimian as president. On or about August 12, 2010, Alexander replaced Hakimian as
2	president. Respondent's automotive repair dealer registration will expire on January 31, 2013,
3	unless renewed.
4	3. In or about 2002, the Director issued Automotive Repair Dealer Registration Number
5	ARD 219801 to Respondent Glass Emporium, doing business as Glass Pro, with Hakimian as
6	president. On or about August 12, 2010, Alexander replaced Hakimian as president.
7	Respondent's automotive repair dealer registration will expire on January 31, 2013, unless
8	renewed.
9	4. In or about 2002, the Director issued Automotive Repair Dealer Registration Number
10	ARD 219796 to Respondent Glass Emporium, doing business as Glass Pro, with Hakimian as
11	president. Respondent's automotive repair dealer registration expired on January 31, 2009.
12	JURISDICTION
13	4. First Amended Accusation No. 77/11 - 05 was filed before the Director of Consumer
14	Affairs (Director), for the Bureau of Automotive Repair (Bureau), and is currently pending
15	against Respondent. The Accusation and all other statutorily required documents were properly
16	served on Respondent on December 28, 2011. Respondent timely filed its Notice of Defense
17	contesting the Accusation.
18	5. A copy of First Amended Accusation No. 77/11 - 05 is attached as exhibit A and
19	incorporated herein by reference.
20	ADVISEMENT AND WAIVERS
21	6. Respondent has carefully read, fully discussed with counsel, and understands the
22	charges and allegations in Accusation No. 77/11 - 05. Respondent has also carefully read, fully
23	discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary
24	Order.
25	7. Respondent is fully aware of its legal rights in this matter, including the right to a
26	hearing on the charges and allegations in the Accusation; the right to be represented by counsel at
27	its own expense; the right to confront and cross-examine the witnesses against them; the right to
28	present evidence and to testify on its own behalf; the right to the issuance of subpoenas to compel
	3
	STIPLILATED SETTIEMENT $(77/11 - 05)$

1	the attendance of witnesses and the production of documents; the right to reconsideration and
2	court review of an adverse decision; and all other rights accorded by the California
3	Administrative Procedure Act and other applicable laws.
4	8. Respondent voluntarily, knowingly, and intelligently waives and gives up each and
5	every right set forth above.
6	CULPABILITY
7	9. Respondent understands and agrees that the charges and allegations in First Amended
8	Accusation No. 77/11 - 05, if proven at a hearing, constitute cause for imposing discipline upon
9	its Automotive Repair Dealer Registrations.
10	10. For the purpose of resolving the Accusation without the expense and uncertainty of
11	further proceedings, Respondent agrees that, at a hearing, Complainant could establish a factual
12	basis for the charges in the Accusation, and that Respondent hereby gives up its right to contest
13	those charges.
14	11. Respondent agrees that its Automotive Repair Dealer Registrations are subject to
15	discipline and it agree to be bound by the Director's probationary terms as set forth in the
16	Disciplinary Order below.
17	RESERVATION
18	12. The admissions made by Respondent herein are only for the purposes of this
19	proceeding, or any other proceedings in which the Director of Consumer Affairs, Bureau of
20	Automotive Repair or other professional licensing agency is involved, and shall not be admissible
21	in any other criminal or civil proceeding.
22	<u>CONTINGENCY</u>
23	13. This stipulation shall be subject to approval by the Director of Consumer Affairs or
24	his designee. Respondent understands and agrees that counsel for Complainant and the staff of
25	the Bureau of Automotive Repair may communicate directly with the Director and staff of the
26	Department of Consumer Affairs regarding this stipulation and settlement, without notice to or
27	participation by Respondent or its counsel. By signing the stipulation, Respondent understands
28	and agrees that they may not withdraw its agreement or seek to rescind the stipulation prior to the
	4

time the Director considers and acts upon it. If the Director fails to adopt this stipulation as the
 Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force or
 effect, except for this paragraph, it shall be inadmissible in any legal action between the parties,
 and the Director shall not be disqualified from further action by having considered this matter.

14. The parties understand and agree that facsimile copies of this Stipulated Settlement
and Disciplinary Order, including facsimile signatures thereto, shall have the same force and
effect as the originals.

8 15. This Stipulated Settlement and Disciplinary Order is intended by the parties to be an
9 integrated writing representing the complete, final, and exclusive embodiment of their agreement.
10 It supersedes any and all prior or contemporaneous agreements, understandings, discussions,
11 negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary
12 Order may not be altered, amended, modified, supplemented, or otherwise changed except by a
13 writing executed by an authorized representative of each of the parties.

14 16. In consideration of the foregoing admissions and stipulations, the parties agree that
15 the Director may, without further notice or formal proceeding, issue and enter the following
16 Disciplinary Order:

17

#### **DISCIPLINARY ORDER**

IT IS HEREBY ORDERED that Automotive Repair Dealer Registration No. ARD 219795,
Automotive Repair Dealer Registration No. ARD 219796, Automotive Repair Dealer
Registration No. ARD 219797, and Automotive Repair Dealer Reg. No. ARD 219801 issued to
Glass Emporium of Marin Inc. (Respondent) are revoked. However, the revocations of ARD
219795, ARD 219797, and ARD 219801 are stayed and Respondent is placed on probation for
three (3) years on the following terms and conditions.

Obey All Laws. Comply with all statutes, regulations and rules governing
 automotive inspections, estimates and repairs.

26 2. Reporting. Respondent or Respondent's authorized representative must report in
 27 person or in writing as prescribed by the Bureau of Automotive Repair, on a schedule set by the
 28 Bureau, but no more frequently than each quarter, on the methods used and success achieved in

maintaining compliance with the terms and conditions of probation.

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

6 4. Random Inspections. Provide Bureau representatives unrestricted access to inspect
7 all vehicles (including parts) undergoing repairs, up to and including the point of completion.

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

Kiolation of Probation. Should the Director of Consumer Affairs determine that
 Respondent has failed to comply with the terms and conditions of probation, the Department may,
 after giving notice and opportunity to be heard temporarily or permanently invalidate the
 registrations.

7. Cost Recovery. Payment to the Bureau of the full amount of cost recovery in the
 amount of \$6737.50 shall be received no later than 24 months before probation terminates.
 Failure to complete payment of cost recovery within this time frame shall constitute a violation of
 probation which may subject Respondent's registrations to outright revocation; however, the
 Director or the Director's Bureau of Automotive Repair designee may elect to continue probation
 until such time as reimbursement of the entire cost recovery amount has been made to the Bureau.
 <u>ACCEPTANCE</u>

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully
discussed it with my attorney, William Ferreira. I understand the stipulation and the effect it will
have on the Automotive Repair Dealer Registrations. I enter into this Stipulated Settlement and
Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the
Decision and Order of the Director of Consumer Affairs.

6

28

1 2 DATED: 3 G AT FYA NDER as President of 4 Glass Emporium of Marin Inc. Respondent 5 I have read and fully discussed with Respondent Gerald Alexander the terms and conditions 6 and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve 7 its form and content. 8 DATED: 9 William Ferreira Attorney for Respondent 10 11 12 13 **ENDOR SEMENT** 14 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully 15 submitted for consideration by the Director of Consumer Affairs. 16 17 Dated: Respectfully submitted, 18 KAMALA D. HARRIS Attorney General of California 19 FRANK H. PACOE Supervising Deputy Attorney General 20 21 22 JUSTIN R. SURBER Deputy Attomey General 23 Attorneys for Complainant 24 25 26 SF2011200494 Stipulation.rtf 27 28 7 STIPULATED SETTLEMENT (77/11 - 05)

1	
2	
3	DATED:
4	GERALD ALEXANDER as President of
5	Glass Emporium of Marin Inc. Respondent
6	I have read and fully discussed with Respondent Gerald Alexander the terms and condition
7	and other matters contained in the above Stipulated Settlemont and Disciplinary Order. 1 appro
8	its form and content.
9	DATED: 7/12/12
10	William Ferreira Attorney for Respondent
11	
12	
13	
14	ENDORSEMENT
15	The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
16	submitted for consideration by the Director of Consumer Affairs.
17	Dis of 1
18	Dated: 7/13/12 Respectfully submitted,
19	KAMALA D. HARRIS Attorney General of California
20	FRANK H. PACOE Supervising Deputy Attorney General
21	
22	Liver D. Comme
23	Justin R. Surber Deputy Attorney General
24 ,	Attorneys for Complainant
25	
20 26	
20	SF2011200494 Stipulation.rtf
27 28	
20	
	7 STIPULATED SETTLEMENT (77/11 - 05

## Exhibit A

.

Accusation No. 77/11 - 05

1 2	Attorney General of California	
1	1	
4		
5	Jun 1 March 300, CA 94102-7004	
6		
7	Attorneys for Complainant	
8	DEFORE I H	
9	DEPARTMENT OF CONSU FOR THE BUREAU OF AUTO STATE OF CALIFO	MOTIVE REPAIR
10	STATE OF CALIF(	JRINIA
11	In the Matter of the Accusation Against:	Case No. 77/11-05
12	GLASS EMPORIUM OF MARIN, INC.	Case 140. 1 1 11-05
13 14	DDa GLASS PRO GERALD ALEXANDER, PRESIDENT	FIRST AMENDED
14	1258 W. Grand Avenue Oakland, CA 94607	ACCUSATION
15	Automotive Repair Dealer Reg. No. ARD 219795,	
17	GLASS EMPORIUM OF MARIN, INC., dba GLASS PRO	
18	GERALD ALEXANDER, PRESIDENT 526 16th Street Sacramento, CA 95814	
19	Automotive Repair Dealer Reg. No. ARD 219797,	
20	GLASS EMPORIUM OF MARIN, INC., dba GLASS PRO	
21	GERALD ALEXANDER, PRESIDENT 863 Bryant Street	
22	San Francisco, CA 94103 Mailing Address:	
23	1276 West Grand Avenue Oakland, CA 94607	
24	Automotive Repair Dealer Reg. No. ARD 219801,	
25	and	
26	///	
27	///	
28		
	1	
1		

•

Accusation

1 2 3 4 5	GLASS EMPORIUM OF MARIN, INC., dba GLASS PRO MEHRDAD HAKIMIAN, PRESIDENT 201/203 Santa Rosa Avenue Santa Rosa, CA 95404 <u>Mailing Address</u> : 1276 West Grand Avenue Oakland, CA 94607 Automotive Repair Dealer Reg. No. ARD 219796
6	Respondents.
7	
8	Complainant alleges:
9	PARTIES
0	1. Sherry Mehl ("Complainant") brings this Accusation solely in her official capacity as
1	the Chief of the Bureau of Automotive Repair ("Bureau"), Department of Consumer Affairs.
2	2. In or about 2002, the Director of Consumer Affairs ("Director") issued Automotive
3	Repair Dealer Registration Number ARD 219795 to Glass Emporium of Marin, Inc.
4	("Respondent Glass Emporium" or "Glass Emporium"), doing business as Glass Pro, with
5	Mehrdad Hakimian ("Hakimian") as president. On or about August 12, 2010, Gerald Alexander
6	("Alexander") replaced Hakimian as president. Respondent's automotive repair dealer
7	registration will expire on January 31, 2013, unless renewed.
8	3. On or about January 14, 2002, the Director issued Automotive Repair Dealer
9	Registration Number ARD 219797 to Respondent Glass Emporium, doing business as Glass Pro,
0	with Hakimian as president. On or about August 12, 2010, Alexander replaced Hakimian as
.1	president. Respondent's automotive repair dealer registration will expire on January 31, 2013,
2	unless renewed.
3	4. In or about 2002, the Director issued Automotive Repair Dealer Registration Number
4	ARD 219801 to Respondent Glass Emporium, doing business as Glass Pro, with Hakimian as
5	president. On or about August 12, 2010, Alexander replaced Hakimian as president.
6	Respondent's automotive repair dealer registration will expire on January 31, 2013, unless
7	renewed.
8	. 111
	2

.

· ·

1	
1	5. In or about 2002, the Director issued Automotive Repair Dealer Registration Number
2	ARD 219796 to Respondent Glass Emporium, doing business as Glass Pro, with Hakimian as
3	president. Respondent's automotive repair dealer registration expired on January 31, 2009.
4	6. On or about February 17, 1995, Glass Emporium was incorporated in the State of
5	California. On or about January 14, 2004, a statement of information was filed with the Secretary
6	of State, designating Emma De Guzman ("De Guzman") as one of the directors of Glass
7	Emporium. On or about October 30, 2008, a statement of information was filed with the
8	Secretary of State, designating De Guzman and Alexander, among others, as directors of Glass
9	Emporium.
10	JURISDICTION
11	7. Business and Professions Code ("Code") section 9884.7 provides that the Director
12	may revoke an automotive repair dealer registration.
13	8. Code section 9884.13 provides, in pertinent part, that the expiration of a valid
14	registration shall not deprive the Director of jurisdiction to proceed with a disciplinary proceeding
15	against an automotive repair dealer or to render a decision temporarily or permanently
16	invalidating (revoking or suspending) a registration.
17	STATUTORY PROVISIONS
18	9. Code section 9884.7 states, in pertinent part:
19	(a) The director, where the automotive repair dealer cannot show there was a bona fide error, may deny, suspend, revoke, or place on probation the
20	registration of an automotive repair dealer for any of the following acts or omissions related to the conduct of the business of the automotive repair dealer, which are done
21	by the automotive repair dealer or any automotive technician, employee, partner, officer, or member of the automotive repair dealer.
22	(1) Making or authorizing in any manner or by any means whatever any
23	statement written or oral which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading.
24	
25	(4) Any other conduct that constitutes fraud
26	
27	10. Code section 9884.7, subdivision (c), states, in pertinent part, that the Director may
28	suspend, revoke, or place on probation the registration for all places of business operated in this
	3
	Accusation

.

1	state by an automotive repair dealer upon a finding that the automotive repair dealer has, or is,
2	engaged in a course of repeated and willful violations of the laws and regulations pertaining to an
3	automotive repair dealer.
4	11. Code section 22, subdivision (a), states:
5	"Board" as used in any provision of this Code, refers to the board in
6 7	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."
8	12. Code section 477, subdivision (b), states, in pertinent part, that a "license" includes
9	"registration" and "certificate."
10	13. 18 United States Code ("U.S.C.") section 1343 states, in pertinent, part:
11	Whoever, having devised or intending to devise any scheme or artifice to
12	defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be transmitted by means of wire,
13	radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or
14	artifice, shall be fined under this title or imprisoned not more than 20 years, or both
15	14. 18 U.S.C. section 1546, subdivision (a), states, in pertinent part:
16	
17	Whoever knowingly makes under oath, or as permitted under penalty of perjury under section 1746 of title 28, United States Code, knowingly subscribes as
18	true, any false statement with respect to a material fact in any application, affidavit, or other document required by the immigration laws or regulations prescribed
19 20	thereunder, or knowingly presents any such application, affidavit, or other document which contains any such false statement or which fails to contain any reasonable basis in law or fact
21	Shall be fined under this title or imprisoned not more than 25 years (if the
22	offense was committed to facilitate an act of international terrorism (as defined in section 2331 of this title [18 USCS § 2331])), 20 years (if the offense was committed
23	to facilitate a drug trafficking crime (as defined in section 929(a) of this title [18 USCS § 929(a)])), 10 years (in the case of the first or second such offense, if the
24	offense was not committed to facilitate such an act of international terrorism or a drug trafficking crime), or 15 years (in the case of any other offense), or both.
25	COST RECOVERY
26	15. Code section 125.3 provides, in pertinent part, that a Board may request the
27	administrative law judge to direct a licentiate found to have committed a violation or violations of
28	///
	4
1	Accusation

•

.

· .

.

1	the licensing act to pay a sum not to exceed the reasonable costs of the investigation and
2	enforcement of the case.
3	FIRST CAUSE FOR DISCIPLINE
4	(Fraud)
5	16. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
6	subdivision (a)(4), in that Respondent's employees, officers, and/or members including, but not
7	limited to, Hakimian, De Guzman, Aldy Antonio ("Antonio"), and Bobby Guinto ("Guinto"),
8	committed acts constituting fraud, as follows:
9	a. On or about February 5, 2010, in the criminal proceeding titled U.S. v. Mehrdad
10	Hakimian, et al. (USDC, Northern Dist. of CA, 2010, Case No. CR-09-00021-001 DLJ),
11	Hakimian pled guilty to violating 8 U.S.C. section 1324, subdivision (a)(1)(A)(iii) (harboring
12	illegal aliens), 18 U.S.C. section 371 (conspiracy to commit visa fraud), and 18 U.S.C. section
13	1546, subdivision (a) (visa fraud). On or about March 18, 2010, Hakimian was found guilty by
14	the jury of violating 18 U.S.C. section 371 (conspiracy to commit wire fraud), 18 U.S.C. section
15	1343 (wire fraud), and 18 U.S.C. section 1512, subdivision (c)(1) (obstruction of justice). On or
16	about July 2, 2010, Hakimian was sentenced to a term of 42 months in federal prison. The
17	circumstances of the crimes are set forth in subparagraphs (e) through (1) below.
18	b. On or about February 5, 2010, in the above-referenced criminal proceeding,
19	De Guzman pled guilty to violating 8 U.S.C. section 1324, subdivision (a)(1)(A)(iii) (harboring
20	illegal aliens), and 18 U.S.C. section 371 (conspiracy to commit visa fraud).
21	c. On or about January 30, 2009, in the above-referenced criminal proceeding, Antonio
22	pled guilty to violating 18 U.S.C. section 1343 (wire fraud).
23	d. On or about March 20, 2009, in the above-referenced criminal proceeding, Guinto
24	pled guilty to violating 18 U.S.C. section 1343 (wire fraud).
25	e. Hakimian was the president of Glass Emporium and its subsidiaries, Glass Pro and
26	Glass Masters, headquartered in Oakland, California. Glass Emporium was, and is, in the
27	business of replacing vehicle glass/windows, primarily windshields, and had more than 50 stores
28	located throughout the United States ("field stores"). Hakimian regularly worked at the
	5
l	Accusation

\_\_\_\_

•

,

.

headquarters in Oakland and at times traveled to the field stores. De Guzman had been employed
 by Hakimian since 1991, initially at Hakimian's automotive repair facilities, Tags Auto Glass, and
 since 1995, as an officer and/or director of Glass Emporium. Antonio and Guinto were
 employees of Glass Emporium and worked in accounts receivables at the headquarters.

f. Hakimian and De Guzman directed the manner in which the managers of the field
stores ran the business by providing direct input over the telephone and participating in meetings
with regional managers, district managers, and field store managers both in Oakland, California,
and at various field stores.

g. Glass Emporium utilized a computerized billing system that linked all stores located
throughout the United States to the headquarters. All managers of field stores were directed to
electronically submit to the headquarters on a daily basis invoices for glass replacement work
performed at the field stores. Field store managers were also directed on a weekly basis to submit
hard copies of invoices, credit card slips, dealer receipts, time cards, and voided invoices to the
headquarters.

h. Employees at the headquarters billed insurance companies for all work performed at
all field locations throughout the United States. Glass Emporium billed certain insurance
companies directly, and used third party administrators, including Lynx and Safelite, to bill other
insurance companies. Employees at the headquarters, including Hakimian and De Guzman, had
computer access and the ability to review invoices created electronically at field stores, and also
had access to any changes made to invoices at the headquarters.

i. Hakimian and De Guzman conspired with each other and with others to commit
fraud, as follows:

In and between November 1999 and December 2006, Hakimian and
 De Guzman directed Glass Emporium employees working at field stores to waive the customers'
 insurance deductible in order to encourage the customers to cover the costs of replacing their
 vehicle glass through their insurance companies.

In and between November 1999 and December 2006, Hakimian directed certain
 regional, district, and store managers to submit invoices that falsely represented to the insurance

companies the type of vehicle glass installed, including windshields, and the cost of the glass and
 materials.

In and between November 1999 and December 2006, Hakimian and
 De Guzman directed Glass Emporium employees to separately charge insurance companies for
 moldings, clips, adhesives, and other installation materials even when those costs were included
 in the cost of the windshield.

In and between November 1999 and December 2006, Hakimian and
De Guzman directed Glass Emporium employees working in accounts receivables at the
headquarters to electronically void the invoices received from the field stores that were to be
submitted to insurance companies, and to electronically amend these invoices by falsely
representing to the insurance companies the type and cost of vehicle glass installed, including
windshields, and to inflate the cost of the glass and materials.

13 5. In and between November 1999 and December 2006, Hakimian and
14 De Guzman met with Glass Emporium employees at the headquarters and elsewhere and
15 discussed the manner in which insurance companies would be overcharged.

In or about January 2005, Hakimian and De Guzman met with Antonio and 6. 16 directed him to continue to work for Glass Emporium at home, away from the headquarters. 17 De Guzman provided Antonio with her access number which allowed Antonio to log into the 18 Glass Emporium computer system as De Guzman while continuing to void and amend insurance 19 invoices without using his own access number, thereby preventing the United States Citizenship 20and Immigration Services ("USCIS") from detecting that Antonio, a citizen of the Philippines, 21who had no authority to be in the United States or to work in the United States, was illegally 22 employed by Glass Emporium. 23

7. In and between 2001 and December 2006, Antonio regularly voided and
amended invoices received from field stores that were sent to insurance companies, thereby
overcharging insurance companies for the replacement of vehicle glass.

27 ///

28

111

Accusation |

8. In and between October 2005 and December 2006, Guinto regularly voided and
 amended invoices received from field stores that were sent to insurance companies, thereby
 overcharging insurance companies for the replacement of vehicle glass.

4

5

6

7

9. Between November 1999, and December 2006, Glass Emporium employees, including Antonio and Guinto, voided and amended invoices received from field stores to be submitted to insurance companies for payment, and amended the invoices to falsely represent higher costs for the replacement of vehicle glass.

8 10. In or about December 2006, Hakimian and De Guzman attempted to avoid
9 detection of their conspiracy to commit fraud by destroying hundreds of boxes of documents
10 containing fraudulent invoices, and attempting to delete computer records of the fraudulent
11 invoices.

In and between January 2004 and August 2005, Hakimian and De Guzman j. 12 knowingly, and with the intent to defraud and obtain money by means of materially false and 13 fraudulent pretenses, representations, and promises, sent electronically to third party administrator 14 Lynx Services, L.L.C., and thereafter to insurance companies certain false invoices. 15 In and between January 2002 and January 2010, Hakimian and De Guzman k. 16 knowingly submitted numerous H1-B petitions to USCIS that contained false material 17 information; hired foreign employees and employed them prior to the USCIS's approval of the 18 employees' 1-129 Petitions; paid illegally employed foreign employees through third parties; 19 directed illegally employed foreign employees to avoid immigration officials who visited the 20 headquarters by hiding from them; falsely reported the work hours of certain H1-B visa 21 employees to third-party payroll administrators to create the appearance on the pay records that 22 Hakimian and De Guzman were complying with the work hours they had represented on the I-23 129 petitions; and increased the wage rates for certain H1-B visa employees to create the 24 appearance on the pay records that Hakimian and De Guzman were complying with the wage 25 amounts that they had represented on the I-129 Petitions, but then requiring the HI-B visa 26 employees to return the increased wages to them (Hakimian and De Guzman). 27

28

111

Accusation

1	l. In and between March 2005 and August 2008, Hakimian and De Guzman knowingly
2	made under oath, and subscribed as true under penalty of perjury, false statements with respect to
3	material facts on the I-129 Petitions, I-140 Petitions, and supporting documentation for
4	employees. Specifically, Hakimian and De Guzman misrepresented employee job titles and duty
5	descriptions, wage amounts, and hours worked.
6	SECOND CAUSE FOR DISCIPLINE
7	(Untrue or Misleading Statements)
8	17. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
9	subdivision (a)(1), in that Respondent's employees, officers, and/or members, including, but not
10	limited to, Hakimian, De Guzman, Antonio, and Guinto, made or authorized statements which
11	they knew or in the exercise of reasonable care should have known to be untrue or misleading, as
12	set forth in subparagraphs 16 (i) through (l) above.
13	THIRD CAUSE FOR DISCIPLINE
14	(Criminal Convictions)
15	18. Respondent is subject to disciplinary action pursuant to Code section 490, in that,
16	Hakimian, De Guzman, Antonio, and Guinto, while serving as Respondent's officers, directors,
17	and employees, were convicted of crimes that are substantially related to the qualifications,
18	functions, or duties of an automotive repair dealer. The convictions and circumstances leading to
19	the convictions are more fully described in paragraph 16, above.
20	MATTERS IN AGGRAVATION
21	19. To determine the degree of discipline, if any, to be assessed against Respondent,
22	complainant alleges by way of aggravation, as follows: On or about January 29, 1996, pursuant
23	to the Stipulated Settlement and Disciplinary Order adopted as the Decision of the Director in the
24	disciplinary action titled "In the Matter of the Accusation Against: Tags Auto Glass", Case No.
25	77/95-76", the Director revoked Automotive Repair Dealer Registration Numbers AF 154473,
26	AH 155248, AM 157709, and AJ 185473, issued to Mehrdad Hakimian, owner of Tags Auto
27	Glass. The Bureau determined based on several undercover operations and their investigation of
28	consumer complaints that Hakimian and his employees quoted one price to consumers for various
	9
	Accusation

repairs and billed the consumers' insurance companies a higher amount, constituting violations of 1 Code section 9884.7, subdivisions (a)(1) (false and misleading statements) and (a)(4) (fraud). 2 **OTHER MATTERS** 3 4 20. On April 20, 1998, pursuant to the Stipulated Permanent Injunction in the action titled People v. Glass Masters, Inc., et al. (Super. Ct., San Joaquin County, 1998, Case No. CV001167), 5 the court ordered that Merhdad Hakimian, his successors, officers, employees, agents, and 6 7 representatives, all persons acting in concert with him, and all Glass Masters stores operating 8 within the State of California, which are owned or operated by Hakimian as of the date of entry of 9 the Stipulated Permanent Injunction, are permanently enjoined and restrained from certain conduct in connection with advertising for repair through any electronic or print media, and 10 servicing and repairing any automotive products at or on behalf of Glass Masters Stores. The 11 court further ordered that jurisdiction was retained by the court for the purpose of enabling any 12 13 party to the Stipulated Permanent Injunction to apply to the court at any time for the modification of any injunctive provisions thereof. 14 21. Pursuant to Code section 9884.7, subdivision (c), the Director may suspend, revoke, 15 or place on probation the registration for all places of business operated in this state by 16 Respondent Glass Emporium of Marin, Inc., doing business as Glass Pro, upon a finding that 17 Respondent has, or is, engaged in a course of repeated and willful violations of the laws and 18 regulations pertaining to an automotive repair dealer. 19 PRAYER 20 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, 21 and that following the hearing, the Director of Consumer Affairs issue a decision: 22 1. Revoking or suspending Automotive Repair Dealer Registration Number ARD 23 219795, issued to Glass Emporium of Marin, Inc., doing business as Glass Pro; 24 25 2. Revoking or suspending Automotive Repair Dealer Registration Number ARD 219797, issued to Glass Emporium of Marin, Inc., doing business as Glass Pro; 26 3. Revoking or suspending Automotive Repair Dealer Registration Number ARD 2728 219801, issued to Glass Emporium of Marin, Inc., doing business as Glass Pro; 10

1	4. Revoking or suspending Automotive Repair Dealer Registration Number ARD
2	219796, issued to Glass Emporium of Marin, Inc., doing business as Glass Pro;
3	5. Revoking or suspending any other automotive repair dealer registration issued to
4	Glass Emporium of Marin, Inc.;
5	6. Ordering Glass Emporium of Marin, Inc., doing business as Glass Pro, to pay the
6	Director of Consumer Affairs the reasonable costs of the investigation and enforcement of this
7	case, pursuant to Business and Professions Code section 125.3;
8	7. Taking such other and further action as deemed necessary and proper.
9	
10	DATED: 12/19/11 AMAN MM
11	SHERRY MEHL Chief Bureau of Automotive Repair
12	Department of Consumer Affairs State of California
13	Complainant
14	
15	SF2011200494
16	
17	
18	
19	
20	
21	
22	
23	
24	
25 26	
26 27	
27 28	
20	1 1
	ll Accusation

· •

.