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

11 In the Matter of the Accusation Against:

Case No. 177/16-06

12 **MAGIC AUTO BODY & CAR RENTAL,**
INC DBA MAGIC AUTO BODY;
13 **YURIK VARDANYAN, President /**
Secretary / Treasurer
14 **18225 Parthenia St #12**
Northridge, CA 91325
15

A C C U S A T I O N

16 **Automotive Repair Dealer Registration No.**
ARD 272657

17 Respondent.
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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 23, 2013, the Bureau of Automotive Repair issued Automotive
24 Repair Dealer Registration Number ARD 272657 to Magic Auto Body & Car Rental, Inc dba
25 Magic Auto Body with Yurik Vardanyan as the President, Secretary and Treasurer
26 ("Respondent"). The Automotive Repair Dealer Registration was in full force and effect at all
27 times relevant to the charges brought herein and will expire on April 30, 2016, unless renewed.

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1 **JURISDICTION**

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

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

9 **STATUTORY PROVISIONS**

10 5. Section 477 provides, in pertinent part, that “Board” includes “bureau,” “commission,”
11 “committee,” “department,” “division,” “examining committee,” “program,” and “agency.”
12 “License” includes certificate, registration or other means to engage in a business or profession
13 regulated by the Code.

14 6. Section 9884.7 states, in pertinent part:

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

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

23

24 “(4) Any other conduct which constitutes fraud.

25

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

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

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

9 7. Section 9884.8 states:

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

20 8. Section 9884.9 states, in pertinent part:

21 "(a) The automotive repair dealer shall give to the customer a written estimated price for
22 labor and parts necessary for a specific job. No work shall be done and no charges shall accrue
23 before authorization to proceed is obtained from the customer. No charge shall be made for work
24 done or parts supplied in excess of the estimated price without the oral or written consent of the
25 customer that shall be obtained at some time after it is determined that the estimated price is
26 insufficient and before the work not estimated is done or the parts not estimated are supplied.
27 Written consent or authorization for an increase in the original estimated price may be provided by
28 electronic mail or facsimile transmission from the customer. The bureau may specify in regulation

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"(b) Estimate for Auto Body or Collision Repairs. Every dealer, when doing auto body or collision repairs, shall give to each customer a written estimated price for parts and labor for a specific job. Parts and labor shall be described separately and each part shall be identified, indicating whether the replacement part is new, used, rebuilt or reconditioned. The estimate shall also describe replacement crash parts as original equipment manufacturer (OEM) crash parts or non-OEM aftermarket crash parts.

....

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

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

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

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

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

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

(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.

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

2 (E) The applicable sales tax, if any.

3 "(b) If a customer is to be charged for a part, that part shall be specifically listed as an item
4 in the invoice, as provided in subparagraph (B) of paragraph (2) of subsection (a) above. If that-
5 item is not listed in the invoice, it shall not be regarded as a part, and a separate charge may not be
6 made for it.

7 "(c) Separate billing in an invoice for items generically noted as shop supplies, miscellaneous
8 parts, or the like, is prohibited.

9 "(d) The automotive repair dealer shall give the customer a legible copy of the invoice and
10 shall retain a legible copy as part of the automotive repair dealer's records pursuant to Section
11 9884.11 of the Business and Professions Code and Section 3358 of this article."

12 11. California Code of Regulations, title 16, section 3358, states:

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

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

17 "(b) All written estimates pertaining to work performed.

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

21 12. California Code of Regulations, title 16, section 3371, states, in pertinent part:

22 "No dealer shall publish, utter, or make or cause to be published, uttered, or made any false
23 or misleading statement or advertisement which is known to be false or misleading, or which by
24 the exercise of reasonable care should be known to be false or misleading. Advertisements and
25 advertising signs shall clearly show the following:

26 "(a) Firm Name and Address. The dealer's firm name and address as they appear on the State
27 registration certificate as an automotive repair dealer; and

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1 d. Respondent obtained payment from Allstate Insurance to replace the passenger side
2 fender on Elkinawy's 2008 Toyota Sienna with a recycled part. In fact, that part had been
3 replaced with a new aftermarket part.

4 e. Respondent obtained payment from Allstate Insurance to replace the passenger side
5 tire on Elkinawy's 2008 Toyota Sienna with a Michelin Defender GRNX tire. In fact, that part
6 had been replaced with a Scorpion brand tire.

7 **SECOND CAUSE FOR DISCIPLINE**

8 **(Untrue or Misleading Statements)**

9 24. Respondent is subject to disciplinary action under section 9884.7, subdivision (a)(1),
10 and section 9884.7, subdivision (a)(6), in conjunction with California Code of Regulations, title 16,
11 section 3371, in that Respondent made or authorized statements which he knew or in the exercise
12 of reasonable care should have known to be untrue or misleading, as follows: Respondent stated to
13 Elkinawy and Bureau representatives that Elkinawy's vehicle had been repaired pursuant to
14 Allstate's Insurance Estimate with no deviations. In fact, Respondent deviated from the Insurance
15 Estimate and those deviations resulted in \$1,243.45 of uncompleted repairs that Respondent
16 received payment for.

17 **THIRD CAUSE FOR DISCIPLINE**

18 **(Failure to Provide Itemized Estimate for Parts and Labor)**

19 25. Respondent is subject to disciplinary action under section 9884.9, subdivision (c), and
20 section 9884.7, subdivision (a)(6), in conjunction with California Code of Regulations, title 16,
21 section 3353, subdivision (b), in that Respondent failed to provide Elkinawy with an itemized
22 estimate for an auto body repair that included prices for all parts and labor.

23 **FOURTH CAUSE FOR DISCIPLINE**

24 **(Failure to Provide Itemized Invoice of Work Performed)**

25 26. Respondent is subject to disciplinary action under section 9884.8 and section 9884.7,
26 subdivision (a)(6), in conjunction with California Code of Regulations, title 16, section 3356 in
27 that Respondent failed to generate any documentation or itemized invoice describing all service
28 work performed and recording each part installed.

1 **OTHER MATTERS**

2 27. Pursuant to Business and Professions Code section 9884.7, subdivision (c), the
3 Director may suspend, revoke or place on probation the registration for all places of business
4 operated in this state by Yurik Vardanyan, the President, Secretary and Treasurer of Respondent
5 Magic Auto Body, upon a finding that Respondent Magic Auto Body has, or is, engaged in a
6 course of repeated and willful violations of the laws and regulations pertaining to an automotive
7 repair dealer.

8 **PRAYER**

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

- 11 1. Revoking or suspending Automotive Repair Dealer Registration Number ARD
12 272657, issued to Magic Auto Body & Car Rental Inc, dba Magic Auto Body with Yurik
13 Vardanyan as the President, Secretary and Treasurer;
- 14 2. Revoking or suspending any other automotive repair dealer registration issued to
15 Yurik Vardanyan;
- 16 3. Ordering Yurik Vardanyan to pay the Bureau of Automotive Repair the reasonable
17 costs of the investigation and enforcement of this case, pursuant to Business and Professions Code
18 section 125.3; and,
- 19 4. Taking such other and further action as deemed necessary and proper.
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23 DATED: August 13, 2015


24 PATRICK DORAIS
25 Chief
26 Bureau of Automotive Repair
27 Department of Consumer Affairs
28 State of California
Complainant

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