

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

In the Matter of the Accusation Against:

**EDDIE HAN LEE, OWNER, DOING
BUSINESS AS CARVI COLLISION REPAIR**
17412 Gothard Street
Huntington Beach, CA 92647

Automotive Repair Dealer No.
ARD 272495

Case No. 77/15-43


Respondent.

DECISION

The attached Stipulated Revocation of License 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 July 16, 2015.

DATED: June 25, 2015



TAMARA COLSON
Assistant General Counsel
Department of Consumer Affairs

1 KAMALA D. HARRIS
Attorney General of California
2 GREGORY J. SALUTE
Supervising Deputy Attorney General
3 ADRIAN R. CONTRERAS
Deputy Attorney General
4 State Bar No. 267200
110 West "A" Street, Suite 1100
5 San Diego, CA 92101
P.O. Box 85266
6 San Diego, CA 92186-5266
Telephone: (619) 645-2634
7 Facsimile: (619) 645-2061
E-mail: Adrian.Contreras@doj.ca.gov
8 *Attorneys for Complainant*

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

12 In the Matter of the Accusation Against:

Case No. 77/15-43

13 **EDDIE HAN LEE, OWNER, DOING**
14 **BUSINESS AS CARVI COLLISION**
15 **REPAIR**

STIPULATED REVOCATION OF
LICENSE AND ORDER

16 **17412 Gothard Street**
Huntington Beach, CA 92647

17 **Automotive Repair Dealer No. ARD 272495**

18 Respondent.

19 In the interest of a prompt and speedy settlement of this matter, consistent with the public
20 interest and the responsibilities of the Director of Consumer Affairs and the Bureau of
21 Automotive Repair the parties hereby agree to the following Stipulated Revocation of License
22 and Disciplinary Order which will be submitted to the Director for the Director's approval and
23 adoption as the final disposition of the Accusation.

24 PARTIES

25 1. Patrick Dorais (Complainant) is the Chief of the Bureau of Automotive Repair. He
26 brought this action solely in his official capacity and is represented in this matter by Kamala D.
27 Harris, Attorney General of the State of California, by Adrian R. Contreras, Deputy Attorney
28 General.

1 CULPABILITY

2 8. Respondent admits the truth of each and every charge and allegation in Accusation
3 No. 77/15-43, agrees that cause exists for discipline, and hereby stipulates to revocation of his
4 Automotive Repair Dealer No. ARD 272495 for the Bureau's formal acceptance.

5 9. Respondent understands that by signing this stipulation he enables the Director to
6 issue an order accepting the revocation of his Automotive Repair Dealer Registration without
7 further process.

8 CONTINGENCY

9 10. This stipulation shall be subject to approval by the Director or the Director's designee.
10 Respondent understands and agrees that counsel for Complainant and the staff of the Bureau of
11 Automotive Repair may communicate directly with the Director and staff regarding this
12 stipulation and revocation, without notice to or participation by Respondent. By signing the
13 stipulation, Respondent understands and agrees that he may not withdraw his agreement or seek
14 to rescind the stipulation prior to the time the Director considers and acts upon it. If the Director
15 fails to adopt this stipulation as the Decision and Order, the Stipulated Revocation and
16 Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be inadmissible
17 in any legal action between the parties, and the Director shall not be disqualified from further
18 action by having considered this matter.

19 11. The parties understand and agree that Portable Document Format (PDF) and facsimile
20 copies of this Stipulated Revocation of License and Order, including PDF and facsimile
21 signatures thereto, shall have the same force and effect as the originals.


22 12. This Stipulated Revocation of License and Order is intended by the parties to be an
23 integrated writing representing the complete, final, and exclusive embodiment of their agreement.
24 It supersedes any and all prior or contemporaneous agreements, understandings, discussions,
25 negotiations, and commitments (written or oral). This Stipulated Revocation of License and
26 Order may not be altered, amended, modified, supplemented, or otherwise changed except by a
27 writing executed by an authorized representative of each of the parties.
28

1 7. Respondent further understands the Director shall additionally require as a condition
 2 precedent to the application for a new or reinstated license that there must be proof of restitution
 3 to Automobile Club of Southern California Insurance Company in this case that is the subject of
 4 Accusation No. 77/15-43, in the amount of Three Thousand Four Hundred Fifty-Nine Dollars and
 5 Twelve Cents (\$3,459.12), unless the debt has been resolved civilly or has been successfully
 6 discharged in bankruptcy.

ACCEPTANCE

8 I have carefully read the Stipulated Revocation of License and Order. I understand the
 9 stipulation and the effect it will have on my Automotive Repair Dealer Registration. I enter into
 10 this Stipulated Revocation of License and Order voluntarily, knowingly, and intelligently, and
 11 agree to be bound by the Decision and Order of the Director of Consumer Affairs.

13 DATED: 4/15/15

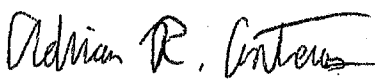

 EDDIE HAN LEE, AUTHORIZED AGENT AND
 OWNER, DOING BUSINESS AS CARVI
 COLLISION REPAIR
 Respondent

ENDORSEMENT

17 The foregoing Stipulated Revocation of License and Order is hereby respectfully submitted
 18 for consideration by the Director of Consumer Affairs.

19 Dated: 4/15/15

Respectfully submitted,
 KAMALA D. HARRIS
 Attorney General of California
 GREGORY J. SALUTE
 Supervising Deputy Attorney General


 ADRIAN R. CONTRERAS
 Deputy Attorney General
 Attorneys for Complainant

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Exhibit A

Accusation No. 77/15-43

1 KAMALA D. HARRIS
Attorney General of California
2 GREGORY J. SALUTE
Supervising Deputy Attorney General
3 ADRIAN R. CONTRERAS
Deputy Attorney General
4 State Bar No. 267200
110 West "A" Street, Suite 1100
5 San Diego, CA 92101
P.O. Box 85266
6 San Diego, CA 92186-5266
Telephone: (619) 645-2634
7 Facsimile: (619) 645-2061
E-mail: Adrian.Contreras@doj.ca.gov
8 *Attorneys for Complainant*

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

13 In the Matter of the Accusation Against:

Case No. 77/15-43

14 **EDDIE HAN LEE, OWNER, DOING**
15 **BUSINESS AS CARVI COLLISION**
16 **REPAIR**
17412 Gothard Street
Huntington Beach, CA 92647

ACCUSATION

17 **Automotive Repair Dealer Registration No.**
18 **ARD 272495**

Respondent.

19 Complainant alleges:

20 **PARTIES**

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

23 2. On or about April 10, 2013, the Bureau of Automotive Repair issued Automotive
24 Repair Dealer Registration Number ARD 272495 to Eddie Han Lee, Owner, doing business as
25 Carvi Collision Repair (Respondent). The Automotive Repair Dealer Registration will expire on
26 April 30, 2015, unless renewed.

27 ///

JURISDICTION

1
2 3. This Accusation is brought before the Director of Consumer Affairs (Director) for the
3 Bureau of Automotive Repair, under the authority of the following laws. All section references
4 are to the Business and Professions Code unless otherwise indicated.

5 4. Section 118, subdivision (b), of the Code provides that the suspension, expiration,
6 surrender, cancellation of a license shall not deprive the Director of jurisdiction to proceed with a
7 disciplinary action during the period within which the license may be renewed, restored, reissued
8 or reinstated.

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

13 6. Section 9884.20 of the Code states:

14 "All accusations against automotive repair dealers shall be filed within three years after the
15 performance of the act or omission alleged as the ground for disciplinary action, except that with
16 respect to an accusation alleging fraud or misrepresentation as a ground for disciplinary action,
17 the accusation may be filed within two years after the discovery, by the bureau, of the alleged
18 facts constituting the fraud or misrepresentation."

19 7. Section 9884.22 of the Code states:

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

25 "..."

26 ///

27 ///

28 ///

1 “(5) Conduct constituting gross negligence.

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

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

7 “(8) Making false promises of a character likely to influence, persuade, or induce a
8 customer to authorize the repair, service, or maintenance of automobiles.

9 “(9) Having repair work done by someone other than the dealer or his or her employees
10 without the knowledge or consent of the customer unless the dealer can demonstrate that the
11 customer could not reasonably have been notified.

12 “(10) Conviction of a violation of Section 551 of the Penal Code.

13 “Upon denying of registration, the director shall notify the applicant thereof, in writing, by
14 personal service or mail addressed to the address of the applicant set forth in the application, and
15 the applicant shall be given a hearing under Section 9884.12 if, within 30 days thereafter, he or
16 she files with the bureau a written request for hearing, otherwise the denial is deemed affirmed.

17 “...

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

22 11. Section 9884.8 of the Code states:

23 “All work done by an automotive repair dealer, including all warranty work, shall be
24 recorded on an invoice and shall describe all service work done and parts supplied. Service work
25 and parts shall be listed separately on the invoice, which shall also state separately the subtotal
26 prices for service work and for parts, not including sales tax, and shall state separately the sales
27 tax, if any, applicable to each. If any used, rebuilt, or reconditioned parts are supplied, the invoice
28 shall clearly state that fact. If a part of a component system is composed of new and used, rebuilt

1 or reconditioned parts, that invoice shall clearly state that fact. The invoice shall include a
2 statement indicating whether any crash parts are original equipment manufacturer crash parts or
3 nonoriginal equipment manufacturer aftermarket crash parts. One copy of the invoice shall be
4 given to the customer and one copy shall be retained by the automotive repair dealer."

5 12. Section 9884.9 of the Code states:

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

20 "(1) Make a notation on the invoice of the same facts set forth in the notation on the work
21 order.

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

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

26 _____

27 (signature or initials)"

28

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

3 "...

4 "(c) In addition to subdivisions (a) and (b), an automotive repair dealer, when doing auto
5 body or collision repairs, shall provide an itemized written estimate for all parts and labor to the
6 customer. The estimate shall describe labor and parts separately and shall identify each part,
7 indicating whether the replacement part is new, used, rebuilt, or reconditioned. Each crash part
8 shall be identified on the written estimate and the written estimate shall indicate whether the crash
9 part is an original equipment manufacturer crash part or a nonoriginal equipment manufacturer
10 aftermarket crash part.

11 "(d) A customer may designate another person to authorize work or parts supplied in excess
12 of the estimated price, if the designation is made in writing at the time that the initial
13 authorization to proceed is signed by the customer. The bureau may specify in regulation the
14 form and content of a designation and the procedures to be followed by the automotive repair
15 dealer in recording the designation. For the purposes of this section, a designee shall not be the
16 automotive repair dealer providing repair services or an insurer involved in a claim that includes
17 the motor vehicle being repaired, or an employee or agent or a person acting on behalf of the
18 dealer or insurer."

19 13. Section 9884.11 of the Code states that "[e]ach automotive repair dealer shall
20 maintain any records that are required by regulations adopted to carry out this chapter [the
21 Automotive Repair Act]. Those records shall be open for reasonable inspection by the chief or
22 other law enforcement officials. All of those records shall be maintained for at least three years."

23 14. Section 9889.50 of the Code states:

24 "The Legislature finds the following:

25 "(1) Thousands of California automobile owners each year require repair of their vehicles as
26 a result of collision or other damage.

27 "(2) California automobile owners are suffering direct and indirect harm through unsafe,
28 improper, incompetent, and fraudulent auto body repairs.

1 and the telephone number called, if any, together with the specification of the additional repairs,
2 parts, labor and the total additional costs.

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

8 "(3) If the authorization from the customer for additional repairs, parts, or labor in excess
9 of the written estimated price is obtained by electronic mail (e-mail), the dealer shall print and
10 attach to the work order and invoice, the e-mail authorization which shows the date and time of
11 transmission and describes the additional repairs, parts, labor, and the total additional costs.

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

16 "...

17 "(e) Revising an Itemized Work Order. If the customer has authorized repairs according to
18 a work order on which parts and labor are itemized, the dealer shall not change the method of
19 repair or parts supplied without the written, oral, electronic authorization of the customer. The
20 authorization shall be obtained from the customer as provided in subsection (c) and Section
21 9884.9 of the Business and Professions Code.

22 "...."

23 17. California Code of Regulations, title 16, section 3356, states:

24 "...

25 "(d) The automotive repair dealer shall give the customer a legible copy of the invoice and
26 shall retain a legible copy as part of the automotive repair dealer's records pursuant to Section
27 9884.11 of the Business and Professions Code and Section 3358 of this article."

28 ///

1 18. California Code of Regulations, title 16, section 3358, states:

2 "Each automotive repair dealer shall maintain legible copies of the following records for not
3 less than three years:

4 "...

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

8 19. California Code of Regulations, title 16, section 3395.4 states:

9 "In reaching a decision on a disciplinary action under the Administrative Procedure Act
10 (Government Code Section 11400 et seq.), including formal hearings conducted by the Office of
11 Administrative Hearing, the Bureau of Automotive Repair shall consider the disciplinary
12 guidelines entitled 'Guidelines for Disciplinary Penalties and Terms of Probation' [May, 1997]
13 which are hereby incorporated by reference. The 'Guidelines for Disciplinary Penalties and Terms
14 of Probation' are advisory. Deviation from these guidelines and orders, including the standard
15 terms of probation, is appropriate where the Bureau of Automotive Repair in its sole discretion
16 determines that the facts of the particular case warrant such deviation -for example: the presence
17 of mitigating factors; the age of the case; evidentiary problems."

18 **COSTS**

19 20. Section 125.3 of the Code provides, in pertinent part, that the agency may request the
20 administrative law judge to direct a licentiate found to have committed a violation or violations of
21 the licensing act to pay a sum not to exceed the reasonable costs of the investigation and
22 enforcement of the case.

23 **RESTITUTION**

24 21. Section 11519, subdivision (d) of the Government Code provides, in pertinent part,
25 that the Director may require restitution of damages suffered as a condition of probation in the
26 event probation is ordered.

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1 **FACTS**

2 22. At all times alleged in this Accusation, any allegation of fraud refers to actual fraud.
3 In the alternative, fraud refers to constructive fraud as defined in Civil Code sections 1571-1573.

4 23. At all times alleged in this Accusation, Eddie Han Lee (Lee) was acting in the course
5 and within the scope of a technician, employee, partner, officer, owner, or member of
6 Respondent.

7 **TIMOTHY LEONARD TRANSACTION**

8 24. On or about May 14, 2013, Timothy Leonard's (Leonard) 2009 Ford Taurus sustained
9 collision damage to the undercarriage. Leonard repaired the damaged engine oil pan himself.

10 25. On or about May 21, 2013, Leonard's 2009 Ford Taurus sustained collision damage
11 to the right front fender. Leonard drove his vehicle to Respondent's facility to have the right front
12 fender repaired. Lee, an employee at Respondent's facility, told him he could repair the fender
13 and that the other party involved in the collision would pay for the repair. Lee did not give
14 Leonard an estimate and Leonard did not sign any documents.

15 26. The next day, Lee called Leonard and told him the vehicle had an oil leak from the
16 engine oil pan. Leonard explained to Lee that the oil pan had been damaged from a previous
17 collision, which Leonard repaired. Lee told him the insurance policy would pay to replace the
18 leaking engine oil pan and recommended Leonard file a claim with his insurance company.

19 27. On or about May 23, 2013, Leonard filed a claim with Esurance Insurance Services
20 for the engine oil pan replacement.

21 28. On or about May 31, 2013, Leonard called Lee. Lee told him not to worry about the
22 \$500.00 deductible because Lee would waive it. On that day, Esurance sent Respondent a check
23 in the amount of \$2,196.91 for the repairs and services.

24 29. On or about June 11, 2013, Leonard picked up the vehicle from Respondent's facility.
25 Lee showed Leonard the old engine oil pan and explained that he installed a new one. Lee did
26 not give Leonard an invoice for any of the repairs Respondent performed. Leonard did not sign
27 any documents.
28

1 30. On or about June 13, 2013, Respondent requested a supplemental claim from
2 Esurance to remove and replace the transmission for \$4,003.14. Esurance approved this
3 supplemental claim.

4 31. On or about June 14, 2013, Esurance sent Respondent a check in the amount of
5 \$3,990.54 for the repairs and services.

6 32. On or about July 26, 2013, Esurance emailed Leonard a Supplement of Record
7 showing the repairs Respondent purportedly performed. Esurance paid Respondent a total of
8 \$6,187.45 for services and repairs, including a replacement transmission. Lee did not tell Leonard
9 that the transmission needed replacement. Leonard inspected his vehicle and found the
10 transmission had not been replaced. Leonard then filed a complaint with the Bureau.

11 33. On or about December 18, 2013, Bureau representatives inspected Leonard's vehicle
12 and compared their observations with the Esurance estimate of record. The following parts were
13 not replaced and the labor was not done on the vehicle as called for in the estimate of record:

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Line Item No. on Estimate	Description	Part	Labor	Paint
2	Overhaul Front Bumper Assy		2.6	
3	Repair Bumper Cover		2.0	3.4
4	Add for Clear Coat			1.4
5	Base Coat Reduction			-0.5
9	Remove and Replace OEM Side Cover	\$59.97		
10	Remove and Replace Rebuilt Transmission	\$2,918.67	9.0	
15	Remove and Replace OEM Engine Cradle 2WD	\$793.33	5.9	
17	Remove and Replace OEM Heat Shield	\$89.02		
19	Repair Rear Floor Pan		2.0	
Total Parts		\$3,860.99		
Total Paint Labor 4.3 hours at \$33.00/hr.		\$141.90		
Total Body labor 6.6 hours at \$43.00/hr.		\$283.80		
Total Mechanical labor 14.9 hours at \$85.00/hr.		\$1,266.50		
Subtotal tax at 8.00%		\$308.88		
TOTAL FRAUD		\$5,862.07		

34. For Line Item Numbers 2-4, the front bumper was not overhauled, repaired, or refinished. There remained collision damage in the form of deep scratches.

35. For Line Item Number 9, the transmission side cover was not replaced. Its date stamp of 12/08 was consistent with the model year of the vehicle and its age and condition was consistent with the surrounding original parts of the vehicle.

36. For Line Item Number 10, the transmission was not replaced. There remained collision damage in the form of damaged case bolts and a four inch crack on the transmission case.

1 in Buena Park where Kim gave Lee his insurance information. Lee drove the vehicle to
2 Respondent's facility. Lee did not provide Kim any documents or have him sign anything.

3 45. On September 23, 2014, an insurance company, Automobile Club of Southern
4 California Insurance Company, met and conferred with Respondent to appraise the collision
5 damage to Kim's vehicle. Together, they determined the parts that needed replacement and the
6 repair and paint work that needed to be done to repair the damage. Respondent agreed to
7 complete the work in 14 business days in accordance with the insurance estimate that was
8 generated on that day. The next day, the insurance company paid Respondent in full (\$5,781.31)
9 for the repairs and services on Kim's vehicle.

10 46. The vehicle was at Respondent's repair facility for about three weeks. During this
11 time, Kim called Respondent twice asking if the repairs were done. Respondent told him the
12 repairs were delayed because they had to wait for an insurance inspection.

13 47. When the vehicle was being repaired at Respondent's facility, Kim received an
14 estimate from the insurance company. The estimate listed the total amount of repairs and services
15 to be done on the vehicle at \$6,781.31, excluding the \$1,000.00 deductible. Kim expected
16 Respondent to complete all repairs and provide all parts that were listed on the insurance estimate.
17 Kim did not receive any payments from the insurance company. Kim was not asked and did not
18 sign any check for payment for collision repairs to his vehicle.

19 48. After three weeks, Lee called Kim and told him the repairs were done. Lee told Kim
20 he was waiving the \$1,000.00 deductible payment.

21 49. When Lee returned the vehicle to Kim, Kim was not given any documents or asked to
22 sign anything.

23 50. On November 13, 2014, Bureau representatives inspected the vehicle and compared
24 their observations with the insurance estimate of record. The following parts were not replaced
25 and the labor was not done on the vehicle as called for in the estimate of record:

26 51. For Line Item Number 21 ("REMOVE/REPLACE . . . R Fender Wheel Opening
27 Mldg"), the right front wheel opening moulding was not replaced as shown by its aged condition.
28

1 It had dirt buildup and grime and was scuffed on the molding. The aged condition was consistent
2 with the aged condition of the molding on the left front fender.

3 52. For Line Item Number 30 ("REMOVE/REPLACE . . . R Frt Door Repair Panel"), the
4 right front door panel was not replaced. The panel still had the original manufacturer seam on the
5 inside area of the door shell. The seam was consistent with the original seam on the left front
6 door. Electronic thickness gauge measurements show excessive paint and body filler material up
7 to 33.2 MILS on the right front door repair panel. By comparison, the left front door repair panel
8 had a high of 8.2 MILS.

9 53. For Line Item Number 31 ("REFINISH . . . R Frt Door Outside"), the replacement
10 repair panel on the right front door was not painted. A replacement repair panel was not installed
11 on the door.

12 54. For Line Item Number 32 ("REFINISH . . . R Frt Add For Jambs"), a replacement
13 repair panel was not installed on the right front door. The original manufacturer seam seal on the
14 hemming location of the repair panel was undisturbed. Painting and refinishing the door jamb
15 was unnecessary.

16 55. For Line Item Number 34 ("REMOVE/REPLACE . . . R Rear Door Repair Panel"),
17 the right rear door repair panel was not replaced. The original seam seal on the inside area of the
18 door shell was present. The seam seal was consistent with the original seam on the left rear door.
19 Electronic thickness gauge measurements show excessive paint and body filler material up to
20 34.3 MILS on the right rear door repair panel. By comparison, the left rear door repair panel had
21 a high of 7.9 MILS.

22 56. For Line Item Number 35 ("REFINISH . . . R Rear Door Outside"), the replacement
23 repair panel on the right front door was not refinished. A replacement repair panel was not
24 installed on the door.

25 57. For Line Item Number 36 ("REFINISH . . . R Rear Add for Jambs"), a replacement
26 repair panel was not installed on the right rear door. The original manufacturer seam seal on the
27 hemming location of the repair panel was undisturbed. Painting and refinishing the door jamb
28 was unnecessary.

1 58. Respondent did not replace the front and rear right side door panels as listed in Line
2 Item Numbers 30 and 34.

3 59. On November 24, 2014, Bureau representatives reinspected the vehicle. The
4 following parts were not replaced and the labor was not done on the vehicle as called for in the
5 estimate of record:

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1	Line Item	Description	Part	Labor	Paint
2	No. on				
3	Estimate				
4	2	Remove/Replace Frt Bumper Cover Assy	\$394.97	INC	
5	9	Remove/Replace R Frt Otr Bumper	\$35.60	INC	
6		Reinforcement			
7	11	Remove/Replace R Frt Combination Lamp	\$850.00	INC	
8		Assembly			
9	14	Line Markup %20.00	\$170.00		
10	21	Remove/Replace R Fender Wheel Opening	\$55.69	0.2	
11		Mldg			
12	23	Remove/Replace R Fender Side Moulding	\$300.88	0.3	
13	30	Remove/Replace R Frt Door Repair Panel	\$344.24	7.5	
14	31	Refinish R Frt Door Outside			1.6
15	32	Refinish R Frt Add for Jambs			0.5
16	34	Remove/Replace R Rear Door Repair Panel	\$304.85	7.0	
17	35	Refinish R Rear Door Outside			1.6
18	36	Refinish R Rear Add For Jambs			0.5
19	Subtotal Parts		\$2,456.23		
20	Total Paint Labor 4.2 hours at \$42.00/hr.		\$176.40		
21	Total Body labor 15.0 hours at \$42.00/hr.		\$630.00		
22	Subtotal		\$3,262.63		
23	Subtotal tax at 8.00%		\$196.49		
24	TOTAL FRAUD		\$3,459.12		

25 60. For Line Item Number 2, the front bumper cover was not replaced with a new original
26 equipment manufacturer (OEM) part. It was aged and the inner side was covered in dirt.
27 Respondent installed a used bumper cover.
28

1 61. For Line Item Number 9, the right front outer bumper reinforcement was not replaced.
2 The aged and dirty condition was consistent with the condition of the surrounding body parts.

3 62. For Line Item Numbers 11 and 14, the right front combination lamp assembly had a
4 faded and pitted lens. Aged dirt covered the housing and the housing had a cracked/broken
5 retainer tab. The right front combination lamp assembly had a cracked/broken retainer tab and
6 attempted repair to the broken retainer tab.

7 63. For Line Item Number 21, the right fender wheel opening moulding was not replaced.
8 It was aged and covered in dirt and had scuff marks. The aged condition was consistent with the
9 aged condition of the moulding on the left front fender.

10 64. For Line Item Number 23, the right fender side moulding was not replaced. It was
11 aged and covered in dirt. Glue was applied to the two-sided tape on the inner side of the
12 moulding and fender.

13 65. For Line Item Number 30, the right front door repair panel was not replaced. There
14 was still original manufacturer paint on the inside of the repair panel; unrepaired Weld-On stud
15 nail marks; tool pushing marks on the lower portion of the panel; and separation of the sealer
16 between the door panel and intrusion beam.

17 66. For Line Item Number 33, the right front door moulding was not properly installed.
18 The lower portion of the moulding was loose and protruding from the door. Respondent did not
19 replace the right front door moulding.

20 67. For Line Item Number 34, the right front door repair panel was not replaced. There
21 was still original manufacturer paint on the inside of the door; tool pushing marks on the lower
22 portion of the panel; chipped paint on the door shell; and separation of the sealer between the door
23 panel and intrusion beam. There were unrepaired Weld-On stud nail marks on the inside of the
24 door repair panel.

25 68. On December 19, 2014, Bureau representatives spoke with Lee. For Line Item 22
26 (“REMOVE/REPLACE . . . R Upr Fender Moulding”), Lee told them he did not replace the right
27 upper fender moulding. For Line Item 23, Lee told them he did not replace the right fender side
28 moulding. For Line Item 33, Lee told them he did not replace right front door moulding.

1 FIRST CAUSE FOR DISCIPLINE

2 (Untrue or Misleading Statements)

3 69. Complainant re-alleges and incorporates by reference the allegations set forth above
4 in paragraphs 22-68.

5 70. Respondent's registration is subject to disciplinary action under Code section 9884.7,
6 subdivision (a)(1), in that Respondent made or authorized in any manner or by any means
7 whatever any statement written or oral which is untrue or misleading, and which is known, or
8 which by the exercise of reasonable care should be known, to be untrue or misleading in the
9 following respect:

10 71. For the Leonard transaction, Respondent charged Esurance \$5,862.07 to remove and
11 replace the transmission; replace the engine cradle, transmission side cover, and fuel tank heat
12 shield; overhaul the front bumper; and repair the rear floor pan. In truth and in fact, as
13 Respondent knew, these services and repairs were not done. Respondent intended Esurance to
14 rely on this statement to persuade Esurance to pay Respondent. Esurance justifiably relied on this
15 misrepresentation. As a result, Esurance paid Respondent \$5,862.07 for these repairs and
16 services.

17 72. For the Kim transaction, Respondent charged Automobile Club of Southern
18 California Insurance Company \$3,459.12 to replace the right front outer bumper cover
19 reinforcement, right front combination lamp assembly, right fender wheel opening moulding,
20 right fender side moulding, and the front bumper cover with a new OEM bumper cover; and
21 replace and refinish the right front door repair panel and right rear door repair panel. In truth and
22 in fact, as Respondent knew, these services and repairs were not done. Respondent intended
23 Automobile Club of Southern California Insurance Company to rely on this statement to persuade
24 Automobile Club of Southern California Insurance Company to pay Respondent. Automobile
25 Club of Southern California Insurance Company justifiably relied on this misrepresentation. As a
26 result, Automobile Club of Southern California Insurance Company paid Respondent \$3,459.12
27 for these services and repairs.

28 ///

1 78. Respondent's registration is subject to disciplinary action under Code section 9884.7,
2 subdivision (a)(6) in conjunction with Code section 9884.9 and the Regulations for violating the
3 requirements for estimates and authorization in the following respect for the Leonard and Kim
4 transactions:

- 5 a. Code section 9884.9, subd. (a): Failure to prepare a written estimate for parts
6 and labor for a specific job.
- 7 b. Code section 9884.9, subd. (c): Failure to prepare an itemized estimate for auto
8 body repair.
- 9 c. Regulations section 3353, subdivision (a): Failure to provide the customer
10 with a written estimate for parts and labor for a specific job:
- 11 d. Regulations section 3353, subdivision (b): Failure to provide the customer a
12 written estimated price for parts and labor for a specific job for auto body or collision repairs.
- 13 e. Regulations section 3353, subdivision (e): Failure to obtain the customer's
14 additional authorization to change the method of repair and parts supplied.

15 **FOURTH CAUSE FOR DISCIPLINE**

16 **(False Promises)**

17 79. Complainant re-alleges and incorporates by reference the allegations set forth above
18 in paragraphs 22-78.

19 80. Respondent's registration is subject to disciplinary action under Code section 9884.7,
20 subdivision (a)(8), in that Respondent made a false promise of a character likely to influence,
21 persuade, or induce a customer to authorize the repair, service, or maintenance of an automobile
22 in the following respect:

23 81. For the Leonard transaction, Respondent charged Esurance \$5,862.07 to remove and
24 replace the transmission; replace the engine cradle, transmission side cover, and fuel tank heat
25 shield; overhaul the front bumper; and repair the rear floor pan. In truth and in fact, as
26 Respondent knew, these services and repairs were not done. Respondent intended Esurance to
27 rely on this statement to persuade Esurance to pay Respondent. Esurance justifiably relied on this
28

1 misrepresentation. As a result, Esurance paid Respondent \$5,862.07 for these repairs and
2 services.

3 82. For the Kim transaction, Respondent charged Automobile Club of Southern
4 California Insurance Company \$3,459.12 to replace the right front outer bumper cover
5 reinforcement, right front combination lamp assembly, right fender wheel opening moulding,
6 right fender side moulding, and the front bumper cover with a new OEM bumper cover; and
7 replace and refinish the right front door repair panel and right rear door repair panel. In truth and
8 in fact, as Respondent knew, these services and repairs were not done. Respondent intended
9 Automobile Club of Southern California Insurance Company to rely on this statement to persuade
10 Automobile Club of Southern California Insurance Company to pay Respondent. Automobile
11 Club of Southern California Insurance Company justifiably relied on this misrepresentation. As a
12 result, Automobile Club of Southern California Insurance Company paid Respondent \$3,459.12
13 for these services and repairs.

14 **FIFTH CAUSE FOR DISCIPLINE**

15 **(Failure to Produce Records)**

16 83. Complainant re-alleges and incorporates by reference the allegations set forth above
17 in paragraphs 22-82.

18 84. Respondent's registration is subject to disciplinary action under Code section 9884.7,
19 subdivision (a)(6), in conjunction with Code section 9884.11 and California Code of Regulations,
20 title 16, section 3358 for failure to produce records upon the Bureau's request in the following
21 respect:

22 85. For the Leonard transaction, Respondent produced an unnumbered Oh Sung Corp,
23 Inc. invoice, when in truth and in fact Oh Sung Corp. Inc. did not prepare the invoice or perform
24 any service or repairs. Respondent did not provide Leonard a written estimate or an invoice
25 describing all service and repair work performed. Respondent failed to prepare an itemized
26 estimate for auto body repair. Respondent failed to make the sublet invoice for the four-wheel
27 alignment available for inspection and reproduction by the Bureau.
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1 86. For the Kim transaction, Respondent did not provide a written estimate or an invoice
2 describing all service and repair work performed. Respondent failed to make these documents
3 available for inspection and reproduction by the Bureau.

4 **SIXTH CAUSE FOR DISCIPLINE**

5 **(Invoice Violations)**

6 87. Complainant re-alleges and incorporates by reference the allegations set forth above
7 in paragraphs 22-86.

8 88. Respondent's registration is subject to disciplinary action under Code section 9884.7,
9 subdivision (a)(6) in conjunction with Code section 9884.8 in that Respondent failed to comply
10 with invoice requirements on the Leonard and Kim transactions. Under Regulations section 3356,
11 subdivision (d), Respondent failed to provide a legible copy of the invoice for repairs.

12 **OTHER MATTERS**

13 89. Under Code section 9884.7, subdivision (c), the Director may invalidate temporarily
14 or permanently or refuse to validate, the registrations for all places of business operated in this
15 State by Respondent upon a finding that Respondent has engaged in a course of repeated and
16 willful violations of the laws and regulations pertaining to an automotive repair dealer.

17 **PRAYER**

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

- 20 1. Revoking or suspending Automotive Repair Dealer Registration Number ARD
21 272495, issued to Eddie Han Lee, Owner, doing business as Carvi Collision Repair;
- 22 2. Revoking or suspending all places of business operated in this State by Eddie Han
23 Lee, Owner, doing business as Carvi Collision Repair;
- 24 3. Ordering restitution of all damages according to proof suffered by Esurance Insurance
25 Services and Automobile Club of Southern California Insurance Company as a condition of
26 probation in the event probation is ordered;
- 27 4. Ordering restitution of all damages suffered by Esurance Insurance Services and
28 Automobile Club of Southern California Insurance Company as a result of Respondent's conduct

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as an automotive repair dealer, as a condition of restoration of Automotive Repair Dealer
Registration Number ARD 272495, issued to Eddie Han Lee, Owner, doing business as Carvi
Collision Repair;

5. Ordering Eddie Han Lee, Owner, doing business as Carvi Collision Repair 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; and

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

DATED: 3/24/15

Patrick Dorais by Doug Balah
PATRICK DORAIS
Chief
Bureau of Automotive Repair
Department of Consumer Affairs
State of California
Complainant
DUG BALAH
ASSIST CHIEF

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