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

12 In the Matter of the Accusation Against:

Case No. 777 13-8

13 **WORLD CLASS AUTOTEKNIC CORP,**
14 **dba WORLD CLASS AUTOTEKNIC**
15 **JAMES THAI,**
16 **aka JIMMY THAI,**
17 **aka BA TROUNG THAI, PRES./SECTY/TREAS.**
18 **8677 Utica Avenue**
19 **Rancho Cucamonga, CA 91730**

ACCUSATION

20 **Automotive Repair Dealer Reg. No. ARD 262296**

21 Respondent.

22 Complainant alleges:

23 **PARTIES**

24 1. John Wallauch ("Complainant") brings this Accusation solely in his official capacity
25 as the Chief of the Bureau of Automotive Repair ("Bureau"), Department of Consumer Affairs.

26 2. On or about June 21, 2010, the Director of Consumer Affairs ("Director") issued
27 Automotive Repair Dealer Registration Number ARD 262296 to World Class Autoteknic Corp
28 ("Respondent"), doing business as World Class Autoteknic, with James Thai, also known as
Jimmy Thai and Ba Troung Thai ("Thai"), as president, secretary, and treasurer. Respondent's
automotive repair dealer registration expired on June 30, 2012.

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1 **JURISDICTION**

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

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

8 **STATUTORY AND REGULATORY PROVISIONS**

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

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

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

19

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

22 (4) Any other conduct that constitutes fraud.

23

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

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

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

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

17

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

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

9. 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.”

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

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1 11. California Code of Regulations, title 16, section ("Regulation") 3303, subdivision (j),
2 states:

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

8 12. Regulation 3356.1 states:

9 An automotive repair dealer may charge a customer for costs associated
10 with the handling, management and disposal of toxic wastes or hazardous substances
11 under California or federal law which directly relate to the servicing or repair of the
12 customer's vehicle. Such charge must be disclosed to the customer by being
13 separately itemized on the estimate prepared pursuant to Section 9884.9(a) of the
14 Business and Professions Code and on the invoice prepared pursuant to Section
15 9884.8 of the Business and Professions Code. In order to assess this charge, the
16 automotive repair dealer must note on the estimate and invoice the station's
17 Environmental Protection Agency identification number required by Section 262.12
18 of Title 40 of the Code of Federal Regulations.

19 13. Regulation 3358 states:

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

- 22 (a) All invoices relating to automotive repair including invoices received
23 from other sources for parts and/or labor.
- 24 (b) All written estimates pertaining to work performed.
- 25 (c) All work orders and/or contracts for repairs, parts and labor. All such
26 records shall be open for reasonable inspection and/or reproduction by the bureau or
27 other law enforcement officials during normal business hours.

28 **COST RECOVERY**

14. Code section 125.3 provides, 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.

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1 **CONSUMER COMPLAINT (CERBONI): 2003 CHEVROLET SUBURBAN**

2 15. On or about June 28, 2010, Teemarie Cerboni ("Cerboni") and her husband took
3 Cerboni's 2003 Chevrolet Suburban to Respondent's facility to have it repaired and repainted (the
4 vehicle had been damaged in a sand storm). Respondent's principal, Thai, told Cerboni that he
5 would contact her insurance company, Allstate, to begin the claims/repair process, and indicated
6 that he would repair the vehicle per Allstate's estimate. Thai told Cerboni that he was required to
7 charge her at least \$1 for the insurance deductible even though Cerboni's deductible was \$250.
8 Cerboni's husband paid Thai \$1 in cash. Thai did not provide Cerboni with a written estimate.

9 16. On or about July 12, 2010, Thai contacted Cerboni and asked her to return to the
10 facility to sign various documents. Cerboni had Thai fax the documents to her place of business.

11 17. On or about July 13, 2010, Respondent's manager, Israel Guevara ("Guevara"), faxed
12 certain documents to Cerboni, including a tear down estimate in the amount of \$2,503. The tear
13 down estimate did not list the repairs to be performed on the vehicle. Cerboni's husband signed
14 the documents on her behalf and faxed them back to Thai.

15 18. On or about August 16, 2010, Allstate representative Jeff Turner ("Turner") went to
16 the facility to meet with Thai regarding the facility's request for a supplemental estimate. Turner
17 asked Thai for the parts purchase invoices on the vehicle. Thai provided Turner with a few
18 invoices, but some were illegible. Later, Thai emailed Turner additional parts invoices. That
19 same day, Turner prepared a supplemental estimate ("Supplement 2") in the net amount of
20 \$7,483.32. The supplemental estimate called for the replacement of certain parts on the vehicle
21 with new OEM (original equipment manufacturer) parts.

22 19. On or about September 2, 2010, Thai contacted Cerboni and told her that the repairs
23 were completed. That same day, Thai and her husband went to the facility to retrieve the vehicle.
24 Cerboni found various problems with the vehicle (there was a large scratch on the driver's side
25 window, the iPod plug and satellite would not operate, and the cigar lighter and a rubber mat were
26 missing). While Cerboni and her husband were driving to an automotive upholstery repair shop,
27 the vehicle stalled and lost power. Cerboni immediately called Respondent's facility and reported
28 the problems with the vehicle. Cerboni and her husband obtained a jump start from a third party.

1 20. On or about September 7, 2010, Cerboni and her husband returned the vehicle to the
2 facility for corrective repairs, including the replacement of the battery.

3 21. On or about September 8, 2010, Cerboni went to the facility to pick up the vehicle.
4 Later that evening, Cerboni discovered that the side view mirrors and rear-facing camera would
5 not operate and the electronic door locks were reversed (when pressing the "unlock" button, the
6 doors would lock and vice versa).

7 22. On or about September 21, 2010, Allstate appraiser, Michael Sutton ("Sutton"), met
8 with Thai at the facility. Sutton had been assigned to review the facility's parts purchase invoices
9 for the vehicle. Thai gave Sutton copies of various parts invoices, but did not provide him with
10 invoices for the headlights, fog lights, turn signals, or front bumper and grille. Thai told Sutton
11 that he had a verbal agreement with Cerboni to "smoke out" (tint) the parts. Thai stated that they
12 were going to recondition the original parts, "smoke them out", and reinstall them on the vehicle,
13 which would cost the same price as installing new OEM parts. Thai claimed that he had
14 requested a change in the method of repair on the vehicle and had provided parts purchase
15 receipts and a supplemental request to a prior Allstate adjuster.

16 23. In or about November or December 2010, Cerboni filed a complaint with the Bureau,
17 stating that Respondent's facility failed to repair the vehicle as paid for by Allstate.

18 24. On or about December 6, 2010, Cerboni provided the Bureau with copies of
19 documents she had received from Allstate, including an Allstate estimate ("Supplement 3") dated
20 September 14, 2010, in the net amount of \$7,483.32 ("insurance estimate"), and Respondent's
21 estimate, "Supplement 3", dated September 2, 2010, in the net amount of \$7,483.32.

22 25. On or about December 28, 2010, a representative of the Bureau inspected the vehicle
23 and found that all exterior lamp lenses and emblems had been tinted black.

24 26. On or about January 10, 2011, the representative received various documents from
25 Allstate, including copies of three checks, totaling \$7,483.32, which Allstate had issued to
26 Cerboni and Respondent's facility in payment for the repairs on the vehicle.

27 27. On or about January 13, 2011, the representative went to the facility and obtained
28 copies of their repair records on the vehicle, including parts receipts. The representative noted

1 that there were no parts invoices or receipts for the purchase of the front bumper cover and
2 deflector, grill and emblem, headlamps, side marker lamps, and fog lamps. Thai provided the
3 representative with a handwritten statement, indicating that he had only refinished and repainted
4 the above parts, but had done so at Cerboni's request.

5 28. On or about February 9, 2011, the representative returned to the facility and met with
6 Thai. Thai admitted that the facility had refinished and repainted the above parts instead of
7 replacing them with new OEM parts as paid for by Allstate. Thai offered to install new OEM
8 parts on the vehicle.

9 29. On or about June 16, 2011, Cerboni dropped the vehicle off at the facility for the
10 proposed work. That same day, the representative went to the facility and observed them install
11 the OEM parts. The representative inspected the old parts that had been removed from the
12 vehicle. There was no indication that they had been recently replaced. The total estimated value
13 of the parts the facility failed to replace on the vehicle is in excess of \$1,800.

14 **FIRST CAUSE FOR DISCIPLINE**

15 **(Untrue or Misleading Statements)**

16 30. Respondent's registration is subject to disciplinary action pursuant to Bus. & Prof.
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 represented on its estimate dated September 2, 2010, that the front
21 bumper cover on Cerboni's 2003 Chevrolet Suburban was replaced. In fact, that part was not
22 replaced on the vehicle, but was reconditioned and repainted.

23 b. Respondent represented on its estimate dated September 2, 2010, that the front
24 bumper deflector on Cerboni's 2003 Chevrolet Suburban was replaced. In fact, that part was not
25 replaced on the vehicle, but was reconditioned and repainted.

26 c. Respondent represented on its estimate dated September 2, 2010, that the grille
27 assembly on Cerboni's 2003 Chevrolet Suburban was replaced. In fact, that part was not replaced
28 on the vehicle, but was reconditioned and repainted.

1 d. Respondent represented on its estimate dated September 2, 2010, that the grille
2 emblem on Cerboni's 2003 Chevrolet Suburban was replaced. In fact, that part was not replaced
3 on the vehicle, but was reconditioned and repainted.

4 e. Respondent represented on its estimate dated September 2, 2010, that the left
5 headlamp assembly on Cerboni's 2003 Chevrolet Suburban was replaced. In fact, that part was
6 not replaced on the vehicle, but was reconditioned and repainted.

7 f. Respondent represented on its estimate dated September 2, 2010, that the right
8 headlamp assembly on Cerboni's 2003 Chevrolet Suburban was replaced. In fact, that part was
9 not replaced on the vehicle, but was reconditioned and repainted.

10 g. Respondent represented on its estimate dated September 2, 2010, that the left side
11 marker lamp on Cerboni's 2003 Chevrolet Suburban was replaced. In fact, that part was not
12 replaced on the vehicle, but was reconditioned and repainted.

13 h. Respondent represented on its estimate dated September 2, 2010, that the right side
14 marker lamp on Cerboni's 2003 Chevrolet Suburban was replaced. In fact, that part was not
15 replaced on the vehicle, but was reconditioned and repainted.

16 i. Respondent represented on its estimate dated September 2, 2010, that the left fog
17 lamp assembly on Cerboni's 2003 Chevrolet Suburban was replaced. In fact, that part was not
18 replaced on the vehicle, but was reconditioned and repainted.

19 j. Respondent represented on its estimate dated September 2, 2010, that the right fog
20 lamp assembly on Cerboni's 2003 Chevrolet Suburban was replaced. In fact, that part was not
21 replaced on the vehicle, but was reconditioned and repainted.

22 **SECOND CAUSE FOR DISCIPLINE**

23 **(Fraud)**

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

26 a. Respondent obtained payment from Allstate for replacing the front bumper cover on
27 Cerboni's 2003 Chevrolet Suburban. In fact, that part was not replaced on the vehicle, but was
28 reconditioned and repainted.

1 b. Respondent obtained payment from Allstate for replacing the front bumper deflector
2 on Cerboni's 2003 Chevrolet Suburban. In fact, that part was not replaced on the vehicle, but was
3 reconditioned and repainted.

4 c. Respondent obtained payment from Allstate for replacing the grille assembly on
5 Cerboni's 2003 Chevrolet Suburban. In fact, that part was not replaced on the vehicle, but was
6 reconditioned and repainted.

7 d. Respondent obtained payment from Allstate for replacing the grille emblem on
8 Cerboni's 2003 Chevrolet Suburban. In fact, that part was not replaced on the vehicle, but was
9 reconditioned and repainted.

10 e. Respondent obtained payment from Allstate for replacing the left headlamp assembly
11 on Cerboni's 2003 Chevrolet Suburban. In fact, that part was not replaced on the vehicle, but was
12 reconditioned and repainted.

13 f. Respondent obtained payment from Allstate for replacing the right headlamp
14 assembly on Cerboni's 2003 Chevrolet Suburban. In fact, that part was not replaced on the
15 vehicle, but was reconditioned and repainted.

16 g. Respondent obtained payment from Allstate for replacing the left side marker lamp
17 on Cerboni's 2003 Chevrolet Suburban. In fact, that part was not replaced on the vehicle, but was
18 reconditioned and repainted.

19 h. Respondent obtained payment from Allstate for replacing the right side marker lamp
20 on Cerboni's 2003 Chevrolet Suburban. In fact, that part was not replaced on the vehicle, but was
21 reconditioned and repainted.

22 i. Respondent obtained payment from Allstate for replacing the left fog lamp assembly
23 on Cerboni's 2003 Chevrolet Suburban. In fact, that part was not replaced on the vehicle, but was
24 reconditioned and repainted.

25 j. Respondent obtained payment from Allstate for replacing the right fog lamp assembly
26 on Cerboni's 2003 Chevrolet Suburban. In fact, that part was not replaced on the vehicle, but was
27 reconditioned and repainted.

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1 **THIRD CAUSE FOR DISCIPLINE**

2 **(Violations of the Code)**

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

6 a. **Section 9884.9, subdivision (a):** Respondent failed to obtain Cerboni's authorization
7 for the repairs on her 2003 Chevrolet Suburban.

8 b. **Section 9884.9, subdivision (c):** Respondent failed to provide Cerboni with an
9 itemized written estimate for the auto body repairs on her 2003 Chevrolet Suburban.

10 **FOURTH CAUSE FOR DISCIPLINE**

11 **(Violations of Regulations)**

12 33. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
13 subdivision (a)(6), in that Respondent failed to comply with Regulation 3356.1 in a material
14 respect, as follows: Respondent charged Allstate a hazardous waste disposal fee of \$3, but failed
15 to note its Environmental Protection Agency identification number on the estimate dated
16 September 2, 2010, as required by Section 262.12 of Title 40 of the Code of Federal Regulations.

17 **CONSUMER COMPLAINT (CERBONI): 2003 VOLKSWAGEN BEETLE**

18 34. On or about June 8, 2010, Cerboni and her husband took Cerboni's 2003 Volkswagen
19 Beetle to Respondent's facility to have it repaired and repainted (the vehicle had been damaged in
20 a sand storm). Thai told Cerboni that he would contact her insurance company, Allstate, to begin
21 the claims/repair process, and indicated that he would repair the vehicle per Allstate's estimate.
22 Thai told Cerboni that he was required to charge her at least \$1 for the insurance deductible even
23 though Cerboni's deductible was \$250. Cerboni's husband paid Thai \$1 in cash. Thai did not
24 provide Cerboni with a written estimate.

25 35. On or about June 30, 2010, Cerboni returned to the facility and signed various
26 documents, including Repair Order No. 000010. The repair order indicated that the facility would
27 tear down the vehicle for inspection, write a complete estimate, and advise the customer of the
28 total repair costs. Cerboni did not receive a copy of the repair order.

1 36. On or about September 2, 2010, Thai called Cerboni and told her that the repairs were
2 completed. Cerboni and her husband went to the facility and noted various problems with the
3 vehicle. The external lamp lenses (headlights, taillights, etc.) and wheels were tinted or painted
4 black without Cerboni's authorization and the window tint on the rear glass was peeling. Thai
5 told Cerboni that he would resolve the problems.

6 37. On or about September 11, 2010, Cerboni retrieved the vehicle from the facility.

7 38. On or about September 13, 2010, Cerboni called Allstate and reported that the facility
8 had damaged the vehicle (one of the floor mats was torn, a cup holder was missing, and one of the
9 leather seats had been punctured).

10 39. On or about September 20, 2010, Allstate appraiser, Michael Sutton ("Sutton"),
11 contacted Thai and arranged to meet with him on September 21, 2010. Sutton had been assigned
12 to review the facility's parts purchase invoices for the vehicle.

13 40. On or about September 21, 2010, Sutton met with Thai. Thai told Sutton that Cerboni
14 had taken the vehicle to the facility to have it "smoked out" or tinted and provided Sutton with
15 various parts invoices, including Invoice No. 87811 dated July 22, 2010, totaling \$1,123.68,
16 which had been issued by Ontario Volkswagen.

17 41. In or about November or December, 2010, Cerboni filed a complaint with the Bureau.

18 42. On or about December 16, 2010, Cerboni provided the Bureau with copies of various
19 documents she had received from Allstate, including Respondent's Estimate #24 (Version 2,
20 Supplement 2) dated September 2, 2010, in the net amount of \$6,690.15, as well as the above
21 parts invoice from Ontario Volkswagen.

22 43. On or about December 28, 2010, a representative of the Bureau inspected the vehicle
23 and found that the exterior lamp lenses, emblems, and wheels had been tinted or painted black.

24 44. On or about January 6, 2011, the representative requested the facility's repair records
25 on the vehicle.

26 45. On or about January 10, 2011, the representative received various documents from
27 Allstate, including copies of three checks, totaling \$6,110.15, which Allstate had issued to

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1 Cerboni and the facility, as well as Allstate supplemental estimates, including Supplement 5,
2 dated September 21, 2010, in the net amount of \$6,110.15 ("insurance estimate").

3 46. On or about January 12, 2011, Thai provided the representative with copies of their
4 repair records on the vehicle, including two parts invoices issued by Ontario Volkswagen, Invoice
5 No. 87811, totaling \$1,123.68 (referred to above), and a second invoice, numbered 87811, dated
6 July 22, 2010, with one line item totaling \$38.19.

7 47. On or about January 13, 2011, the representative went to Ontario Volkswagen to
8 verify the parts receipts and obtained a copy of the original invoice. The original invoice listed
9 only one item, a "grille" with a part cost of \$38.19. The version of Invoice No. 87811 provided
10 by Thai included 14 items or parts and did not list the grille.

11 48. On or about February 9, 2011, the representative went to the facility and met with
12 Thai. Thai told the representative that he had purchased new OEM headlamps and side marker
13 lamps for the vehicle at Autohaus, but was not provided with an invoice. Thai also stated that he
14 purchased new OEM indicator lamps at Ontario Volkswagen, a new OEM hood emblem and
15 front door scalp moldings at an unknown location, and aftermarket rear quarter glass from AGS1.

16 49. On or about June 7, 2011, Respondent's manager, Guevara, agreed to install new
17 OEM parts on the vehicle.

18 50. On or about July 19, 2011, the representative went to the facility and observed them
19 install the OEM parts (Cerboni had authorized the work). The representative inspected the old
20 parts that had been removed from the vehicle and found that the vehicle had not been repaired as
21 set forth on the insurance estimate. The total estimated value of the repair the facility failed to
22 perform on the vehicle is approximately \$222.94.

23 51. On or about September 1, 2011, the representative returned to Ontario Volkswagen
24 and met with their wholesale parts specialist, Brian Packer ("Packer"). Packer provided the
25 representative with a copy of parts quote #81352 that Respondent's facility had requested on
26 September 20, 2010. The quote (dated September 20, 2010) was marked "Invoice Quote - Do
27 Not Pay" and had the same 14 line items and parts prices that were listed on Invoice No. 87811,
28 which Thai had submitted to Sutton and the Bureau. Six parts listed on the quote (4 bulbs and 2

1 turn signals) had been purchased by Respondent's facility in July 2010. Packer and the
2 representative determined that Respondent's facility had altered the quote and/or the original
3 invoice for the grill and had "cut and pasted" or combined the two documents.

4 **FIFTH CAUSE FOR DISCIPLINE**

5 **(Untrue or Misleading Statements)**

6 52. Respondent's registration is subject to disciplinary action pursuant to Bus. & Prof.
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: Respondent represented on its estimate dated September 2, 2010, that the right front
10 headlamp on Cerboni's 2003 Volkswagen Beetle had been replaced. In fact, that part had not
11 been replaced on the vehicle.

12 **SIXTH CAUSE FOR DISCIPLINE**

13 **(Failure to Provide Customer with Copy of Signed Document)**

14 53. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
15 subdivision (a)(3), in that Respondent failed to provide the operator with a copy of the repair
16 order, as set forth in paragraph 35 above.

17 **SEVENTH CAUSE FOR DISCIPLINE**

18 **(Fraud)**

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

21 a. Respondent obtained payment from Allstate for replacing the right front headlamp on
22 Cerboni's 2003 Volkswagen Beetle. In fact, that part was not replaced on the vehicle.

23 b. Respondent's president, Thai, and/or other employees of the facility fraudulently
24 altered or falsified parts quote number 81352 and/or invoice number 87811 issued by Ontario
25 Volkswagen, and/or combined the two documents, then submitted the false invoice, Invoice No.
26 87811, to Allstate for payment. Further, line item number 1 on the invoice, the right front
27 headlamp, had not been replaced on the vehicle.

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1 **EIGHTH CAUSE FOR DISCIPLINE**

2 **(Violations of the Code)**

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

6 a. **Section 9884.9, subdivision (a)**: Respondent failed to obtain Cerboni's authorization
7 for the repairs on her 2003 Volkswagen Beetle.

8 b. **Section 9884.9, subdivision (c)**: Respondent failed to provide Cerboni with an
9 itemized written estimate for the auto body repairs on her 2003 Volkswagen Beetle. Further,
10 Respondent failed to state on its written estimate dated September 2, 2010, submitted to Allstate,
11 whether the replacement parts were new, used, rebuilt, or reconditioned.

12 c. **Section 9884.11**: Respondent failed to maintain all records pertaining to the repairs
13 performed on Cerboni's 2003 Volkswagen Beetle, including parts receipts or invoices for the new
14 OEM headlamps, side marker/indicator lamps, hood emblem, and front door scalp moldings, or
15 failed to make those records available for inspection by the Bureau.

16 **NINTH CAUSE FOR DISCIPLINE**

17 **(Violations of Regulations)**

18 56. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
19 subdivision (a)(6), in that Respondent failed to comply with Regulation 3356.1 in a material
20 respect, as follows: Respondent charged Allstate a hazardous waste disposal fee of \$3, but failed
21 to note its Environmental Protection Agency identification number on the estimate dated
22 September 2, 2010, as required by Section 262.12 of Title 40 of the Code of Federal Regulations.

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1 **FRAUDULENT INSURANCE CLAIM: 2005 AUDI A4**

2 57. On or about February 10, 2011, the Bureau received a Suspected Fraudulent Claim
3 Referral Form from Jerry Beeson ("Beeson") of Explorer Insurance Company ("Explorer").
4 Beeson stated that Respondent's facility had submitted "unsupported supplemental bills" to
5 Explorer for repairs allegedly performed on their insured Tanya Rodriguez's ("Rodriguez")
6 vehicle, a 2005 Audi A4, that the facility failed to provide them with invoices to support labor
7 rates beyond "regional norms", and that the facility was "holding" the vehicle. Beeson provided
8 the Bureau with copies of documents they had received from the facility, including Estimate #155
9 (Version 1, Supplement 2) dated February 2, 2011, in the net amount of \$13,751.95, and two
10 parts invoices issued by Walter's Audi: parts invoice #105230P dated January 26, 2011, for a
11 back window molding, and parts invoice #32103, dated February 1, 2011. Beeson also provided
12 copies of an estimate (Version 2, Supplement 3) dated February 8, 2011, in the net amount of
13 \$12,668.19, which Adrian Banales of Autoclaims Direct, Inc. had prepared on behalf of Explorer
14 ("insurance estimate"), and three checks, totaling \$12,668.19, which Explorer had issued to
15 Rodriguez and the facility.

16 58. On or about February 17, 2011, a representative of the Bureau obtained copies of the
17 facility's repair records on the vehicle, including Respondent's estimate #148, dated February 17,
18 2011, in the net amount of \$14,701.97, and a check for \$950 dated February 7, 2011, that had
19 been issued by Rodriguez.

20 59. On or about February 24, 2011, the representative met with the parts manager at
21 Walter's Audi and obtained documentation showing that Respondent's facility had returned the
22 back window molding listed on parts invoice #105230P for credit on January 26, 2011.

23 60. On or about April 27, 2011, the representative met with Steve Fontana ("Fontana"),
24 the parts manager at Walter's Audi, and asked him whether they had issued an invoice numbered
25 "32103". Fontana told the representative that they did not have a sales invoice with that number.

26 61. On or about April 28, 2011, the representative called Rodriguez and made
27 arrangements to inspect the vehicle at her residence on May 5, 2011.

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1 62. On or about May 5, 2011, the representative attempted to meet with Rodriguez at her
2 residence, but was advised by the person who answered the door that she did not know
3 Rodriguez. The representative telephoned Rodriguez and left her a voice mail message, stating
4 that he may have had the wrong residence address and requested that she contact the
5 representative. Rodriguez did not return the representative's call.

6 63. On or about June 13, 2011, the Bureau received information indicating that Rodriguez
7 was employed by Respondent's facility.

8 64. On or about June 16, 2011, the representative went to the facility accompanied by
9 another Bureau employee. Rodriguez confirmed that she was employed by the facility
10 (Rodriguez later refused to allow the Bureau to inspect the vehicle). The representative asked
11 Guevara if the facility had repaired the vehicle per their estimate of February 17, 2011. Guevara
12 told the representative that the estimate was an accurate record of the repairs performed on the
13 vehicle, but then stated that the facility repaired and painted many of the original parts rather than
14 replace them with new OEM parts as paid for by Explorer. Guevara also stated that they returned
15 the rear window molding and reinstalled the old molding on the vehicle.

16 65. On or about June 21, 2011, the representative returned to the facility and spoke with
17 Thai and Guevara regarding their repair of the vehicle. During the discussion, Thai and Guevara
18 used their estimating system and prepared estimate #155, Supplement 2, dated June 21, 2011, in
19 the net amount of \$13,751.97, which they provided to the representative. Thai and Guevara told
20 the representative that they repaired the vehicle pursuant to the June 21, 2011 estimate and that
21 their prior estimates did not accurately reflect the repairs that were performed on the vehicle.

22 66. On or about July 19, 2011, the representative received a statement signed by Guevara.
23 Guevara indicated in his statement that the repairs to Rodriguez's vehicle were completed on
24 January 26, 2011.

25 67. On or about July 21, 2011, the representative received certain documents from Thai's
26 legal representative, including a copy of a check for \$1,083.76, dated February 14, 2011, which
27 Rodriguez had issued to the facility.

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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 represented on its estimate dated February 2, 2011, that the front bumper
4 cover on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not replaced on the
5 vehicle, but was repaired instead.

6 b. Respondent represented on its estimate dated February 2, 2011, that the grille on
7 Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not replaced on the vehicle, but
8 was repaired and refinished instead.

9 c. Respondent represented on its estimate dated February 2, 2011, that the grille bracket
10 on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not replaced on the vehicle, but
11 was repaired and refinished instead.

12 d. Respondent represented on its estimate dated February 2, 2011, that the right front
13 headlamp on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not replaced on the
14 vehicle, but was "smoked" (tinted or painted) instead.

15 e. Respondent represented on its estimate dated February 2, 2011, that the left front
16 headlamp on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not replaced on the
17 vehicle, but was "smoked" (tinted or painted) instead.

18 f. Respondent represented on its estimate dated February 2, 2011, that the right front
19 side repeater lamp assembly on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was
20 not replaced on the vehicle, but was repaired instead.

21 g. Respondent represented on its estimate dated February 2, 2011, that the left front side
22 repeater lamp assembly on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not
23 replaced on the vehicle, but was repaired instead.

24 h. Respondent represented on its estimate dated February 2, 2011, that the right front
25 outer door belt molding on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not
26 replaced on the vehicle, but was refinished instead.

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1 i. Respondent represented on its estimate dated February 2, 2011, that the left front
2 outer door belt molding on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not
3 replaced on the vehicle, but was refinished instead.

4 j. Respondent represented on its estimate dated February 2, 2011, that the right front
5 lower door molding on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not
6 replaced on the vehicle, but was repaired instead.

7 k. Respondent represented on its estimate dated February 2, 2011, that the left front
8 lower door molding on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not
9 replaced on the vehicle, but was repaired instead.

10 l. Respondent represented on its estimate dated February 2, 2011, that the right front
11 door glass on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not replaced on the
12 vehicle, but was removed and reinstalled instead.

13 m. Respondent represented on its estimate dated February 2, 2011, that the left front door
14 glass on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not replaced on the
15 vehicle, but was removed and reinstalled instead.

16 n. Respondent represented on its estimate dated February 2, 2011, that the right rear
17 outer door belt molding on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not
18 replaced on the vehicle, but was refinished instead.

19 o. Respondent represented on its estimate dated February 2, 2011, that the left rear outer
20 door belt molding on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not replaced
21 on the vehicle, but was refinished instead.

22 p. Respondent represented on its estimate dated February 2, 2011, that the right rear
23 lower door molding on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not
24 replaced on the vehicle, but was refinished instead.

25 q. Respondent represented on its estimate dated February 2, 2011, that the left rear
26 lower door molding on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not
27 replaced on the vehicle, but was refinished instead.

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1 r. Respondent represented on its estimate dated February 2, 2011, that the right roof
2 channel on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not replaced on the
3 vehicle, but was repaired instead.

4 s. Respondent represented on its estimate dated February 2, 2011, that the left roof
5 channel on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not replaced on the
6 vehicle, but was repaired instead.

7 t. Respondent represented on its estimate dated February 2, 2011, that the sunroof glass
8 on Rodriguez's 2005 Audi A4 was replaced. In fact, that repair was not performed on the vehicle.

9 u. Respondent represented on its estimate dated February 2, 2011, that the back window
10 molding on Rodriguez's 2005 Audi A4 was replaced. In fact, that part was not replaced on the
11 vehicle.

12 v. Respondent represented on its estimate dated February 2, 2011, that two luggage lid
13 adhesive nameplates on Rodriguez's 2005 Audi A4 were replaced. In fact, that repair was not
14 performed on the vehicle.

15 **ELEVENTH CAUSE FOR DISCIPLINE**

16 **(Fraud)**

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

19 a. Respondent obtained payment from Explorer for replacing the front bumper cover on
20 Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle, but was repaired
21 instead.

22 b. Respondent obtained payment from Explorer for replacing the grille on Rodriguez's
23 2005 Audi A4. In fact, that part was not replaced on the vehicle, but was repaired and refinished
24 instead.

25 c. Respondent obtained payment from Explorer for replacing the grille bracket on
26 Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle, but was repaired
27 and refinished instead.

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1 d. Respondent obtained payment from Explorer for replacing the right front headlamp
2 on Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle, but was
3 "smoked" (tinted or painted) instead.

4 e. Respondent obtained payment from Explorer for replacing the left front headlamp on
5 Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle, but was "smoked"
6 (tinted or painted) instead.

7 f. Respondent obtained payment from Explorer for replacing the right front side
8 repeater lamp assembly on Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the
9 vehicle, but was repaired instead.

10 g. Respondent obtained payment from Explorer for replacing the left front side repeater
11 lamp assembly on Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle,
12 but was repaired instead.

13 h. Respondent obtained payment from Explorer for replacing the right front outer door
14 belt molding on Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle, but
15 was refinished instead.

16 i. Respondent obtained payment from Explorer for replacing the left front outer door
17 belt molding on Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle, but
18 was refinished instead.

19 j. Respondent obtained payment from Explorer for replacing the right front lower door
20 molding on Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle, but was
21 repaired instead.

22 k. Respondent obtained payment from Explorer for replacing the left front lower door
23 molding on Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle, but was
24 repaired instead.

25 l. Respondent obtained payment from Explorer for replacing the right front upper door
26 weatherstrip on Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle, but
27 was removed and reinstalled instead.

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1 m. Respondent obtained payment from Explorer for replacing the left front upper door
2 weatherstrip on Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle, but
3 was removed and reinstalled instead.

4 n. Respondent obtained payment from Explorer for replacing the right front door glass
5 on Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle, but was removed
6 and reinstalled instead.

7 o. Respondent obtained payment from Explorer for replacing the left front door glass on
8 Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle, but was removed
9 and reinstalled instead.

10 p. Respondent obtained payment from Explorer for replacing the right rear outer door
11 belt molding on Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle, but
12 was refinished instead.

13 q. Respondent obtained payment from Explorer for replacing the left rear outer door belt
14 molding on Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle, but was
15 refinished instead.

16 r. Respondent obtained payment from Explorer for replacing the right rear lower door
17 molding on Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle, but was
18 refinished instead.

19 s. Respondent obtained payment from Explorer for replacing the left rear lower door
20 molding on Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle, but was
21 refinished instead.

22 t. Respondent obtained payment from Explorer for replacing the right roof channel on
23 Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle, but was repaired
24 instead.

25 u. Respondent obtained payment from Explorer for replacing the left roof channel on
26 Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle, but was repaired
27 instead.

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1 v. Respondent obtained payment from Explorer for replacing the sunroof glass on
2 Rodriguez's 2005 Audi A4. In fact, that repair was not performed on the vehicle.

3 w. Respondent obtained payment from Explorer for replacing the back window molding
4 on Rodriguez's 2005 Audi A4. In fact, that part was not replaced on the vehicle.

5 x. Respondent obtained payment from Explorer for replacing two luggage lid adhesive
6 nameplates on Rodriguez's 2005 Audi A4. In fact, those repairs were not performed on the
7 vehicle.

8 y. Respondent's manager, Guevara, and/or other employees of the facility fraudulently
9 altered or falsified parts quote number Q32103 issued by Walter's Audi, as set forth in paragraph
10 69 above, then submitted the false invoice, Invoice No. 32103, to Explorer for payment. Further,
11 none of the parts listed on Invoice No. 32103 had been purchased from Walter's Audi.

12 **TWELFTH CAUSE FOR DISCIPLINE**

13 **(Violations of the Code)**

14 74. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
15 subdivision (a)(6), in that Respondent failed to comply with section 9884.9, subdivision (c), of
16 that Code in a material respect, as follows: Respondent failed to state on its written estimate of
17 June 21, 2011, whether the replacement parts installed on Rodriguez's 2005 Audi A4 were new,
18 used, rebuilt, or reconditioned.

19 **FRAUDULENT INSURANCE CLAIM: 2006 BMW 330CI**

20 75. On or about February 4, 2011, the Bureau received a Suspected Fraudulent Claim
21 Referral Form from James Walsh ("Walsh") of Mercury Casualty Company ("Mercury
22 Insurance"), stating that Respondent's facility supplied a "questionable" invoice for a bumper part
23 that was allegedly installed on their insured Paula Theodossis' vehicle, a 2006 BMW 330CI.
24 Walsh also stated that the address listed on the invoice was for an apartment complex.

25 76. On or about February 7, 2011, the Bureau received copies of various documents from
26 Mercury Insurance, including two Mercury Insurance checks totaling \$1,510.69 made payable to
27 Theodossis and/or Respondent's facility, Mercury Insurance estimate #110076000337-0700101
28 (Version 2, Supplement 1) dated February 2, 2011, in the net amount of \$1,510.69, and Invoice

1 #25, dated February 2, 2011, issued by "Mass EFX" for a reconditioned rear bumper cover with a
2 part price of \$426.

3 77. On or about February 9, 2011, a representative of the Bureau went to Respondent's
4 facility and requested copies of their repair records on the vehicle, including all invoices,
5 estimates, and parts purchase receipts or invoices. Thai told the representative that he would have
6 the records available that day. The representative returned to the facility and was given copies of
7 various documents, including the facility's estimate #171 (Supplement 1) dated January 31, 2011,
8 marked "FINAL", the above parts invoice issued by Mass EFX, and Invoice #23401, dated
9 December 20, 2010, in the amount of \$75, issued by Recon Wheel & Bumper ("RWB"). The
10 representative noted that Thai had not provided him with any written estimates, work order(s), or
11 other documents signed by Theodossis evidencing her authorization for the repairs on the vehicle.
12 Thai told the representative that the facility removed the rear bumper cover on the vehicle and
13 sent it to a sublet facility, Mass EFX, who, in turn, sent it to RWB for reconditioning. Thai
14 informed the representative that Guevara owned Mass EFX and that the address listed on Invoice
15 #25 was Guevara's home address. Guevara provided the representative with a copy of his
16 business license issued by the City of Rancho Cucamonga. The business address listed for Mass
17 EFX was one and the same as Respondent's address of record set forth above.

18 78. On or about February 23, 2011, the representative went to RWB and met with the
19 owner, Cesar Martinez ("Martinez"). The representative asked Martinez if he would search his
20 business records for all transactions between RWB and Mass EFX for the time period the vehicle
21 was under repair at Respondent's facility (from approximately January 20, 2011 to February
22 2011). Martinez found that RWB had issued Mass EFX a total of 9 invoices; however, none of
23 them were issued subsequent to December 20, 2010. Martinez provided the representative with a
24 copy of the most current invoice RWB had on record for Mass EFX, an invoice dated December
25 20, 2010, in the amount for \$75 for a *front* bumper cover. The representative noted that it was the
26 same invoice Thai had submitted to Mercury Insurance and the Bureau. The representative
27 determined that the invoice related to a different customer's vehicle.

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1 **FIFTEENTH CAUSE FOR DISCIPLINE**

2 **(Violations of the Code)**

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

6 a. **Section 9884.9, subdivision (a):** Respondent failed to obtain Theodossis'
7 authorization for the repairs on her 2006 BMW 330CI.

8 b. **Section 9884.9, subdivision (c):** Respondent failed to state on estimate #171
9 whether the replacement parts installed on Theodossis' 2006 BMW 330CI were new, used,
10 rebuilt, or reconditioned.

11 **SIXTEENTH CAUSE FOR DISCIPLINE**

12 **(Violations of Regulations)**

13 83. Respondent is subject to disciplinary action pursuant to Code section 9884.7,
14 subdivision (a)(6), in that Respondent failed to comply with Regulation 3356.1 in a material
15 respect, as follows: Respondent charged Mercury Insurance a hazardous waste disposal fee of \$6,
16 but failed to note its Environmental Protection Agency identification number on estimate #171, as
17 required by Section 262.12 of Title 40 of the Code of Federal Regulations.

18 **OTHER MATTERS**

19 84. Pursuant to Code section 9884.7, subdivision (c), the Director may suspend, revoke,
20 or place on probation the registration for all places of business operated in this state by
21 Respondent World Class Autoteknic Corp, doing business as World Class Autoteknic, upon a
22 finding that said Respondent has, or is, engaged in a course of repeated and willful violations of
23 the laws and regulations pertaining to an 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. Revoking or suspending Automotive Repair Dealer Registration Number ARD 262296, issued to World Class Autoteknic Corp, doing business as World Class Autoteknic;
2. Revoking or suspending any other automotive repair dealer registration issued to World Class Autoteknic Corp;
3. Ordering World Class Autoteknic Corp, doing business as World Class Autoteknic, 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: August 27, 2012 John Wallauch by [Signature]
JOHN WALLAUCH
Chief
Bureau of Automotive Repair
Department of Consumer Affairs
State of California
Complainant
LONG BALAH