

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

In the Matter of the Accusation Against:

**TAHIRA TRADING AND
MANAGEMENT INC. DBA
AMERICAN TIRES & AUTO SERVICE,
SHAFQAT ARSHAD, PRESIDENT/
SECRETARY/TREASURER**

6800 Fair Oaks Boulevard, Suite No. 1
Carmichael, CA 95608

Automotive Repair Dealer Registration No.
ARD 274971

Respondent.

Case No. 77/15-32

OAH No. 2015031075

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 February 10, 2016.

DATED: January 11, 2016



TAMARA COLSON
Assistant General Counsel
Department of Consumer Affairs

1 KAMALA D. HARRIS
Attorney General of California
2 KENT D. HARRIS
Supervising Deputy Attorney General
3 DAVID E. BRICE
Deputy Attorney General
4 State Bar No. 269443
1300 I Street, Suite 125
5 P.O. Box 944255
Sacramento, CA 94244-2550
6 Telephone: (916) 324-8010
Facsimile: (916) 327-8643
7 E-mail: David.Brice@doj.ca.gov
Attorneys for Complainant

8
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10 **FOR THE BUREAU OF AUTOMOTIVE REPAIR**
STATE OF CALIFORNIA

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15 **SECRETARY/TREASURER**
6800 Fair Oaks Boulevard, Suite No.1
16 Carmichael, California 95608

17 **Automotive Repair Dealer Registration No.**
ARD 274971

18 Respondent.
19

Case No. 77/15-32

OAH No. 2015031075

**STIPULATED REVOCATION OF
LICENSE AND ORDER**

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

22 PARTIES

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

26 2. Tahira Trading and Management Inc. dba American Tires & Auto Service, Shafqat
27 Arshad, President/Secretary/Treasurer (Respondent) is represented in this proceeding by attorney
28 Douglas Randall Ensminger, whose address is 424 Lincoln Blvd., Suite 201, Lincoln, CA 95648.

1 CULPABILITY

2 8. Respondent admits the truth of each and every charge and allegation in Accusation
3 No. 77/15-32, agrees that cause exists for discipline and hereby stipulates to revocation of his
4 Automotive Repair Dealer Registration No. ARD 274971.

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

8 RESERVATION

9 10. The admissions made by Respondent herein are only for the purposes of this
10 proceeding, or any other proceedings in which the Director of Consumer Affairs, Bureau of
11 Automotive Repair or other professional licensing agency is involved, and shall not be admissible
12 in any other criminal or civil proceeding.

13 CONTINGENCY

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

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

27 13. This Stipulated Revocation of License and Order is intended by the parties to be an
28 integrated writing representing the complete, final, and exclusive embodiment of their agreement.

1 It supersedes any and all prior or contemporaneous agreements, understandings, discussions,
2 negotiations, and commitments (written or oral). This Stipulated Revocation of License and
3 Order may not be altered, amended, modified, supplemented, or otherwise changed except by a
4 writing executed by an authorized representative of each of the parties.

5 14. In consideration of the foregoing admissions and stipulations, the parties agree that
6 the Director may, without further notice or formal proceeding, issue and enter the following
7 Order:

8 **ORDER**

9 IT IS HEREBY ORDERED that Automotive Repair Dealer Registration No. ARD 274971,
10 issued to Respondent Tahira Trading and Management Inc. dba American Tires & Auto Service,
11 Shafqat Arshad, President/Secretary/Treasurer, is revoked.

12 1. The revocation of Respondent's Automotive Repair Dealer Registration shall
13 constitute the imposition of discipline against Respondent. This stipulation constitutes a record of
14 the discipline and shall become a part of Respondent's license history with the Bureau of
15 Automotive Repair.

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

18 3. Respondent shall cause to be delivered to the Bureau his pocket license and, if one
19 was issued, his wall certificate on or before the effective date of the Decision and Order.

20 4. If Respondent ever files an application for licensure or a petition for reinstatement in
21 the State of California, the Bureau shall treat it as a new application for licensure. Respondent
22 must comply with all the laws, regulations and procedures for licensure in effect at the time the
23 application is filed, and all of the charges and allegations contained in Accusation No. 77/15-32
24 shall be deemed to be true, correct and admitted by Respondent when the Director determines
25 whether to grant or deny the application.

26 5. Respondent shall pay the agency its costs of investigation and enforcement pursuant
27 to Business and Professions Code section 125.3 in the amount of \$30,283.56 prior to issuance of
28 a new or reinstated license.

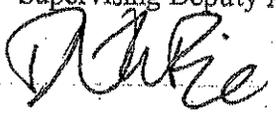
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ENDORSEMENT

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

Dated: 9/25/2015

Respectfully submitted,
KAMALA D. HARRIS
Attorney General of California
KENT D. HARRIS
Supervising Deputy Attorney General



DAVID E. BRICE
Deputy Attorney General
Attorneys for Complainant

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Exhibit A

Accusation No. 77/15-32

1 KAMALA D. HARRIS
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16 **SHAFQAT ARSHAD, PRESIDENT/
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6800 Fair Oaks Boulevard, Suite No.1
Carmichael, California 95608

A C C U S A T I O N

17 **Automotive Repair Dealer Registration No.**
18 **ARD 274971**

Respondent.

20 Patrick Dorais ("Complainant") alleges:

21 **PARTIES**

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

24 2. On or about December 5, 2013, the Director of Consumer Affairs ("Director") issued
25 Automotive Repair Dealer Registration Number ARD 274971 to Shafqat Arshad, President,
26 Secretary, and Treasurer of Tahira Trading and Management, Inc., doing business as American
27 Tires & Auto Service. The automotive repair dealer registration was in full force and effect at all

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1 times relevant to the charges brought herein and will expire on December 31, 2014, unless
2 renewed.

3 **STATUTORY AND REGULATORY PROVISIONS**

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

8 4. Code section 9884.7 states, in pertinent part:

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

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

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

17 (4) Any other conduct that constitutes fraud.

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

19 (b) Except as provided for in subdivision (c), if an automotive repair dealer
20 operates more than one place of business in this state, the director pursuant to
21 subdivision (a) shall only suspend, revoke, or place on probation the registration of
22 the specific place of business which has violated any of the provisions of this
23 chapter. This violation, or action by the director, shall not affect in any manner the
24 right of the automotive repair dealer to operate his or her other places of business.

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

26 5. Code section 477 provides, in pertinent part, that "Board" includes "bureau,"
27 "commission," "committee," "department," "division," "examining committee," "program," and
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1 "agency." "License" includes certificate, registration or other means to engage in a business or
2 profession regulated by the Code.

3 6. Code section 9884.8 states:

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

16 7. Code section 9884.9(a), states:

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

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

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

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

(signature or initials)"

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

1 8. California Code of Regulations, title 16 ("Regulation"), section 3356, states, in
2 pertinent part:

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

5 (1) The invoice shall show the automotive repair dealer's registration number
6 and the corresponding business name and address as shown in the Bureau's records.
7 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.

8 9. Regulation, section 3371, states, in pertinent part:

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

12 **COST RECOVERY**

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

17 **UNDERCOVER OPERATION – JANUARY 15, 2014**

18 11. On or about January 15, 2014, at approximately 0925 hours, a Bureau undercover
19 operator using an alias (the "operator") took a Bureau-documented 2001 Mitsubishi to
20 Respondent's facility and asked Respondent's employee, "Curtis", for a tire rotation and brake
21 inspection, as advertised for free in Respondent's coupons, and an oil change for \$14.99 as
22 advertised in Respondent's coupon for "most cars and lt. trucks 10/30 & 5/30. . ." The operator
23 gave Curtis coupons for the aforementioned services. Curtis told the operator the oil change
24 would cost \$30 because the vehicle took a different engine oil other than that specified on the
25 coupon. Curtis provided the operator with an estimate for a tire rotation, brake inspection, and an
26 oil and oil filter change for \$30, which the operator authorized.

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- 1 a. Respondent's employee falsely represented to a Bureau operator that:
 - 2 i. All fluids needed to be changed, including the radiator and brake fluids. In fact,
3 the radiator and brake fluids had been changed before the vehicle was taken to Respondent's
4 facility and did not need to be replaced.
 - 5 ii. The windshield wiper blades needed replacement. In fact, the windshield wiper
6 blades were in good working condition before the vehicle was taken to Respondent's facility and
7 did not need to be replaced.
 - 8 iii. The air filter was dirty and needed replacement. In fact, the air filter was in good,
9 clean condition before the vehicle was taken to Respondent's facility and did not need to be
10 replaced.
- 11 b. Respondent falsely represented to the Bureau operator on Invoice No. [REDACTED] that
12 services were performed when, in fact, they were not, as follows:
 - 13 i. Respondent falsely represented that the brakes had been inspected. In fact, the
14 brakes had not been inspected.
 - 15 ii. Respondent falsely represented that the tires had been rotated. In fact, they had
16 not been rotated.

17 **SECOND CAUSE FOR DISCIPLINE**

18 (Fraudulent Acts)

19 16. Respondent is subject to disciplinary action under Code section 9884.7(a)(4), in that
20 regarding the Bureau's 2001 Mitsubishi, Respondent committed acts that constitute fraud, as
21 follows:

- 22 a. Respondent's employee made false or misleading statements, as set forth in
23 paragraph 15, subparagraph a, above, to the Bureau operator in order to induce the operator to
24 purchase unnecessary repairs on the vehicle, and then sold the operator the unnecessary repairs.
- 25 b. Respondent obtained payment from the operator for repairs that were not performed
26 on the vehicle as invoiced, as set forth in paragraph 15, subparagraph b, above,

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1 AF, which she paid. Respondent charged 8.5% sales tax on the invoice, when the applicable sales
2 tax rate in effect for Carmichael, California, was 8.0%.

3 **NINTH CAUSE FOR DISCIPLINE**

4 (Failure to Comply with the Automotive Repair Act)

5 29. Respondent is subject to disciplinary action under Code section 9884.7(a)(6), in that
6 on or about February 11, 2014, as regards A.F.'s 2003 Hyundai, Respondent failed to materially
7 comply with that Code, as follows:

8 a. **Section 9884.8:**

- 9 i. Respondent failed to charge the applicable sales tax on Invoice No. 12794.
10 ii. Respondent failed to describe whether parts provided were new, used, or
11 reconditioned on Invoice No. 12794.

12 b. **Section 9884.9(a):**

- 13 i. Respondent failed to describe what repairs in the amount of \$495.72 were for on
14 Estimate No. 12794.
15 ii. Respondent's Estimate No. 12794 showed "Rear Brake Pads. . . 39.95" and "Rear
16 Brake Shoes. . . 50.00"; however, both are not required for the brakes on the 2003 Hyundai.

17 **CONSUMER COMPLAINT NO. 2**

18 30. On or about March 11, 2014, "M.A." took a 2007 Nissan to Respondent's facility and
19 asked Respondent's employee, Curtis, for a brake inspection. Curtis informed M.A. that the front
20 and rear brake pads were worn to metal and all four brake rotors were damaged and/or worn from
21 metal contact and needed replacement. M.A. authorized the repairs. Respondent completed the
22 work and Respondent issued Invoice No. 12979, dated March 11, 2014, totaling \$735, for
23 replacement of the front and rear brake pads and rotors, which M.A. paid. Respondent charged
24 8.5% sales tax, when the applicable sales tax rate in effect for Carmichael, California, was 8.0%.
25 M.A. took possession of the parts replaced by Respondent.

26 31. On or about March 25, 2014, M.A. filed a complaint with the Bureau. The replaced
27 parts that Respondent provided to M.A. were inspected by a Bureau representative, who
28 determined that all four brake rotors and the rear brake pads did not need replacement.

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TENTH CAUSE FOR DISCIPLINE

(Untrue or Misleading Statements)

32. Respondent is subject to disciplinary action under Code section 9884.7(a)(1), in that, on or about March 11, 2014, as regards M.A.'s 2007 Nissan, Respondent made or allowed statements on its behalf which it knew or which by exercise of reasonable care should have known to be untrue or misleading. Specifically, Respondent's employee represented to M.A. that the vehicle's rear brake pads and all four brake rotors needed to be replaced. In fact, they did not need replacement.

ELEVENTH CAUSE FOR DISCIPLINE

(Fraudulent Acts)

33. Respondent is subject to disciplinary action under Code section 9884.7(a)(4), in that Respondent committed acts that constitute fraud, by making false or misleading statements to M.A. regarding her 2007 Nissan, as set forth in paragraph 33, above, in order to induce M.A. to authorize unnecessary repairs on the vehicle, and then sold M.A. the unnecessary repairs.

TWELFTH CAUSE FOR DISCIPLINE

(Failure to Comply with the Automotive Repair Act)

34. Respondent is subject to disciplinary action under Code section 9884.7(a)(6), in that, as regards M.A.'s 2007 Nissan, Respondent failed to materially comply with Code section 9884.8 by failing to charge the applicable sales tax on Invoice No. 12979.

THIRTEENTH CAUSE FOR DISCIPLINE

(Failure to Comply with Regulations)

35. Respondent is subject to disciplinary action under Code section 9884.7(a)(6), in that, as regards M.A.'s 2007 Nissan, Respondent failed to materially comply with Regulation section 3356(a)(1), by failing to provide on Invoice No. 12979 the automotive repair dealer registration number that corresponds with the business name and address.

OTHER MATTERS

36. Pursuant to Code section 9884.7(c), the Director may suspend, revoke, or place on probation the registration for all places of business operated in this state by Respondent Tahira

1 Trading and Management Inc., doing business as American Tires & Auto Service, upon a finding
2 that Respondent has, or is, engaged in a course of repeated and willful violations of the laws and
3 regulations pertaining to an automotive repair dealer.

4 PRAYER

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

7 1. Revoking or suspending Automotive Repair Dealer Registration Number
8 ARD 274971, issued to Tahira Trading and Management Inc., doing business as American Tires
9 & Auto Service;

10 2. Revoking or suspending any other automotive repair dealer registration issued to
11 Tahira Trading and Management Inc., doing business as American Tires & Auto Service;

12 3. Ordering Tahira Trading and Management Inc., doing business as American Tires &
13 Auto Service, to pay the Director of Consumer Affairs the reasonable costs of the investigation
14 and enforcement of this case, pursuant to Business and Professions Code section 125.3; and,

15 4. Taking such other and further action as deemed necessary and proper.

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17 DATED: January 14, 2015 

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

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