

1 KAMALA D. HARRIS
Attorney General of California
2 ARTHUR D. TAGGART
Supervising Deputy Attorney General
3 GEOFFREY S. ALLEN
Deputy Attorney General
4 State Bar No. 193338
1300 I Street, Suite 125
5 P.O. Box 944255
Sacramento, CA 94244-2550
6 Telephone: (916) 324-5341
Facsimile: (916) 327-8643
7 *Attorneys for Complainant*

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

12 In the Matter of the Accusation Against:

Case No.

77/13-35

13 **LALOS COLLISION REPAIR**
14 **HILARIO HECTOR ARRONA, OWNER**
2246 East Weber Avenue, Unit 23
Stockton, CA 95205

A C C U S A T I O N

15 **Automotive Repair Dealer Reg. No. ARD 260524**

16 Respondent.

17
18 Complainant alleges:

19 **PARTIES**

- 20 1. John Wallauch ("Complainant") brings this Accusation solely in his official capacity
21 as the Chief of the Bureau of Automotive Repair ("Bureau"), Department of Consumer Affairs.
22 2. On or about January 20, 2010, the Director of Consumer Affairs ("Director") issued
23 Automotive Repair Dealer Registration Number ARD 260524 to Hilario Hector Arrona
24 ("Respondent"), owner of Lalos Collision Repair. Respondent's automotive repair dealer
25 registration expired on January 31, 2012.

26 **JURISDICTION**

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

1 8. Code section 22, subdivision (a), states:

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

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

7 10. California Code of Regulations, title 16, section ("Regulation") 3303, subdivision
8 (m), states that "[s]ection" or "sectioning" means the replacement of less than a whole part or
9 component by splicing the part or component at non-factory seams."

10 11. Regulation 3358 states:

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

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

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

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

17 12. Regulation 3365 states:

18 The accepted trade standards for good and workmanlike auto body and
19 frame repairs shall include, but not be limited to, the following:

20 (a) Repair procedures including but not limited to the sectioning of
21 component parts, shall be performed in accordance with OEM service specifications
or nationally distributed and periodically updated service specifications that are
generally accepted by the autobody repair industry.

22 (b) All corrosion protection shall be applied in accordance with
23 manufacturers' specifications or nationally distributed and periodically updated
service specifications that are generally accepted by the autobody repair industry.

24 **COST RECOVERY**

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

1 estimate and had not performed the repairs to accepted trade standards. The total estimated value
2 of the repairs the facility failed to perform on the vehicle is approximately \$2,615.38.

3 17. On or about August 11, 2011, two representatives of the Bureau met with Arrona at
4 the facility. Arrona told the representatives that the facility was, in fact, paid for the replacement
5 of the upper tie bar and A/C condenser contrary to his prior statement, and that he "personally"
6 performed the repairs on the vehicle.

7 18. On or about January 13, 2012, one of the representatives called Quality Auto Parts
8 and was informed that the front bumper cover, hood, and right fender they sold Respondent were
9 non-CAPA (Certified Automotive Parts Association)¹ parts.

10 **FIRST CAUSE FOR DISCIPLINE**

11 **(Fraud)**

12 19. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
13 subdivision (a)(4), in that Respondent committed acts that constitute fraud, as follows:

14 a. Respondent obtained payment from Workmen's for replacing the air bag caution
15 information label on Knizner's 2007 Honda Accord Ex. In fact, that part was not replaced on the
16 vehicle.

17 b. Respondent obtained payment from Workmen's for replacing the specification
18 information label on Knizner's 2007 Honda Accord Ex. In fact, that part was not replaced on the
19 vehicle.

20 c. Respondent obtained payment from Workmen's for replacing the front bumper cover
21 assembly on Knizner's 2007 Honda Accord Ex with a CAPA quality replacement part. In fact,
22 the front bumper cover assembly was replaced with a non-CAPA part.

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24 ¹ CAPA is a non-profit organization that certifies the quality of automotive parts used for
25 collision repairs. CAPA oversees a testing and inspection program that certifies the quality of
26 automotive parts used for collision repairs. CAPA ensures that parts meet quality standards for
27 fit, component materials, and corrosion resistance. CAPA is not a manufacturing, marketing or
28 sales organization. The CAPA program provides consumers, auto body shops, part distributors
and insurance adjusters with an objective method for evaluating the quality of certified parts and
their functional equivalency to similar parts manufactured by automotive companies. CAPA was
founded to promote price and quality competition in the collision part industry, thereby reducing
the cost of crash repairs to consumers without sacrificing quality.

1 d. Respondent obtained payment from Workmen's for replacing the right front bumper
2 cover beam on Knizner's 2007 Honda Accord Ex with a new OEM (original equipment
3 manufacturer) part. In fact, the right front bumper cover beam was replaced with an aftermarket
4 part.

5 e. Respondent obtained payment from Workmen's for replacing the right front bumper
6 spacer on Knizner's 2007 Honda Accord Ex. In fact, that part was not replaced on the vehicle.

7 f. Respondent obtained payment from Workmen's for replacing the grille on Knizner's
8 2007 Honda Accord Ex with a new OEM part. In fact, the grille was replaced with an
9 aftermarket part.

10 g. Respondent obtained payment from Workmen's for replacing the grille molding and
11 emblem on Knizner's 2007 Honda Accord Ex. In fact, those parts were not replaced on the
12 vehicle.

13 h. Respondent obtained payment from Workmen's for replacing the right headlamp
14 assembly on Knizner's 2007 Honda Accord Ex with a new OEM part. In fact, the right headlamp
15 assembly was replaced with an aftermarket part.

16 i. Respondent obtained payment from Workmen's for replacing the hood with a CAPA
17 quality replacement part. In fact, the hood was replaced with a non-CAPA part.

18 j. Respondent obtained payment from Workmen's for replacing the hood latch on
19 Knizner's 2007 Honda Accord Ex with a new OEM part. In fact, the hood latch was replaced
20 with an aftermarket part.

21 k. Respondent obtained payment from Workmen's for replacing the A/C condenser on
22 Knizner's 2007 Honda Accord Ex. In fact, that part was not replaced on the vehicle.

23 l. Respondent obtained payment from Workmen's for evacuating and recharging the
24 A/C system on Knizner's 2007 Honda Accord Ex. In fact, that repair was not performed on the
25 vehicle.

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1 m. Respondent obtained payment from Workmen's for supplying R134A Freon and oil
2 on Knizner's 2007 Honda Accord Ex. In fact, new Freon and oil were not supplied on the
3 vehicle.

4 n. Respondent obtained payment from Workmen's for replacing the right fender on
5 Knizner's 2007 Honda Accord Ex with a CAPA quality replacement part. In fact, the right fender
6 was replaced with a non-CAPA part.

7 o. Respondent obtained payment from Workmen's for replacing the upper tie bar on
8 Knizner's 2007 Honda Accord Ex. In fact, the upper tie bar was not replaced completely on the
9 vehicle in that it was sectioned through the hood latch mounting area, as set forth in paragraph 20
10 below.

11 p. Respondent obtained payment from Workmen's for refinishing the upper tie bar on
12 Knizner's 2007 Honda Accord Ex. In fact, that part was not completely refinished on the vehicle.

13 q. Respondent obtained payment from Workmen's for replacing the right side radiator
14 support panel on Knizner's 2007 Honda Accord Ex. In fact, that part was not replaced on the
15 vehicle.

16 r. Respondent obtained payment from Workmen's for refinishing the right side radiator
17 support panel on Knizner's 2007 Honda Accord Ex. In fact, that part was not completely
18 refinished on the vehicle.

19 s. Respondent obtained payment from Workmen's for removing and reinstalling the
20 right front door belt molding on Knizner's 2007 Honda Accord Ex. In fact, that part was not
21 removed and reinstalled on the vehicle.

22 t. Respondent obtained payment from Workmen's for removing and reinstalling the
23 right roof molding on Knizner's 2007 Honda Accord Ex. In fact, that part was not removed and
24 reinstalled on the vehicle.

25 **SECOND CAUSE FOR DISCIPLINE**

26 **(Departure from Trade Standards)**

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

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

3 a. Respondent sectioned the upper tie bar on Knizner's 2007 Honda Accord Ex through
4 the hood latch mounting area, which is not a recommended factory (manufacturer) repair
5 procedure. As a result, the hood latch area flexes when the hood panel is shut, which could lead
6 to metal fatigue or failure.

7 b. Respondent failed to apply corrosion protection to the welded areas of the upper tie
8 bar, in violation of Regulation 3365, subdivision (b).

9 **CONSUMER COMPLAINT (BROWN): 2006 PONTIAC GRAND PRIX**

10 21. On or about May 29, 2010, Alexis Brown's ("Brown") 2006 Pontiac Grand Prix was
11 damaged in a collision. Brown made a claim for the collision damage with Esurance Property
12 and Casualty Insurance Company ("Esurance") and had the vehicle taken to Respondent's facility
13 for repair. Brown paid Respondent a \$1,000 insurance deductible. On or about June 14, 2010,
14 Esurance issued a check for \$6,343.47 made payable to Brown and Lalos Collision Repairs, for
15 total payments on the repairs of \$7,343.47. In or about August 2011, Brown filed a complaint
16 with the Bureau, alleging that the facility failed to properly repair the vehicle.

17 22. On August 31, 2011, and January 19, 2012, the Bureau inspected the vehicle using as
18 a reference an itemized estimate, "Estimate of Record", dated June 8, 2010, in the amount of
19 \$7,343.47, prepared by SCA Appraisal Company West Coast on behalf of Esurance ("insurance
20 estimate"). The Bureau found that Respondent's facility failed to repair the vehicle pursuant to
21 the insurance estimate, was grossly negligent in their repair of the vehicle, and had not performed
22 the repairs to accepted trade standards. The total estimated value of the repairs the facility failed
23 to perform on the vehicle is approximately \$2,972.02.

24 23. On or about September 22, 2011, a representative of the Bureau made a station visit
25 at the facility and requested the repair records on the vehicle, including all estimates,
26 authorization documents, invoices, parts receipts, payments, and photographs. Respondent was
27 instructed to provide the documents to the Bureau by September 26, 2011.

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1 f. Respondent obtained payment from Esurance for replacing the left outer fender
2 reinforcement on Brown's 2006 Pontiac Grand Prix with a new OEM part. In fact, the existing
3 left outer fender reinforcement was sectioned with a used part.

4 g. Respondent obtained payment from Esurance for refinishing the left outer fender
5 reinforcement on Brown's 2006 Pontiac Grand Prix with a new OEM part. In fact, that part was
6 not completely refinished on the vehicle.

7 h. Respondent obtained payment from Esurance for replacing the left inner fender
8 reinforcement on Brown's 2006 Pontiac Grand Prix with a new OEM part. In fact, the existing
9 left inner fender reinforcement was sectioned with a used part.

10 i. Respondent obtained payment from Esurance for refinishing the left inner fender
11 reinforcement on Brown's 2006 Pontiac Grand Prix with a new OEM part. In fact, that part was
12 not completely refinished on the vehicle.

13 j. Respondent obtained payment from Esurance for replacing the left fender wheel
14 opening extension on Brown's 2006 Pontiac Grand Prix. In fact, that part was not replaced on the
15 vehicle.

16 k. Respondent obtained payment from Esurance for refinishing the left fender wheel
17 opening extension on Brown's 2006 Pontiac Grand Prix. In fact, that part was not completely
18 refinished on the vehicle.

19 l. Respondent obtained payment from Esurance for replacing the left fender brace to the
20 radiator support on Brown's 2006 Pontiac Grand Prix. In fact, that part was not replaced on the
21 vehicle.

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1 **FOURTH CAUSE FOR DISCIPLINE**

2 **(Gross Negligence)**

3 27. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
4 subdivision (a)(5), in that Respondent committed acts constituting gross negligence, as follows:
5 Respondent sectioned the existing radiator support³ at the upper tie bar on Brown's 2006 Pontiac
6 Grand Prix with a used part, and failed to weld a large area at the inner structure of the radiator
7 support where the used part was sectioned in, leaving a ¼ inch gap or opening at the sectioned
8 area and exposing the vehicle's occupants to possible risk of harm.

9 **FIFTH CAUSE FOR DISCIPLINE**

10 **(Departure from Trade Standards)**

11 28. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
12 subdivision (a)(7), in that Respondent willfully departed from or disregarded accepted trade
13 standards for good and workmanlike repair without the consent of the owner or the owner's duly
14 authorized representative in the following material respects:

15 a. Respondent sectioned the existing radiator support at the upper tie bar on Brown's
16 2006 Pontiac Grand Prix, as set forth in paragraph 26 above.

17 b. Respondent sectioned the inner and outer upper fender reinforcements on Brown's
18 2006 Pontiac Grand Prix, which is not a recommended factory (manufacturer) repair procedure.

19 **SIXTH CAUSE FOR DISCIPLINE**

20 **(Violations of the Code)**

21 29. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
22 subdivision (a)(6), in that Respondent failed to comply with section 9884.11 of that Code in a
23 material respect, as follows: Respondent failed to maintain any records pertaining to the repairs
24 performed on Brown's 2006 Pontiac Grand Prix or failed to make those records available for
25 inspection by the Bureau.

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27 ³ The radiator support is a structural component designed to absorb energy, and acts in
28 unison with the other front structural components to protect the vehicle occupants in the event of
a collision.

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OTHER MATTERS

30. Pursuant to Code section 9884.7, subdivision (c), the Director may suspend, revoke, or place on probation the registration for all places of business operated in this state by Respondent Hilario Hector Arrona, owner of Lalos Collision Repair, upon a finding that Respondent has, or is, engaged in a course of repeated and willful violations of the laws and regulations pertaining to an automotive repair dealer.

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. Revoking or suspending Automotive Repair Dealer Registration Number ARD 260524, issued to Hilario Hector Arrona, owner of Lalos Collision Repair;
- 2. Revoking or suspending any other automotive repair dealer registration issued to Hilario Hector Arrona;
- 3. Ordering Hilario Hector Arrona, owner of Lalos Collision Repair, to pay the Director of Consumer Affairs the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 125.3;
- 4. Taking such other and further action as deemed necessary and proper.

DATED: February 6, 2013 John Wallauch by Doug Balatt
 JOHN WALLAUCH
 Chief
 Bureau of Automotive Repair
 Department of Consumer Affairs
 State of California
 Complainant

SA2012105246