

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

In the Matter of the Accusation Against:

**SO CAL AUTOMOTIVE, INC. DBA  
RAPID TRANSMISSIONS,  
JAMES RAY ALEXANDER,  
PRESIDENT/SECRETARY/TREASURER**

3905 Convoy Street  
San Diego, CA 92111

859 North Broadway  
Escondido, CA 92026

8861 La Mesa Boulevard  
La Mesa, CA 91941

Automotive Repair Dealer Registration  
No. ARD 265066

Automotive Repair Dealer Registration  
No. ARD 265206

Automotive Repair Dealer Registration  
No. ARD 265480

Respondent.

Case No. 77/15-10

OAH No. 2015020783

**DECISION**

The attached Stipulation for Revocation of Licenses and 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 April 22, 2016.

DATED: March 28, 2016

  
\_\_\_\_\_  
TAMARA COLSON  
Assistant General Counsel  
Department of Consumer Affairs

1 KAMALA D. HARRIS  
Attorney General of California  
2 JAMES M. LEDAKIS  
Supervising Deputy Attorney General  
3 DAVID E. HAUSFELD  
Deputy Attorney General  
4 State Bar No. 110639  
600 West Broadway, Suite 1800  
5 San Diego, CA 92101  
P.O. Box 85266  
6 San Diego, CA 92186-5266  
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7 Facsimile: (619) 645-2061  
*Attorneys for Complainant*

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

12 In the Matter of the Accusation Against:

Case No. 77/15-10

13 **SO CAL AUTOMOTIVE, INC. DBA**  
14 **RAPID TRANSMISSIONS,**  
15 **JAMES RAY ALEXANDER,**  
16 **PRESIDENT/SECRETARY/TREASURER**  
17 **3905 Convoy Street**  
18 **San Diego, CA 92111**

OAH No. 2015020783

**STIPULATION FOR REVOCATION OF  
LICENSES AND ORDER**

19 **859 North Broadway**  
20 **Escondido, CA 92026**

21 **8861 La Mesa Boulevard**  
22 **La Mesa, CA 91941**

23 **Automotive Repair Dealer Registration**  
24 **No. ARD 265066**

25 **Automotive Repair Dealer Registration**  
26 **No. ARD 265206**

27 **Automotive Repair Dealer Registration**  
28 **No. ARD 265480**

Respondent.

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IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-entitled proceedings that the following matters are true:

///

1 **PARTIES**

2 1. Patrick Dorais (Complainant) is the Chief of the Bureau of Automotive Repair  
3 (Bureau). He brought this action solely in his official capacity and is represented in this matter by  
4 Kamala D. Harris, Attorney General of the State of California, by David E. Hausfeld, Deputy  
5 Attorney General.

6 2. So Cal Automotive, Inc., dba Rapid Transmissions, James Ray Alexander,  
7 President/Secretary/Treasurer (Respondent) is represented in this proceeding by attorney G.  
8 Patrick Connors III, whose address is: PO Box 230549, Encinitas, CA 92023.

9 3. On or about May 13, 2011, the Bureau issued Automotive Repair Dealer Registration  
10 No. ARD 265066 to Respondent. The Automotive Repair Dealer Registration was in full force  
11 and effect at all times relevant to the charges brought in Accusation No. 77/15-10 and will expire  
12 on May 31, 2016, unless renewed.

13 4. On or about May 23, 2011, the Bureau issued Automotive Repair Dealer Registration  
14 No. ARD 265206 to Respondent. The Automotive Repair Dealer Registration was in full force  
15 and effect at all times relevant to the charges brought in Accusation No. 77/15-10 and will expire  
16 on May 31, 2016, unless renewed.

17 5. On or about June 13, 2011, the Bureau issued Automotive Repair Dealer Registration  
18 No. ARD 265480 to Respondent. The Automotive Repair Dealer Registration was in full force  
19 and effect at all times relevant to the charges brought in Accusation No. 77/15-10 and will expire  
20 on June 30, 2016, unless renewed.

21 **JURISDICTION**

22 6. Accusation No. 77/15-10 was filed before the Director of Consumer Affairs  
23 (Director), for the Bureau, and is currently pending against Respondent. The Accusation and all  
24 other statutorily required documents were properly served on Respondent on August 26, 2014.  
25 Respondent timely filed his Notice of Defense contesting the Accusation.

26 7. A copy of Accusation No. 77/15-10 is attached as Exhibit A and incorporated herein  
27 by reference.

28 ///



1 or participation by Respondent or his counsel. By signing the stipulation, Respondent  
2 understands and agrees that he may not withdraw his agreement or seek to rescind the stipulation  
3 prior to the time the Director considers and acts upon it. If the Director fails to adopt this  
4 stipulation as the Decision and Order, the Stipulation for Revocation of Licenses and Order shall  
5 be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action  
6 between the parties, and the Director shall not be disqualified from further action by having  
7 considered this matter.

8 14. The parties understand and agree that Portable Document Format (PDF) and facsimile  
9 copies of this Stipulation for Revocation of Licenses and Order, including PDF and facsimile  
10 signatures thereto, shall have the same force and effect as the originals.

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

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

20 **DISCIPLINARY ORDER**

21 IT IS HEREBY ORDERED that Automotive Repair Dealer Registration No. ARD 265066,  
22 Automotive Repair Dealer No. ARD 265206, and Automotive Repair Dealer No. ARD 265480  
23 issued to Respondent James Ray Alexander, President/Secretary/Treasurer, of So Cal  
24 Automotive, Inc. dba Rapid Transmissions, are revoked.

25 1. The revocation of Respondent's Automotive Repair Dealer Registration No. ARD  
26 265066, Automotive Repair Dealer No. ARD 265206, and Automotive Repair Dealer No. ARD  
27 265480, shall constitute the imposition of discipline against Respondent. This stipulation and  
28 order constitutes a record of the discipline and shall become a part of Respondent's license

1 history with the Bureau of Automotive Repair.

2 2. Respondent shall lose all rights and privileges as an Automotive Repair Dealer in  
3 California as of the effective date of the Director's Decision and Order.

4 3. Respondent shall cause to be delivered to the Bureau his Automotive Repair Dealer  
5 Registrations on or before the effective date of the Decision and Order.

6 4. If Respondent ever applies for licensure or petitions for reinstatement in the State of  
7 California, the Bureau shall treat it as a new application for licensure. Respondent must comply  
8 with all the laws, regulations and procedures for licensure in effect at the time the application or  
9 petition is filed, and all of the charges and allegations contained in Accusation No. 77/15-4 shall  
10 be deemed to be true, correct and admitted by Respondent when the Director determines whether  
11 to grant or deny the application.

12 5. Respondent shall pay the agency its costs of investigation and enforcement in the  
13 amount of \$82,270.48 prior to application for any registration or license the Bureau issues.

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15

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ACCEPTANCE

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21

I have carefully read the above Stipulation for Revocation of Licenses and Order and have  
fully discussed it with my attorney, G. Patrick Connors III. I understand the stipulation and the  
effect it will have on my Automotive Repair Dealer Registrations. I enter into this Stipulation for  
Revocation of Licenses and Order voluntarily, knowingly, and intelligently, and agree to be  
bound by the Decision and Order of the Director of Consumer Affairs.

22

23

DATED: NOVEMBER 13, 2005

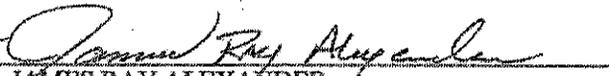
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\_\_\_\_\_  
JAMES RAY ALEXANDER,  
PRESIDENT/SECRETARY/TREASURER  
SO CAL AUTOMOTIVE, INC.,  
DBA RAPID TRANSMISSIONS  
Respondent

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I have read and fully discussed with Respondent James Ray Alexander,  
President/Secretary/Treasurer, of So Cal Automotive, Inc. dba Rapid Transmissions, the terms  
and conditions and other matters contained in the above Stipulation for Revocation of Licenses  
and Order. I approve its form and content.

DATED: 11-13-15   
G. PATRICK CONNORS III  
Attorney for Respondent

**ENDORSEMENT**

The foregoing Stipulation for Revocation of Licenses and Order is hereby respectfully  
submitted for consideration by the Director of Consumer Affairs.

Dated: Respectfully submitted,  
KAMALA D. HARRIS  
Attorney General of California  
JAMES M. LEDAKIS  
Supervising Deputy Attorney General

DAVID E. HAUSFELD  
Deputy Attorney General  
*Attorneys for Complainant*

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President/Secretary/Treasurer, of So Cal Automotive, Inc. dba Rapid Transmissions, the terms  
and conditions and other matters contained in the above Stipulation for Revocation of Licenses  
and Order. I approve its form and content.

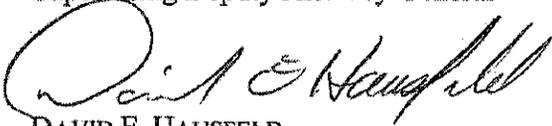
DATED: \_\_\_\_\_  
G. PATRICK CONNORS III  
Attorney for Respondent

**ENDORSEMENT**

The foregoing Stipulation for Revocation of Licenses and Order is hereby respectfully  
submitted for consideration by the Director of Consumer Affairs.

Dated: 11/13/15

Respectfully submitted,  
KAMALA D. HARRIS  
Attorney General of California  
JAMES M. LEDAKIS  
Supervising Deputy Attorney General

  
DAVID E. HAUSFELD  
Deputy Attorney General  
Attorneys for Complainant

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**Exhibit A**

**Accusation No. 77/15-10**

1 KAMALA D. HARRIS  
Attorney General of California  
2 JAMES M. LEDAKIS  
Supervising Deputy Attorney General  
3 DAVID E. HAUSFELD  
Deputy Attorney General  
4 State Bar No. 110639  
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P.O. Box 85266  
6 San Diego, CA 92186-5266  
Telephone: (619) 645-2025  
7 Facsimile: (619) 645-2061  
*Attorneys for Complainant*

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

12 In the Matter of the Accusation Against:  
SO CAL AUTOMOTIVE, INC.  
13 DBA RAPID TRANSMISSIONS,  
JAMES RAY ALEXANDER,  
14 PRESIDENT/SECRETARY/TREASURER  
859 North Broadway  
15 Escondido, CA 92026

Case No. 47/15-10

A C C U S A T I O N

16 Automotive Repair Dealer Registration No.  
ARD 265066

17  
18 SO CAL AUTOMOTIVE, INC.  
DBA RAPID TRANSMISSIONS,  
JAMES RAY ALEXANDER,  
19 PRESIDENT/SECRETARY/TREASURER  
3905 Convoy Street  
20 San Diego, CA 92111

21 Automotive Repair Dealer Registration No.  
ARD 265206

22  
23 SO CAL AUTOMOTIVE, INC.  
DBA RAPID TRANSMISSIONS,  
JAMES RAY ALEXANDER,  
24 PRESIDENT/SECRETARY/TREASURER  
8861 La Mesa Boulevard  
25 La Mesa, CA 91941

26 Automotive Repair Dealer Registration No.  
ARD 265480

27 Respondents.  
28

1 Complainant alleges:

2 PARTIES

3 1. Patrick Dorais (Complainant) brings this Accusation solely in his official capacity as  
4 the Chief of the Bureau of Automotive Repair, Department of Consumer Affairs.

5 **Automotive Repair Dealer Registration No. ARD 265066 (Escondido Facility)**

6 2. On or about May 13, 2011, the Bureau of Automotive Repair (Bureau) issued  
7 Automotive Repair Dealer Registration Number ARD 265066 (Registration) to So Cal  
8 Automotive, Inc., dba Rapid Transmissions, James Ray Alexander, President/Secretary/Treasurer  
9 (Respondent). The registration was in full force and effect at all times relevant to the charges  
10 brought herein and will expire on May 31, 2015, unless renewed.

11 **Automotive Repair Dealer Registration No. ARD 265206 (San Diego Facility)**

12 3. On or about May 23, 2011, the Bureau issued Automotive Repair Dealer Registration  
13 Number ARD 265206 (Registration) to So Cal Automotive, Inc. dba Rapid Transmissions, James  
14 Ray Alexander, President/Secretary/Treasurer (Respondent). The registration was in full force  
15 and effect at all times relevant to the charges brought herein and will expire on May 31, 2015,  
16 unless renewed.

17 **Automotive Repair Dealer Registration No. ARD 265480 (La Mesa Facility)**

18 4. On or about June 13, 2011, the Bureau issued Automotive Repair Dealer Registration  
19 Number ARD 265480 (Registration) to So Cal Automotive, Inc. dba Rapid Transmissions, James  
20 Ray Alexander, President/Secretary/Treasurer (Respondent). The registration was in full force  
21 and effect at all times relevant to the charges brought herein and will expire on June 30, 2015,  
22 unless renewed.

23 JURISDICTION

24 5. This Accusation is brought before the Director of Consumer Affairs (Director) for the  
25 Bureau of Automotive Repair, under the authority of the following laws. All section references  
26 are to the Business and Professions Code (Code) unless otherwise indicated.

27 6. Section 118, subdivision (b), of the Code provides that the suspension, expiration,  
28 surrender or cancellation of a license shall not deprive the Director of jurisdiction to proceed with

1 a disciplinary action during the period within which the license may be renewed, restored,  
2 reissued or reinstated.

3 7. Section 477 of the Code provides, that "Board" includes "bureau," "commission,"  
4 "committee," "department," "division," "examining committee," "program," and "agency."  
5 "License" includes certificate, registration or other means to engage in a business or profession  
6 regulated by the code.

7 8. Section 9884.13 of the Code provides, in pertinent part, that the expiration of a valid  
8 registration shall not deprive the director or chief of jurisdiction to proceed with a disciplinary  
9 proceeding against an automotive repair dealer or to render a decision invalidating a registration  
10 temporarily or permanently.

11 9. Section 9884.22, subdivision (a), of the Code states:

12 "(a) Notwithstanding any other provision of law, the director may revoke, suspend, or deny  
13 at any time any registration required by this article on any of the grounds for disciplinary action  
14 provided in this article. The proceedings under this article shall be conducted in accordance with  
15 Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government  
16 Code, and the director shall have all the powers granted therein."

17 **STATUTORY PROVISIONS**

18 10. Section 9884.7 of the Code states, in pertinent part:

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

23 (1) Making or authorizing in any manner or by any means whatever any  
24 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.

25 . . . .

26 (4) Any other conduct that constitutes fraud.

27 . . . .

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

2 (7) Any willful departure from or disregard of accepted trade standards for  
3 good and workmanlike repair in any material respect, which is prejudicial to  
another without consent of the owner or his or her duly authorized representative.

4 . . . .

5 (c) Notwithstanding subdivision (b), the director may suspend, revoke, or  
6 place on probation the registration for all places of business operated in this state  
by an automotive repair dealer upon a finding that the automotive repair dealer  
7 has, or is, engaged in a course of repeated and willful violations of this chapter, or  
regulations adopted pursuant to it.

8 11. Section 9884.8 of the Code states:

9 All work done by an automotive repair dealer, including all warranty work,  
10 shall be recorded on an invoice and shall describe all service work done and parts  
supplied. Service work and parts shall be listed separately on the invoice, which  
11 shall also state separately the subtotal prices for service work and for parts, not  
including sales tax, and shall state separately the sales tax, if any, applicable to  
12 each. If any used, rebuilt, or reconditioned parts are supplied, the invoice shall  
clearly state that fact. If a part of a component system is composed of new and  
13 used, rebuilt or reconditioned parts, that invoice shall clearly state that fact. The  
invoice shall include a statement indicating whether any crash parts are original  
14 equipment manufacturer crash parts or nonoriginal equipment manufacturer  
aftermarket crash parts. One copy of the invoice shall be given to the customer and  
15 one copy shall be retained by the automotive repair dealer.

16 12. Section 9884.9 of the Code states, in pertinent part:

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

25 (1) Make a notation on the invoice of the same facts set forth in the notation  
26 on the work order.

27 (2) Upon completion of the repairs, obtain the customer's signature or initials  
28 to an acknowledgment of notice and consent, if there is an oral consent of the  
customer to additional repairs, in the following language:

1 "I acknowledge notice and oral approval of an increase in the original  
2 estimated price.

3 \_\_\_\_\_  
(signature or initials)"

4 Nothing in this section shall be construed as requiring an automotive repair  
5 dealer to give a written estimated price if the dealer does not agree to perform the  
6 requested repair.

7 (b) The automotive repair dealer shall include with the written estimated  
8 price a statement of any automotive repair service that, if required to be done, will  
9 be done by someone other than the dealer or his or her employees. No service shall  
10 be done by other than the dealer or his or her employees without the consent of the  
11 customer, unless the customer cannot reasonably be notified. The dealer shall be  
12 responsible, in any case, for any service in the same manner as if the dealer or his  
13 or her employees had done the service.

14 . . . .

### 15 REGULATORY PROVISIONS

16 13. California Code of Regulations, title 16, (CCR) section 3353, states, in pertinent part:

17 No work for compensation shall be commenced and no charges shall accrue  
18 without specific authorization from the customer in accordance with the following  
19 requirements:

20 (a) Estimate for Parts and Labor. Every dealer shall give to each customer a  
21 written estimated price for labor and parts for a specific job.

22 . . . .

23 (c) Additional Authorization. The dealer shall obtain the customer's  
24 authorization before any additional work not estimated is done or parts not  
25 estimated are supplied. This authorization shall be in written, oral, or electronic  
26 form, and shall describe additional repairs, parts, labor and the total additional  
27 cost.

28 (1) If the authorization from the customer for additional repairs, parts, or  
labor in excess of the written estimated price is obtained orally, the dealer shall  
also make a notation on the work order and on the invoice of the date, time, name  
of the person authorizing the additional repairs, and the telephone number called,  
if any, together with the specification of the additional repairs, parts, labor and the  
total additional costs.

(2) If the authorization from the customer for additional repairs, parts, or  
labor in excess of the written estimated price is obtained by facsimile transmission  
(fax), the dealer shall also attach to the work order and the invoice, a faxed  
document that is signed and dated by the customer and shows the date and time of  
transmission and describes the additional repairs, parts, labor and the total  
additional cost.

(3) If the authorization from the customer for additional repairs, parts, or  
labor in excess of the written estimated price is obtained by electronic mail (e-

1 mail), the dealer shall print and attach to the work order and invoice, the e-mail  
2 authorization which shows the date and time of transmission and describes the  
3 additional repairs, parts, labor, and the total additional costs.

4 (4) The additional repairs, parts, labor, total additional cost, and a statement  
5 that the additional repairs were authorized either orally, or by fax, or by e-mail  
6 shall be recorded on the final invoice to Section 9884.9 of the Business and  
7 Professions Code. All documentation must be retained pursuant to Section  
8 9884.11 of the Business and Professions Code.

9 . . . .

10 (g) Definitions. As used in this section, "written " shall mean the  
11 communication of information or information in writing, other than by electronic  
12 means; "oral" shall mean the oral communication of information either in person or  
13 telephonically; "electronic" shall mean the communication of information by  
14 facsimile transmission (fax) or electronic mail (e-mail).

15 14. CCR section 3356, states, in pertinent part:

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

19 (1) The invoice shall show the automotive repair dealer's registration  
20 number and the corresponding business name and address as shown in the  
21 Bureau's records. If the automotive repair dealer's telephone number is shown, it  
22 shall comply with the requirements of subsection (b) of Section 3371 of this  
23 chapter.

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

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

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

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

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

. . . .

15. CCR section 3361.1, states, in pertinent part:

The following minimum requirements specifying accepted trade standards  
for good and workmanlike rebuilding of automatic transmissions are intended to  
define terms that have caused confusion to the public and unfair competition  
within the automotive repair industry. The term 'automatic transmission' shall also  
apply to the automatic transmission portion of transaxles for the purposes of this

1 regulations, unless both the automatic transmission portion and the differential  
2 portion of the transaxle share a common oil supply, in which case the term  
3 'automatic transmission' shall apply to both portions of the transaxle. These  
4 minimum requirements shall not be used to promote the sale of rebuilt automatic  
5 transmissions when a less extensive and/or less costly repair is desired by the  
6 customer. Any automotive repair dealer who represents to customers that the  
7 following sections require the rebuilding of automatic transmissions is subject to  
8 the sanctions prescribed by the Automotive Repair Act. All automotive repair  
9 dealers engaged in the repair, sale, and installation of automatic transmissions in  
10 vehicles covered under the Act shall be subject to the following minimum  
11 requirements:

12 . . . .

13 (c) Any automotive repair dealer that advertises or performs, directly or  
14 through a sublet contractor, automatic transmission work and uses the words  
15 'exchanged,' 'rebuilt,' 'remanufactured,' 'reconditioned,' or 'overhauled,' or any  
16 expression of like meaning, to describe an automatic transmission in any form of  
17 advertising or on a written estimate or invoice shall only do so when all of the  
18 following work has been done since the transmission was last used:

19 (1) All internal and external parts, including case and housing, have been  
20 thoroughly cleaned and inspected.

21 (2) The valve body has been disassembled and thoroughly cleaned and  
22 inspected unless otherwise specified by the manufacturer.

23 (3) All bands have been replaced with new or relined bands.

24 (4) All the following parts have been replaced with new parts:

25 (A) Lined friction plates.

26 (B) Internal and external seals including seals that are bonded to metal  
27 parts.

28 (C) All sealing rings.

(D) Gaskets.

(E) Organic media disposable type filters (if the transmission is so  
equipped).

(5) All impaired, defective, or substantially worn parts not mentioned above  
have been restored to a sound condition or replaced with new, rebuilt, or  
unimpaired parts. All measuring and adjusting of such parts have been performed  
as necessary.

(6) The transmissions's electronic components, if so equipped, have been  
inspected and found to be functioning properly or have been replaced with new,  
rebuilt, or unimpaired components that function properly.

(7) The torque converter has been inspected and serviced in accordance  
with subsection (d) of this regulation.

1 (d) Inspection of Torque Converter. The torque converter is considered to  
2 be part of the automatic transmission and shall be examined, cleaned, and made  
3 serviceable before the rebuilt, remanufactured or overhauled transmission is  
4 installed. If the torque converter cannot be restored to a serviceable condition, then  
5 the customer shall be so informed. With the customer's authorization, the converter  
6 shall be replaced with a new, rebuilt, remanufactured, reconditioned, overhauled,  
7 or unimpaired used torque converter. A torque converter shall not be represented  
8 as rebuilt, remanufactured, reconditioned, or overhauled unless the torque  
9 converter shell has been opened, all components of the overrunning clutch  
10 assembly have been inspected and replaced as required, all friction materials have  
11 been replaced as required, all rotating parts have been examined and replaced as  
12 required, the shell has been resealed, and the unit has been pressure tested.

13 16. CCR section 3371, states, in pertinent part:

14 "No dealer shall publish, utter, or make or cause to be published, uttered, or made any false  
15 or misleading statement or advertisement which is known to be false or misleading, or which by  
16 the exercise of reasonable care should be known to be false or misleading. . . ."

17 17. CCR section 3373, states:

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

### 23 COST REIMBURSEMENT

24 18. Section 125.3 of the Code provides, in pertinent part, that the Board may request the  
25 administrative law judge to direct a licentiate found to have committed a violation or violations of  
26 the licensing act to pay a sum not to exceed the reasonable costs of the investigation and  
27 enforcement of the case, with failure of the licentiate to comply subjecting the license to not  
28 being renewed or reinstated. If a case settles, recovery of investigation and enforcement costs  
may be included in a stipulated settlement.

### 29 RESPONDENT'S LA MESA FACILITY

#### 30 UNDERCOVER OPERATION – JULY 23, 2013

31 19. On July 23, 2013, a Bureau undercover operator (operator) drove a Bureau  
32 documented 2000 Pontiac (Pontiac) to Respondent's facility in La Mesa, California, for repairs.  
33 The undercover vehicle had been previously documented as only being in need of a repair to the

1 fourth clutch shaft of the transmission. The damaged shaft would not allow the transmission to  
2 provide fourth gear. The operator requested a transmission diagnosis from Mark Sexton, (Mark)  
3 the Manager of the facility. Later that same day Mark called the operator and told her that the  
4 vehicle did not have a fourth gear and that the transmission had internal problems. Mark told the  
5 operator he would have to pull the transmission, disassemble it and inspect it to determine what  
6 was wrong. Mark told the operator the cost to reassemble the transmission if the operator decided  
7 not to go ahead with the repair would be \$585.00. The operator authorized him to proceed with  
8 the diagnosis.

9 20. On July 24, 2013, Mark called the operator and told her that the Pontiac's  
10 transmission had a broken fourth clutch hub, worn valves and burned clutches. Mark stated that  
11 the vehicle needed a filter kit, a valve body repair kit and a rebuild kit. Mark quoted two prices to  
12 rebuild the transmission. One price had a three year warranty, the other price had a one year  
13 warranty. The operator verbally authorized Mark to proceed with the repair with the one year  
14 warranty for a total price of \$2,589.93.

15 21. On July 26, 2013, the operator received a call from Mark telling her that the vehicle  
16 was ready for pick up. The operator arrived and spoke with Mark, who printed out an invoice  
17 and had the operator sign it and gave her a copy. The total amount paid by the operator was  
18 \$2,719.05 for the rebuild. Mark also told the operator that there was a twelve month warranty for  
19 the repairs. The operator then drove the vehicle and gave custody of it back to a Bureau  
20 representative.

21 22. In August 2013, a Bureau lab technician re-inspected the Pontiac. He found that  
22 Respondent had not rebuilt the transmission as required by California law. Respondent had not  
23 replaced the 1-2 manual band, side cover gasket, oil pan gasket, oil filter seal, vehicle speed  
24 sensor O-ring seal, two valve body spacer plate gaskets, park pawl actuator guide O-ring and oil  
25 pump slide seal as required by regulations during a rebuild.

26 ///

27 ///

28 ///

1 FIRST CAUSE FOR DISCIPLINE

2 (Untrue or Misleading Statements)

3 23. Complainant re-alleges and incorporates by reference the allegations set forth above  
4 in paragraphs 19-22.

5 24. Respondent's Registration is subject to disciplinary action under Code section  
6 9884.7, subdivision (a) (1), in that Respondent made or authorized statements which Respondent  
7 knew or in the exercise of reasonable care should have known to be untrue or misleading.  
8 Respondent charged for a rebuild and did not perform all of the work required to rebuild a  
9 transmission as required by CCR section 3361.1. Respondent told the operator the clutches were  
10 burnt, when in fact they were not.

11 SECOND CAUSE FOR DISCIPLINE

12 (Fraud)

13 25. Complainant re-alleges and incorporates by reference the allegations set forth above  
14 in paragraphs 19-22.

15 26. Respondent's Registration is subject to disciplinary action under Code section  
16 9884.7, subdivision (a) (4), in that Respondent committed acts which constitute fraud.  
17 Respondent told the operator the transmission was in need of a rebuild, charged for a rebuild and  
18 did not perform all of the work required to rebuild a transmission as required by CCR section  
19 3361.1.

20 THIRD CAUSE FOR DISCIPLINE

21 (Failure to Comply with the Code)

22 27. Complainant re-alleges and incorporates by reference the allegations set forth above  
23 in paragraphs 19-22.

24 28. Respondent's Registration is subject to disciplinary action under Code section  
25 9884.7, subdivision (a) (6), in that Respondent failed to comply with the following sections of the  
26 Code:

27 ///

28 ///

1 a) **Section 9884.7, subdivision (a) (7):** Respondent failed to follow accepted trade  
2 standards in that he did not rebuild the transmission as invoiced and charged. In addition, he  
3 failed to rebuild the transmission to meet the minimum standards required.

4 **FOURTH CAUSE FOR DISCIPLINE**

5 **(Violation of Regulations)**

6 29. Complainant re-alleges and incorporates by reference the allegations set forth above  
7 in paragraphs 19-22.

8 30. Respondent's Registration is subject to disciplinary action under section 9884.7,  
9 subdivision (a) (6), in that Respondent failed to comply with the following sections of the  
10 California Code of Regulations, title 16:

11 a) **Section 3356, subdivision (a) (2):** Respondent failed to show the correct dealer  
12 registration number on the invoice.

13 b) **Section 3356, subdivision (a) (2) (B):** Respondent failed to describe parts in such a  
14 manner that the customer can understand what was purchased.

15 c) **Section 3361.1, subdivision (c) (2):** Respondent failed to rebuild the transmission to  
16 meet the minimum requirement standards.

17 d) **Section 3371:** Respondent made false and misleading statements which he knew to  
18 be false at the time they were made.

19 e) **Section 3373:** Respondent created a false and misleading record by issuing an  
20 invoice and charging for a rebuild, when he did not perform all of the work required to rebuild a  
21 transmission as required by CCR section 3361.1.

22 **RESPONDENT'S ESCONDIDO FACILITY**

23 **UNDERCOVER OPERATION – AUGUST 6, 2013**

24 31. On August 6, 2013, a Bureau undercover operator (operator) drove a Bureau  
25 documented 1996 Chevrolet (Chevrolet) to Respondent's facility in Escondido, California, for  
26 repairs. The undercover vehicle had been previously documented as only being in need of a  
27 repair to the faulty reaction sun shell that caused the transmission to have no 2nd, 4th, or reverse  
28 gears. The repair necessary to correct the malfunction was to replace the faulty reaction sun shell

1 and related seals and gaskets. The operator requested a transmission diagnosis from Mike  
2 O'Brien, (Mike) the Manager of the facility. Later that same day Mike called the operator and  
3 told her that he would have to open the transmission to determine why the vehicle did not have a  
4 second, fourth or reverse gear. Mike told the operator the cost to reassemble the transmission if  
5 the operator decided not to go ahead with the repair would be \$585.00. The operator authorized  
6 him to proceed with the diagnosis.

7 32. On August 7, 2013, the operator called Mike. He told her that the Chevrolet's  
8 transmission needed to be rebuilt. Mike told the operator she would need a rebuild kit, rebuild  
9 valve body, third and fourth gear sprags, steels and clutches, sun gear shell, torque converter and  
10 many other parts. Mike quoted a price to perform the repairs with a three year warranty of  
11 \$2,994.84 including taxes. The operator verbally authorized Mike to proceed with the repair.

12 33. On August 9, 2013, the operator returned to the facility because the vehicle was ready  
13 for pick up. The operator arrived and spoke with Mike, who printed out two documents for the  
14 operators signature, one for the initial tear down and the other for the phone approval to rebuild  
15 the transmission. The operator signed and was given copies. The total amount paid by the  
16 operator was \$3,000.00 for the rebuild. Mike wrote on the documents that there was a three year  
17 warranty for the repairs. The operator then drove the vehicle and gave custody of it back to a  
18 Bureau representative.

19 34. In August 2013, a Bureau lab technician re-inspected the Chevrolet. He found that  
20 Respondent had not rebuilt the transmission as required by California law. Respondent had not  
21 replaced the speed sensor O-ring seal, the manual shaft seal, the oil pump slide seal, the pump  
22 slide seal support and slide seal to wear plate, the back up O-ring seal, the oil filter seal, two  
23 plastic sealing rings on the pump stator shaft and three accumulator pistons as required by  
24 regulations during a rebuild.

25 35. The Bureau lab technician also found that Respondent charged for and received  
26 payment for the following parts, that were not installed: a steels kit, a servo/cover kit and two  
27 pistons.

28 ///

1 FIFTH CAUSE FOR DISCIPLINE

2 (Untrue or Misleading Statements)

3 36. Complainant re-alleges and incorporates by reference the allegations set forth above  
4 in paragraphs 31-35.

5 37. Respondent's Registration is subject to disciplinary action under Code section  
6 9884.7, subdivision (a) (1), in that Respondent made or authorized statements which Respondent  
7 knew or in the exercise of reasonable care should have known to be untrue or misleading.  
8 Respondent charged for a rebuild and did not perform all of the work required to rebuild a  
9 transmission as required by CCR section 3361.1. Respondent charged for and received payment  
10 to replace a steels kit, a servo/cover kit and two pistons, when in fact these parts were not  
11 replaced.

12 SIXTH CAUSE FOR DISCIPLINE

13 (Fraud)

14 38. Complainant re-alleges and incorporates by reference the allegations set forth above  
15 in paragraphs 31-35.

16 39. Respondent's Registration is subject to disciplinary action under Code section  
17 9884.7, subdivision (a) (4), in that Respondent committed acts which constitute fraud.  
18 Respondent told the operator the transmission was in need of a rebuild, charged for a rebuild and  
19 did not perform all of the work required to rebuild a transmission as required by CCR section  
20 3361.1. Respondent charged for and received payment to replace a steels kit, a servo/cover kit  
21 and two pistons, when in fact these parts were not replaced.

22 SEVENTH CAUSE FOR DISCIPLINE

23 (Failure to Comply with the Code)

24 40. Complainant re-alleges and incorporates by reference the allegations set forth above  
25 in paragraphs 31-35.

26 41. Respondent's Registration is subject to disciplinary action under Code section  
27 9884.7, subdivision (a) (6), in that Respondent failed to comply with the following sections of the  
28 Code:

1 a) **Section 9884.7, subdivision (a) (7):** Respondent failed to follow accepted trade  
2 standards in that he did not rebuild the transmission as invoiced and charged. In addition, he  
3 failed to rebuild the transmission to meet the minimum standards required. The vehicle was  
4 returned to the operator with a fluid leaking from an improperly tightened cooler line and the  
5 vehicle had a loud rattling noise because bolts were left loose.

6 b) **Section 9884.9, subdivision (a):** Respondent exceeded the estimate, without prior  
7 authorization, when he charged the Bureau's operator \$3,000.00 after telling her the total, with  
8 tax, would be \$2,994.84.

9 **EIGHTH CAUSE FOR DISCIPLINE**

10 **(Violation of Regulations)**

11 42. Complainant re-alleges and incorporates by reference the allegations set forth above  
12 in paragraphs 31-35.

13 43. Respondent's Registration is subject to disciplinary action under section 9884.7,  
14 subdivision (a) (6), in that Respondent failed to comply with the following sections of the  
15 California Code of Regulations, title 16:

16 a) **Section 3353, subdivision (a):** Respondent exceeded the estimate without prior  
17 authorization.

18 b) **Section 3353, subdivision (c):** Respondent failed to receive authorization before  
19 performing additional work.

20 c) **Section 3356, subdivision (a) (2) (B):** Respondent failed to describe parts in such a  
21 manner that the customer can understand what was purchased.

22 d) **Section 3361.1, subdivision (c) (2):** Respondent failed to rebuild the transmission to  
23 meet the minimum requirement standards.

24 e) **Section 3371:** Respondent made false and misleading statements which he knew to  
25 be false at the time they were made.

26 f) **Section 3373:** Respondent created a false and misleading record by issuing an  
27 invoice and charging for a rebuild, when he did not perform all of the work required to rebuild a  
28 transmission as required by CCR section 3361.1. In addition, Respondent charged for and

1 received payment to replace a steels kit, a servo/cover kit and two pistons, when in fact these  
2 parts were not replaced.

3 RESPONDENT'S SAN DIEGO FACILITY  
4 UNDERCOVER OPERATION – SEPTEMBER 13, 2013

5 44. On September 13, 2013, a Bureau undercover operator (operator) drove a Bureau  
6 documented 1997 Pontiac (Pontiac) to Respondent's facility in San Diego, California, for repairs.  
7 The undercover vehicle had been previously documented as only being in need of a repair to the  
8 fourth clutch shaft of the transmission. The damaged shaft would not allow the transmission to  
9 provide fourth gear. The operator requested a transmission diagnosis from Dave Irwin, (Dave)  
10 the Manager of the facility. Later that same day Dave called the operator and told her that the  
11 vehicle did not have a fourth gear. Dave told the operator he would have to pull the transmission,  
12 disassemble it and inspect it to determine what was wrong. Dave told the operator the cost to  
13 reassemble the transmission if the operator decided not to go ahead with the repair would be  
14 \$580.00. The operator authorized him to proceed with the diagnosis.

15 45. On September 16, 2013, Dave called the operator and told her that the Pontiac's  
16 transmission's clutch drive and shaft were damaged. Dave quoted two prices to rebuild the  
17 transmission. One price had a two year warranty, the other price had a one year warranty. The  
18 operator verbally authorized Dave to proceed with the repair with the one year warranty for a  
19 total price of \$1,839.05, including tax.

20 46. On September 18, 2013, the operator received a call from Dave telling her that the  
21 vehicle was ready for pick up. The operator arrived on September 20, 2013 to pick up the  
22 vehicle. and spoke with Dave, who had another employee named Chad finalize the transaction.  
23 Chad printed out an invoice and had the operator sign it and gave her an unsigned copy. The total  
24 amount paid by the operator was \$1,826.35 for the rebuild. The operator then drove the vehicle  
25 and gave custody of it back to a Bureau representative.

26 47. In September 2013, a Bureau lab technician re-inspected the Pontiac. He found that  
27 Respondent had not repaired the vehicle as required by California law. Respondent had not  
28 replaced the side cover gasket, the upper case cover gasket, the vehicle speed sensor seal, the

1 park pawl, the manual shaft, the forward servo cover seals, the oil pump slide seal, the oil pump  
2 seal support, the oil pump exhaust screen, the wiring harness seal, the second and third clutch  
3 bonded pistons and three fiber lined bands as required by regulations during a rebuild.

4 **NINTH CAUSE FOR DISCIPLINE**

5 **(Untrue or Misleading Statements)**

6 48. Complainant re-alleges and incorporates by reference the allegations set forth above  
7 in paragraphs 44-47.

8 49. Respondent's Registration is subject to disciplinary action under Code section  
9 9884.7, subdivision (a) (1), in that Respondent made or authorized statements which Respondent  
10 knew or in the exercise of reasonable care should have known to be untrue or misleading.  
11 Respondent charged for a rebuild and did not perform all of the work required to rebuild a  
12 transmission as required by CCR section 3361.1.

13 **TENTH CAUSE FOR DISCIPLINE**

14 **(Fraud)**

15 50. Complainant re-alleges and incorporates by reference the allegations set forth above  
16 in paragraphs 44-47.

17 51. Respondent's Registration is subject to disciplinary action under Code section  
18 9884.7, subdivision (a) (4), in that Respondent committed acts which constitute fraud.  
19 Respondent told the operator the transmission was in need of a rebuild, charged for a rebuild and  
20 did not perform all of the work required to rebuild a transmission as required by CCR section  
21 3361.1.

22 **ELEVENTH CAUSE FOR DISCIPLINE**

23 **(Failure to Comply with the Code)**

24 52. Complainant re-alleges and incorporates by reference the allegations set forth above  
25 in paragraphs 44-47.

26 53. Respondent's Registration is subject to disciplinary action under Code section  
27 9884.7, subdivision (a) (6), in that Respondent failed to comply with the following sections of the  
28 Code:

1 a) **Section 9884.7, subdivision (a) (7):** Respondent failed to follow accepted trade  
2 standards in that he did not rebuild the transmission as invoiced and charged. In addition, he  
3 failed to rebuild the transmission to meet the minimum standards required.

4 **TWELVETH CAUSE FOR DISCIPLINE**

5 **(Violation of Regulations)**

6 54. Complainant re-alleges and incorporates by reference the allegations set forth above  
7 in paragraphs 44-47.

8 55. Respondent's Registration is subject to disciplinary action under section 9884.7,  
9 subdivision (a) (6), in that Respondent failed to comply with the following sections of the  
10 California Code of Regulations, title 16:

11 a) **Section 3356, subdivision (a) (2) (B):** Respondent failed to describe parts in such a  
12 manner that the customer can understand what was purchased.

13 b) **Section 3361.1, subdivision (c) (2):** Respondent failed to rebuild the transmission to  
14 meet the minimum requirement standards.

15 c) **Section 3371:** Respondent made false and misleading statements which he knew to  
16 be false at the time they were made.

17 d) **Section 3373:** Respondent created a false and misleading record by issuing an  
18 invoice and charging for a rebuild, when he did not perform all of the work required to rebuild a  
19 transmission as required by CCR section 3361.1.

20 **PRAYER**

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

23 1. Revoking or suspending Automotive Repair Dealer Number ARD 265066, issued to  
24 So Cal Automotive, Inc. dba Rapid Transmissions, James Ray Alexander,  
25 President/Secretary/Treasurer;

26 2. Revoking or suspending Automotive Repair Dealer Number ARD 265206, issued to  
27 So Cal Automotive, Inc. dba Rapid Transmissions, James Ray Alexander,  
28 President/Secretary/Treasurer;

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3. Revoking or suspending Automotive Repair Dealer Number ARD 265480, issued to So Cal Automotive, Inc. dba Rapid Transmissions, James Ray Alexander, President/Secretary/Treasurer;

4. Revoking or suspending the registrations for all places of business operated in this state by James Ray Alexander;

5. Ordering James Ray Alexander to pay the Bureau of Automotive Repair the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 125.3;

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

DATED: August 14, 2014



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

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