

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

In the Matter of the Accusation Against:

ATV, INC., ARA ARSEN TCHAGHLASSIAN, President/Secretary/Treasurer,

dba AMERICAN TIRE DEPOT

15083 E. Imperial Highway

La Mirada, CA 90638-1302

Mailing Address:

4490 Ayers Ave.

Vernon, CA 90058

Automotive Repair Dealer Registration No. ARD 187549,

Respondent.

Case No. 77/19-16208

In the Matter of the Accusation Against:

ARA TCHAGHLASSIAN, President/Secretary/Treasurer, ATV, INC.,

dba AMERICAN TIRE DEPOT

305 W. Route 66

Glendora, CA 91740

Mailing Address:

14407 Alondra Blvd.

La Mirada, CA 90638

Automotive Repair Dealer Registration No. ARD 276431,

Respondent.

Case No. 77/19-16760

In the Matter of the Accusation Against:

ARA TCHAGHLASSIAN, President/Secretary/Treasurer, ATV, INC.,

dba AMERICAN TIRE DEPOT

2320 Vineyard Ave.

Oxnard, CA 93036

Mailing Address:

14407 Alondra Blvd.

La Mirada, CA 90638

Automotive Repair Dealer Registration No. ARD 280032,

Respondent.

Case No. 77/19-16758

In the Matter of the Accusation Against:

ARA TCHAGHLASSIAN, President/Secretary/Treasurer, ATV, INC.,

dba AMERICAN TIRE DEPOT

2528 N. Lakewood Blvd.

Long Beach, CA 90815

Mailing Address:

14407 Alondra Blvd.

La Mirada, CA 90638

Automotive Repair Dealer Registration No. ARD 272962,

Respondent.

Case No. 77/18-11139

In the Matter of the Accusation Against:

ATV, INC., dba AMERICAN TIRE DEPOT; ARA TCHAGHLASSIAN, President

1402 S. Main Street

Santa Ana, CA 92707

Mailing Address:

4490 Ayers Avenue

Vernon, CA 90058

Automotive Repair Dealer Registration No. ARD 278128,

Respondent.

Case No. 77/18-16720

In the Matter of the Accusation Against:

ARA TCHAGHLASSIAN, President/Secretary/Treasurer, ATV, INC.,

dba AMERICAN TIRE DEPOT

19791 Beach Blvd.

Huntington Beach, CA 92648

Mailing Address:

4490 Ayers Ave.

Vernon, CA 90058

Automotive Repair Dealer Registration No. ARD 265879,

Respondent.

In the Matter of the Accusation Against:

ARA TCHAGHLASSIAN, President/Secretary/Treasurer, ATV, INC.,

dba AMERICAN TIRE DEPOT

5493 Cerritos Ave.

Cypress, CA 90630

Mailing Address:

4490 Ayers Ave.

Vernon, CA 90058

Automotive Repair Dealer Registration No. ARD 278127,

Respondent.

Case No. 77/19-9182

In the Matter of the Accusation Against:

ATV, INC. dba AMERICAN TIRE DEPOT, ARA TCHAGHLASSIAN, President

1620 West Lacey Boulevard

Hanford, CA 93230

Mailing Address:

4490 Ayers Ave.

Vernon, CA 90058

Automotive Repair Dealer Registration No. ARD 259246,

ATV, INC. dba AMERICAN TIRE DEPOT, ARA TCHAGHLASSIAN, President

1901-B Prescott Road

Modesto, CA 95356

Mailing Address:

4490 Ayers Ave.

Vernon, CA 90058

Automotive Repair Dealer Registration No. ARD 263611,

ATV, INC. dba AMERICAN TIRE DEPOT, ARA TCHAGHLASSIAN, President

1927 East Mineral King

Visalia, CA 93292

Mailing Address:

4490 Ayers Ave.

Vernon, CA 90058

Automotive Repair Dealer Registration No. ARD 259245,

ATV, INC. dba AMERICAN TIRE DEPOT, ARA TCHAGHLASSIAN, President

3120 McHenry Avenue

Modesto, CA 95350

Mailing Address:

14407 Alondra Boulevard

La Mirada, CA 90638

Automotive Repair Dealer Registration No. ARD 262786,

ATV, INC. dba AMERICAN TIRE DEPOT, ARA TCHAGHLASSIAN, President

5262 N. Blackstone Avenue

Fresno, CA 93710

Mailing Address:

4490 Ayers Ave.

Vernon, CA 90058

Automotive Repair Dealer Registration No. ARD 266366,

ATV, INC. dba AMERICAN TIRE DEPOT, ARA TCHAGHLASSIAN, President

1850 Shaw Avenue

Clovis, CA 93611

Mailing Address:

14407 Alondra Boulevard

La Mirada, CA 90638

Automotive Repair Dealer Registration No. ARD 276538,

ATV, INC. dba AMERICAN TIRE DEPOT, ARA TCHAGHLASSIAN, President

200 D Street

Madera, CA 93638

Mailing Address:

4490 Ayers Ave.

Vernon, CA 90058

Automotive Repair Dealer Registration No. ARD 268083,

ATV, INC. dba AMERICAN TIRE DEPOT, ARA TCHAGHLASSIAN, President

2300 W. Cleveland Ave.

Madera, CA 93637

Mailing Address:

14407 Alondra Boulevard

La Mirada, CA 90638

Automotive Repair Dealer Registration No. ARD 286867,

Respondents.

Case No. 77/17-10023

DECISION

The attached Stipulated Settlement and Disciplinary Order is hereby accepted

and adopted by the Director of the Department of Consumer Affairs as the Decision in the above-entitled matter.

This Decision shall become effective on June 12, 2020.

DATED: April 28, 2020

_____/s/
GRACE ARUPO RODRIGUEZ
Assistant Deputy Director
Legal Affairs Division
Department of Consumer Affairs

1 XAVIER BECERRA
Attorney General of California
2 LINDA L. SUN
Supervising Deputy Attorney General
3 STEPHEN D. SVETICH
Deputy Attorney General
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7 *Attorneys for Complainant*

8
9 **BEFORE THE**
DEPARTMENT OF CONSUMER AFFAIRS
10 **FOR THE BUREAU OF AUTOMOTIVE REPAIR**
11 **STATE OF CALIFORNIA**
12

13 In the Matter of the Accusation Against:

Case No. 77/19-16208

14 **ATV, INC., ARA ARSEN**
15 **TCHAGHLASSIAN,**
16 **PRESIDENT/SECRETARY/TREASURER,**
DOING BUSINESS AS AMERICAN TIRE
DEPOT

STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER

17 15083 E. Imperial Highway
18 La Mirada, CA 90638-1302

19 Mailing Address:
4490 Ayers Ave.
Vernon, CA 90058

20 Automotive Repair Dealer Registration No.
21 ARD 187549,

22 Respondent.

23 In the Matter of the Accusation Against:

Case No. 77/19-16760

24 **ARA TCHAGHLASSIAN,**
25 **PRESIDENT/SECRETARY/TREASURER,**
26 **ATV, INC., DOING BUSINESS AS**
AMERICAN TIRE DEPOT

27 305 W. Route 66
Glendora, CA 91740
28

Mailing Address:
14407 Alondra Blvd.
La Mirada, CA 90638

Automotive Repair Dealer Registration No.
ARD 276431,

Respondent.

In the Matter of the Accusation Against:

Case No. 77/19-16758

**ARA TCHAGHLASSIAN,
PRESIDENT/SECRETARY/TREASURER,
ATV, INC., DOING BUSINESS AS
AMERICAN TIRE DEPOT**
2320 Vineyard Ave.
Oxnard, CA 93036

Mailing Address:
14407 Alondra Blvd.
La Mirada, CA 90638

Automotive Repair Dealer Registration No.
ARD 280032,

Respondent.

In the Matter of the Accusation Against:

Case No. 77/18-11139

**ARA TCHAGHLASSIAN,
PRESIDENT/SECRETARY/TREASURER,
ATV, INC., DOING BUSINESS AS
AMERICAN TIRE DEPOT**
2528 N. Lakewood Blvd.
Long Beach, CA 90815

Mailing Address:
14407 Alondra Blvd.
La Mirada, CA 90638

Automotive Repair Dealer Registration No.
ARD 272962,

Respondent.

In the Matter of the Accusation Against:

Case No. 77/18-16720

**ATV, INC., dba AMERICAN TIRE
DEPOT; ARA TCHAGHLASSIAN,
President**

1402 S. Main Street
Santa Ana, CA 92707

Mailing Address:
4490 Ayers Avenue
Vernon, CA 90058

Automotive Repair Dealer Registration No.
ARD 278128,

Respondent.

In the Matter of the Accusation Against:

Case No. 77/19-17735

**ARA TCHAGHLASSIAN,
PRESIDENT/SECRETARY/TREASURER,
ATV, INC., DOING BUSINESS AS
AMERICAN TIRE DEPOT**
19791 Beach Blvd.
Huntington Beach, CA 92648

Mailing Address:
4490 Ayers Ave.
Vernon, CA 90058

Automotive Repair Dealer Registration No.
ARD 265879,

Respondent.

In the Matter of the Accusation Against:

Case No. 77/19-9182

**ARA TCHAGHLASSIAN,
PRESIDENT/SECRETARY/TREASURER,
ATV, INC., DOING BUSINESS AS
AMERICAN TIRE DEPOT**
5493 Cerritos Ave.
Cypress, CA 90630

Mailing Address:
4490 Ayers Ave.
Vernon, CA 90058

Automotive Repair Dealer Registration No.
ARD 278127,

Respondent.

In the Matter of the Accusation Against:

Case No. 77/17-10023

**ATV, INC. dba AMERICAN TIRE DEPOT
ARA TCHAGHLASSIAN, President**
1620 West Lacey Boulevard

Hanford, CA 93230

Mailing Address:
4490 Ayers Ave.
Vernon, CA 90058

Automotive Repair Dealer Registration No.
ARD 259246,

ATV, INC. dba AMERICAN TIRE DEPOT
ARA TCHAGHLASSIAN, President
1901-B Prescott Road
Modesto, CA 95356

Mailing Address:
4490 Ayers Ave.
Vernon, CA 90058

Automotive Repair Dealer Registration No.
ARD 263611,

ATV, INC. dba AMERICAN TIRE DEPOT
ARA TCHAGHLASSIAN, President
1927 East Mineral King
Visalia, CA 93292

Mailing Address:
4490 Ayers Ave.
Vernon, CA 90058

Automotive Repair Dealer Registration No.
ARD 259245,

ATV, INC. dba AMERICAN TIRE DEPOT
ARA TCHAGHLASSIAN, President
3120 McHenry Avenue
Modesto, CA 95350

Mailing Address:
14407 Alondra Boulevard
La Mirada, CA 90638

Automotive Repair Dealer Registration No.
ARD 262786,

ATV, INC. dba AMERICAN TIRE DEPOT
ARA TCHAGHLASSIAN, President
5262 N. Blackstone Avenue
Fresno, CA 93710

Mailing Address:
4490 Ayers Ave.
Vernon, CA 90058

Automotive Repair Dealer Registration No.
ARD 266366,

ATV, INC. dba AMERICAN TIRE DEPOT
ARA TCHAGHLASSIAN, President
1850 Shaw Avenue
Clovis, CA 93611

Mailing Address:
14407 Alondra Boulevard
La Mirada, CA 90638

Automotive Repair Dealer Registration No.
ARD 276538,

ATV, INC. dba AMERICAN TIRE DEPOT
ARA TCHAGHLASSIAN, President
200 D Street
Madera, CA 93638

Mailing Address:
4490 Ayers Ave.
Vernon, CA 90058

Automotive Repair Dealer Registration No.
ARD 268083,

ATV, INC. dba AMERICAN TIRE DEPOT
ARA TCHAGHLASSIAN, President
2300 W. Cleveland Ave.
Madera, CA 93637

Mailing Address:
14407 Alondra Boulevard
La Mirada, CA 90638

Automotive Repair Dealer Registration No.
ARD 286867,

Respondents.

In the interest of a prompt and speedy settlement of this matter, consistent with the public interest and the responsibilities of the Director of the Department of Consumer Affairs and the Bureau of Automotive Repair the parties hereby agree to the following Stipulated Settlement and Disciplinary Order which will be submitted to the Director for the Director's approval and adoption as the final disposition of the Accusations.

PARTIES

1. Patrick Dorais ("Complainant") is the Chief of the Bureau of Automotive Repair ("Bureau"). He brought these actions solely in his official capacity and is represented in this

proceeding and in these matters by Xavier Becerra, Attorney General of the State of California, by Stephen D. Svetich, Deputy Attorney General.

2. Respondent ATV, Inc., dba American Tire Depot, Ara Tchaghlassian, President (“Respondent”) is represented in this proceeding and in these matters by attorney Shahan Hairapetian, whose address is: 1145 S. Fair Oaks Avenue, Pasadena, CA 91105.

Automotive Repair Dealer Registrations Named in Accusations

3. In or around 1996, the Bureau issued Automotive Repair Dealer (“ARD”) Registration Number ARD 187549 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on February 28, 2021, unless renewed.

4. On or about April 29, 2014, the Bureau issued ARD Registration Number ARD 276431 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on April 30, 2020, unless renewed.

5. On or about April 23, 2015, the Bureau issued ARD Registration Number ARD 280032 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on April 30, 2020, unless renewed.

6. On or about May 9, 2013, the Bureau issued ARD Number ARD 272962 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on May 31, 2020, unless renewed.

7. On or about October 7, 2014, the Bureau issued ARD Number ARD 278128 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on October 31, 2020, unless renewed.

8. On or about July 14, 2011, the Bureau issued ARD Registration Number ARD 265879 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on July 31, 2020, unless renewed.

9. On or about October 7, 2014, the Bureau issued ARD Registration Number ARD 278127 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on October 31, 2020, unless renewed.

1 10. On or about August 26, 2009, the Bureau issued ARD Registration Number ARD
2 259246 to Respondent. The Registration was in full force and effect at all times relevant to the
3 charges brought herein and will expire on August 31, 2020, unless renewed.

4 11. On or about November 3, 2010, the Bureau issued ARD Registration Number ARD
5 263611 to Respondent. The Registration was in full force and effect at all times relevant to the
6 charges brought herein and will expire on November 30, 2020, unless renewed.

7 12. On or about July 23, 2010, the Bureau issued ARD Registration Number ARD
8 262786 to Respondent. The registration was in full force and effect at all times relevant to the
9 charges brought herein and expired on July 31, 2019.

10 13. On or about August 26, 2009, the Bureau issued ARD Registration Number ARD
11 259245 to Respondent. The Registration was in full force and effect at all times relevant to the
12 charges brought herein and will expire on August 31, 2020, unless renewed.

13 14. On or about August 24, 2011, the Bureau issued ARD Registration Number ARD
14 266366 to Respondent. The Registration was in full force and effect at all times relevant to the
15 charges brought herein and will expire on August 31, 2020, unless renewed.

16 15. On or about May 8, 2014, the Bureau issued ARD Registration Number ARD 276538
17 to Respondent. The Registration was in full force and effect at all times relevant to the charges
18 brought herein and will expire on May 31, 2020, unless renewed.

19 16. On or about February 24, 2012, the Bureau issued ARD Registration Number ARD
20 268083 to Respondent. The Registration was in full force and effect at all times relevant to the
21 charges brought herein and will expire on February 28, 2021, unless renewed.

22 17. On or about May 10, 2017, the Bureau issued ARD Registration Number ARD
23 286867 to Respondent. The Registration was in full force and effect at all times relevant to the
24 charges brought herein and will expire on May 31, 2020, unless renewed.

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Additional Automotive Repair Dealer Registrations Owned by Respondent

18. In or around 1994, the Bureau issued ARD Registration Number ARD 178092 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on April 30, 2020, unless renewed.

19. In or around 1995, the Bureau issued ARD Registration Number ARD 185897 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on October 31, 2020, unless renewed.

20. In or around 1998, the Bureau issued ARD Registration Number ARD 199193 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on April 30, 2020, unless renewed.

21. In or around 1999, the Bureau issued ARD Registration Number ARD 203852 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on March 31, 2020, unless renewed.

22. In or around 2000, the Bureau issued ARD Registration Number ARD 210521 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on May 31, 2020, unless renewed.

23. In or around 2000, the Bureau issued ARD Registration Number ARD 210597 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on May 31, 2020, unless renewed.

24. In or around 2000, the Bureau issued ARD Registration Number ARD 212948 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on October 31, 2020, unless renewed.

25. In or around 2001, the Bureau issued ARD Registration Number ARD 215799 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on April 30, 2020, unless renewed.

26. In or around 2002, the Bureau issued ARD Registration Number ARD 223191 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on August 31, 2020, unless renewed.

1 27. In or around 2002, the Bureau issued ARD Registration Number ARD 225274 to
2 Respondent. The Registration was in full force and effect at all times relevant to the charges
3 brought herein and expired on December 31, 2020, and has not been renewed.

4 28. In or around 2003, the Bureau issued ARD Registration Number ARD 229051 to
5 Respondent. The Registration was in full force and effect at all times relevant to the charges
6 brought herein and will expire on July 31, 2020, unless renewed.

7 29. In or around 2005, the Bureau issued ARD Registration Number ARD 239491 to
8 Respondent. The Registration was in full force and effect at all times relevant to the charges
9 brought herein and will expire on May 31, 2020, unless renewed.

10 30. In or around 2005, the Bureau issued ARD Registration Number ARD 239596 to
11 Respondent. The Registration was in full force and effect at all times relevant to the charges
12 brought herein and will expire on May 31, 2020, unless renewed.

13 31. In or around 2006, the Bureau issued ARD Registration Number ARD 246704 to
14 Respondent. The Registration was in full force and effect at all times relevant to the charges
15 brought herein and will expire on August 31, 2020, unless renewed.

16 32. In or around 2006, the Bureau issued ARD Registration Number ARD 247061 to
17 Respondent. The Registration was in full force and effect at all times relevant to the charges
18 brought herein and will expire on August 31, 2020, unless renewed.

19 33. In or around 2007, the Bureau issued ARD Registration Number ARD 252069 to
20 Respondent. The Registration was in full force and effect at all times relevant to the charges
21 brought herein and will expire on September 30, 2020, unless renewed.

22 34. In or around 2007, the Bureau issued ARD Registration Number ARD 252774 to
23 Respondent. The Registration was in full force and effect at all times relevant to the charges
24 brought herein and will expire on November 30, 2020, unless renewed.

25 35. On or about March 19, 2008, the Bureau issued ARD Registration Number ARD
26 254137 to Respondent. The Registration was in full force and effect at all times relevant to the
27 charges brought herein and will expire on March 31, 2020, unless renewed.

1 36. On or about July 30, 2009, the Bureau issued ARD Registration Number ARD
2 258934 to Respondent. The Registration was in full force and effect at all times relevant to the
3 charges brought herein and will expire on July 31, 2020, unless renewed.

4 37. On or about August 12, 2011, the Bureau issued ARD Registration Number ARD
5 266221 to Respondent. The Registration was in full force and effect at all times relevant to the
6 charges brought herein and will expire on August 31, 2020, unless renewed.

7 38. On or about August 25, 2011, the Bureau issued ARD Registration Number ARD
8 266390 to Respondent. The Registration was in full force and effect at all times relevant to the
9 charges brought herein and will expire on August 31, 2020, unless renewed.

10 39. On or about September 13, 2011, the Bureau issued ARD Registration Number ARD
11 266564 to Respondent. The Registration was in full force and effect at all times relevant to the
12 charges brought herein and will expire on September 30, 2020, unless renewed.

13 40. On or about October 24, 2011, the Bureau issued ARD Registration Number ARD
14 266939 to Respondent. The Registration was in full force and effect at all times relevant to the
15 charges brought herein and will expire on October 31, 2020, unless renewed.

16 41. On or about November 8, 2011, the Bureau issued ARD Registration Number ARD
17 267097 to Respondent. The Registration was in full force and effect at all times relevant to the
18 charges brought herein and will expire on November 31, 2020, unless renewed.

19 42. On or about February 7, 2012, the Bureau issued ARD Registration Number ARD
20 267892 to Respondent. The Registration was in full force and effect at all times relevant to the
21 charges brought herein and will expire on February 28, 2021, unless renewed.

22 43. On or about February 24, 2012, the Bureau issued ARD Registration Number ARD
23 268084 to Respondent. The Registration was in full force and effect at all times relevant to the
24 charges brought herein and will expire on February 28, 2021, unless renewed.

25 44. On or about February 24, 2012, the Bureau issued ARD Registration Number ARD
26 268085 to Respondent. The Registration was in full force and effect at all times relevant to the
27 charges brought herein and will expire on February 28, 2021, unless renewed.

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1 45. On or about April 2, 2012, the Bureau issued ARD Registration Number ARD
2 268615 to Respondent. The Registration was in full force and effect at all times relevant to the
3 charges brought herein and will expire on April 30, 2020, unless renewed.

4 46. On or about April 30, 2012, the Bureau issued ARD Registration Number ARD
5 268921 to Respondent. The Registration was in full force and effect at all times relevant to the
6 charges brought herein and will expire on April 30, 2020, unless renewed.

7 47. On or about September 25, 2012, the Bureau issued ARD Registration Number ARD
8 270340 to Respondent. The Registration was in full force and effect at all times relevant to the
9 charges brought herein and will expire on September 30, 2020, unless renewed.

10 48. On or about December 26, 2012, the Bureau issued ARD Registration Number ARD
11 271251 to Respondent. The Registration was in full force and effect at all times relevant to the
12 charges brought herein and expired on December 31, 2020, and has not been renewed.

13 49. On or about February 7, 2013, the Bureau issued ARD Registration Number ARD
14 271687 to Respondent. The Registration was in full force and effect at all times relevant to the
15 charges brought herein and will expire on February 28, 2021, unless renewed.

16 50. On or about February 8, 2013, the Bureau issued ARD Registration Number ARD
17 271699 to Respondent. The Registration was in full force and effect at all times relevant to the
18 charges brought herein and will expire on February 28, 2021, unless renewed.

19 51. On or about February 8, 2013, the Bureau issued ARD Registration Number ARD
20 271715 to Respondent. The Registration was in full force and effect at all times relevant to the
21 charges brought herein and will expire on February 28, 2021, unless renewed.

22 52. On or about March 13, 2013, the Bureau issued ARD Registration Number ARD
23 272178 to Respondent. The Registration was in full force and effect at all times relevant to the
24 charges brought herein and will expire on March 31, 2020, unless renewed.

25 53. On or about March 22, 2013, the Bureau issued ARD Registration Number ARD
26 272287 to Respondent. The Registration was in full force and effect at all times relevant to the
27 charges brought herein and will expire on March 31, 2020, unless renewed.

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1 54. On or about April 16, 2013, the Bureau issued ARD Registration Number ARD
2 272563 to Respondent. The Registration was in full force and effect at all times relevant to the
3 charges brought herein and will expire on April 30, 2020, unless renewed.

4 55. On or about April 25, 2013, the Bureau issued ARD Registration Number ARD
5 272675 to Respondent. The Registration was in full force and effect at all times relevant to the
6 charges brought herein and will expire on April 30, 2020, unless renewed.

7 56. On or about August 2, 2013, the Bureau issued ARD Registration Number ARD
8 273859 to Respondent. The Registration was in full force and effect at all times relevant to the
9 charges brought herein and will expire on August 31, 2020, unless renewed.

10 57. On or about August 2, 2013, the Bureau issued ARD Registration Number ARD
11 273860 to Respondent. The Registration was in full force and effect at all times relevant to the
12 charges brought herein and will expire on August 31, 2020, unless renewed.

13 58. On or about March 6, 2014, the Bureau issued ARD Registration Number ARD
14 275763 to Respondent. The Registration was in full force and effect at all times relevant to the
15 charges brought herein and will expire on March 31, 2020, unless renewed.

16 59. On or about March 7, 2014, the Bureau issued ARD Registration Number ARD
17 275783 to Respondent. The Registration was in full force and effect at all times relevant to the
18 charges brought herein and will expire on March 31, 2020, unless renewed.

19 60. On or about May 16, 2014, the Bureau issued ARD Registration Number ARD
20 276611 to Respondent. The Registration was in full force and effect at all times relevant to the
21 charges brought herein and will expire on May 31, 2020, unless renewed.

22 61. On or about June 24, 2014, the Bureau issued ARD Registration Number ARD
23 277050 to Respondent. The Registration was in full force and effect at all times relevant to the
24 charges brought herein and will expire on June 30, 2020, unless renewed.

25 62. On or about August 18, 2014, the Bureau issued ARD Registration Number ARD
26 277585 to Respondent. The Registration was in full force and effect at all times relevant to the
27 charges brought herein and will expire on August 31, 2020, unless renewed.

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1 63. On or about August 26, 2014, the Bureau issued ARD Registration Number ARD
2 277663 to Respondent. The Registration was in full force and effect at all times relevant to the
3 charges brought herein and will expire on August 31, 2020, unless renewed.

4 64. On or about August 26, 2014, the Bureau issued ARD Registration Number ARD
5 277664 to Respondent. The Registration was in full force and effect at all times relevant to the
6 charges brought herein and will expire on August 31, 2020, unless renewed.

7 65. On or about August 26, 2014, the Bureau issued ARD Registration Number ARD
8 277668 to Respondent. The Registration was in full force and effect at all times relevant to the
9 charges brought herein and will expire on August 31, 2020, unless renewed.

10 66. On or about September 2, 2014, the Bureau issued ARD Registration Number ARD
11 277715 to Respondent. The Registration was in full force and effect at all times relevant to the
12 charges brought herein and will expire on September 30, 2020, unless renewed.

13 67. On or about October 7, 2014, the Bureau issued ARD Registration Number ARD
14 278130 to Respondent. The Registration was in full force and effect at all times relevant to the
15 charges brought herein and will expire on October 31, 2020, unless renewed.

16 68. On or about November 7, 2014, the Bureau issued ARD Registration Number ARD
17 278431 to Respondent. The Registration was in full force and effect at all times relevant to the
18 charges brought herein and will expire on November 30, 2020, unless renewed.

19 69. On or about March 2, 2015, the Bureau issued ARD Registration Number ARD
20 279383 to Respondent. The Registration was in full force and effect at all times relevant to the
21 charges brought herein and will expire on March 31, 2020, unless renewed.

22 70. On or about March 26, 2015, the Bureau issued ARD Registration Number ARD
23 279722 to Respondent. The Registration was in full force and effect at all times relevant to the
24 charges brought herein and will expire on March 31, 2020, unless renewed.

25 71. On or about April 9, 2015, the Bureau issued ARD Registration Number ARD
26 279865 to Respondent. The Registration was in full force and effect at all times relevant to the
27 charges brought herein and will expire on April 30, 2020, unless renewed.

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1 72. On or about April 9, 2015, the Bureau issued ARD Registration Number ARD
2 279866 to Respondent. The Registration was in full force and effect at all times relevant to the
3 charges brought herein and will expire on April 30, 2020, unless renewed.

4 73. On or about May 12, 2015, the Bureau issued ARD Registration Number ARD
5 280220 to Respondent. The Registration was in full force and effect at all times relevant to the
6 charges brought herein and will expire on May 31, 2020, unless renewed.

7 74. On or about May 19, 2015, the Bureau issued ARD Registration Number ARD
8 280288 to Respondent. The Registration was in full force and effect at all times relevant to the
9 charges brought herein and will expire on May 31, 2020, unless renewed.

10 75. On or about June 23, 2015, the Bureau issued ARD Registration Number ARD
11 280633 to Respondent. The Registration was in full force and effect at all times relevant to the
12 charges brought herein and will expire on June 30, 2020, unless renewed.

13 76. On or about July 10, 2015, the Bureau issued ARD Registration Number ARD
14 280835 to Respondent. The Registration was in full force and effect at all times relevant to the
15 charges brought herein and will expire on July 31, 2020, unless renewed.

16 77. On or about July 28, 2015, the Bureau issued ARD Registration Number ARD
17 281007 to Respondent. The Registration was in full force and effect at all times relevant to the
18 charges brought herein and will expire on July 31, 2020, unless renewed.

19 78. On or about December 1, 2015, the Bureau issued ARD Registration Number ARD
20 282131 to Respondent. The Registration was in full force and effect at all times relevant to the
21 charges brought herein and will expire on December 31, 2020, unless renewed.

22 79. On or about June 8, 2016, the Bureau issued ARD Registration Number ARD 283820
23 to Respondent. The Registration was in full force and effect at all times relevant to the charges
24 brought herein and will expire on June 30, 2020, unless renewed.

25 80. On or about August 19, 2016, the Bureau issued ARD Registration Number ARD
26 284617 to Respondent. The Registration was in full force and effect at all times relevant to the
27 charges brought herein and will expire on August 31, 2020, unless renewed.
28

1 81. On or about April 24, 2017, the Bureau issued ARD Registration Number ARD
2 286706 to Respondent. The Registration was in full force and effect at all times relevant to the
3 charges brought herein and will expire on April 30, 2020, unless renewed.

4 82. On or about April 24, 2017, the Bureau issued ARD Registration Number ARD
5 286707 to Respondent. The Registration was in full force and effect at all times relevant to the
6 charges brought herein and will expire on April 30, 2020, unless renewed.

7 83. On or about May 2, 2017, the Bureau issued ARD Registration Number ARD 286784
8 to Respondent. The Registration was in full force and effect at all times relevant to the charges
9 brought herein and will expire on May 31, 2020, unless renewed.

10 84. On or about May 19, 2017, the Bureau issued ARD Registration Number ARD
11 286957 to Respondent. The Registration was in full force and effect at all times relevant to the
12 charges brought herein and will expire on May 31, 2020, unless renewed.

13 85. On or about May 30, 2017, the Bureau issued ARD Registration Number ARD
14 287048 to Respondent. The Registration was in full force and effect at all times relevant to the
15 charges brought herein and will expire on May 31, 2020, unless renewed.

16 86. On or about July 26, 2017, the Bureau issued ARD Registration Number ARD
17 288092 to Respondent. The Registration was in full force and effect at all times relevant to the
18 charges brought herein and will expire on July 31, 2020, unless renewed.

19 87. On or about August 1, 2017, the Bureau issued ARD Registration Number ARD
20 288128 to Respondent. The Registration was in full force and effect at all times relevant to the
21 charges brought herein and will expire on August 31, 2020, unless renewed.

22 88. On or about August 9, 2017, the Bureau issued ARD Registration Number ARD
23 288205 to Respondent. The Registration was in full force and effect at all times relevant to the
24 charges brought herein and will expire on August 31, 2020, unless renewed.

25 89. On or about February 14, 2018, the Bureau issued ARD Registration Number ARD
26 289623 to Respondent. The Registration was in full force and effect at all times relevant to the
27 charges brought herein and expired on February 29, 2020, and has not been renewed.

28

90. On or about March 9, 2018, the Bureau issued ARD Registration Number ARD 289833 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on March 31, 2020, unless renewed.

91. On or about March 19, 2018, the Bureau issued ARD Registration Number ARD 289942 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on March 31, 2020, unless renewed.

92. On or about March 19, 2018, the Bureau issued ARD Registration Number ARD 289943 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on March 31, 2020, unless renewed.

93. On or about May 4, 2018, the Bureau issued ARD Registration Number ARD 290452 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on May 31, 2020, unless renewed.

94. On or about May 29, 2018, the Bureau issued ARD Registration Number ARD 291202 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on May 31, 2020, unless renewed.

95. On or about January 22, 2020, the Bureau issued ARD Registration Number ARD 296471 to Respondent. The Registration was in full force and effect at all times relevant to the charges brought herein and will expire on January 31, 2021, unless renewed.

JURISDICTION

96. Accusation No. 77/19-16208 was filed before the Director, and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on February 5, 2020. Respondent timely filed its Notice of Defense contesting the Accusation.

97. A copy of Accusation No. 77/19-16208 is attached as **Exhibit A** and incorporated herein by reference.

98. Accusation No. 77/19-16760 was filed before the Director, and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly

1 served on Respondent on February 5, 2020. Respondent timely filed its Notice of Defense
2 contesting the Accusation.

3 99. A copy of Accusation No. 77/19-16760 is attached as **Exhibit B** and incorporated
4 herein by reference.

5 100. Accusation No. 77/19-16758 was filed before the Director, and is currently pending
6 against Respondent. The Accusation and all other statutorily required documents were properly
7 served on Respondent on March 17, 2020. Respondent timely filed its Notice of Defense
8 contesting the Accusation.

9 101. A copy of Accusation No. 77/19-16758 is attached as **Exhibit C** and incorporated
10 herein by reference.

11 102. Accusation No. 77/18-11139 was filed before the Director, and is currently pending
12 against Respondent. The Accusation and all other statutorily required documents were properly
13 served on Respondent on January 31, 2020. Respondent timely filed its Notice of Defense
14 contesting the Accusation.

15 103. A copy of Accusation No. 77/18-11139 is attached as **Exhibit D** and incorporated
16 herein by reference.

17 104. Accusation No. 77/18-16720 was filed before the Director, and is currently pending
18 against Respondent. The Accusation and all other statutorily required documents were properly
19 served on Respondent on March 3, 2020. Respondent timely filed its Notice of Defense
20 contesting the Accusation.

21 105. A copy of Accusation No. 77/18-16720 is attached as **Exhibit E** and incorporated
22 herein by reference.

23 106. Accusation No. 77/19-17735 was filed before the Director, and is currently pending
24 against Respondent. The Accusation and all other statutorily required documents were properly
25 served on Respondent on March 13, 2020. Respondent timely filed its Notice of Defense
26 contesting the Accusation.

27 107. A copy of Accusation No. 77/19-17735 is attached as **Exhibit F** and incorporated
28 herein by reference.

108. Accusation No. 77/19-9182 was filed before the Director, and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on March 20, 2020. Respondent timely filed its Notice of Defense contesting the Accusation.

109. A copy of Accusation No. 77/19-9182 is attached as **Exhibit G** and incorporated herein by reference.

110. Accusation No. 77/17-10023 was filed before the Director, and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on March 9, 2020. Respondent timely filed its Notice of Defense contesting the Accusation.

111. A copy of Accusation No. 77/17-10023 is attached as **Exhibit H** and incorporated herein by reference.

ADVISEMENT AND WAIVERS

112. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation Nos. 77/19-16208, 77/19-16760, 77/19-16758, 77/18-11139, 77/18-16720, 77/19-17735, 77/19-9182, and 77/17-10023. Respondent has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order.

113. Respondent is fully aware of its legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to confront and cross-examine the witnesses against them; the right to present evidence and to testify on its own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

114. In entering into this settlement, Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

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1 **CULPABILITY**

2 115. Respondent understands and agrees that the charges and allegations in Accusation
3 Nos. 77/19-16208, 77/19-16760, 77/19-16758, 77/18-11139, 77/18-16720, 77/19-17735, 77/19-
4 9182, and 77/17-10023, if proven at a hearing, constitute cause for imposing discipline upon his
5 Automotive Repair Dealer Registrations.

6 116. For the purpose of resolving the Accusations without the expense and uncertainty of
7 further proceedings, Respondent agrees that, at a hearing, Complainant could establish a factual
8 basis for the charges in Accusation Nos. 77/19-16208, 77/19-16760, 77/19-16758, 77/18-11139,
9 77/18-16720, 77/19-17735, 77/19-9182, and 77/17-10023, and that Respondent hereby gives up
10 his right to contest those charges.

11 117. Respondent agrees that his Automotive Repair Dealer Registrations are subject to
12 discipline, and he agrees to be bound by the Board's probationary terms as set forth in the
13 Disciplinary Order below.

14 **CONTINGENCY**

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

26 119. The parties understand and agree that Portable Document Format ("PDF") and
27 facsimile copies of this Stipulated Settlement and Disciplinary Order, including PDF and
28 facsimile signatures thereto, shall have the same force and effect as the originals.

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

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

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that the following registrations issued to Respondent are revoked:

- Automotive Repair Dealer Registration No. ARD 187549;
- Automotive Repair Dealer Registration No. ARD 276431;
- Automotive Repair Dealer Registration No. ARD 280032;
- Automotive Repair Dealer Registration No. ARD 272962;
- Automotive Repair Dealer Registration No. ARD 278128;
- Automotive Repair Dealer Registration No. ARD 265879;
- Automotive Repair Dealer Registration No. ARD 278127;
- Automotive Repair Dealer Registration No. ARD 259246;
- Automotive Repair Dealer Registration No. ARD 263611;
- Automotive Repair Dealer Registration No. ARD 259245;
- Automotive Repair Dealer Registration No. ARD 262786;
- Automotive Repair Dealer Registration No. ARD 266366;
- Automotive Repair Dealer Registration No. ARD 276538;
- Automotive Repair Dealer Registration No. ARD 268083;
- Automotive Repair Dealer Registration No. ARD 286867;
- Automotive Repair Dealer Registration No. ARD 178092;

- 1 • Automotive Repair Dealer Registration No. ARD 185897;
- 2 • Automotive Repair Dealer Registration No. ARD 199193;
- 3 • Automotive Repair Dealer Registration No. ARD 203852;
- 4 • Automotive Repair Dealer Registration No. ARD 210521;
- 5 • Automotive Repair Dealer Registration No. ARD 210597;
- 6 • Automotive Repair Dealer Registration No. ARD 212948;
- 7 • Automotive Repair Dealer Registration No. ARD 215799;
- 8 • Automotive Repair Dealer Registration No. ARD 223191;
- 9 • Automotive Repair Dealer Registration No. ARD 225274;
- 10 • Automotive Repair Dealer Registration No. ARD 229051;
- 11 • Automotive Repair Dealer Registration No. ARD 239491;
- 12 • Automotive Repair Dealer Registration No. ARD 239596;
- 13 • Automotive Repair Dealer Registration No. ARD 246704;
- 14 • Automotive Repair Dealer Registration No. ARD 247061;
- 15 • Automotive Repair Dealer Registration No. ARD 252069;
- 16 • Automotive Repair Dealer Registration No. ARD 252774;
- 17 • Automotive Repair Dealer Registration No. ARD 254137;
- 18 • Automotive Repair Dealer Registration No. ARD 258934;
- 19 • Automotive Repair Dealer Registration No. ARD 266221;
- 20 • Automotive Repair Dealer Registration No. ARD 266390;
- 21 • Automotive Repair Dealer Registration No. ARD 266564;
- 22 • Automotive Repair Dealer Registration No. ARD 266939;
- 23 • Automotive Repair Dealer Registration No. ARD 267097;
- 24 • Automotive Repair Dealer Registration No. ARD 267892;
- 25 • Automotive Repair Dealer Registration No. ARD 268084;
- 26 • Automotive Repair Dealer Registration No. ARD 268085;
- 27 • Automotive Repair Dealer Registration No. ARD 268615;
- 28 • Automotive Repair Dealer Registration No. ARD 268921;

- 1 • Automotive Repair Dealer Registration No. ARD 270340;
- 2 • Automotive Repair Dealer Registration No. ARD 271251;
- 3 • Automotive Repair Dealer Registration No. ARD 271687;
- 4 • Automotive Repair Dealer Registration No. ARD 271699;
- 5 • Automotive Repair Dealer Registration No. ARD 271715;
- 6 • Automotive Repair Dealer Registration No. ARD 272178;
- 7 • Automotive Repair Dealer Registration No. ARD 272287;
- 8 • Automotive Repair Dealer Registration No. ARD 272563;
- 9 • Automotive Repair Dealer Registration No. ARD 272675;
- 10 • Automotive Repair Dealer Registration No. ARD 273859;
- 11 • Automotive Repair Dealer Registration No. ARD 273860;
- 12 • Automotive Repair Dealer Registration No. ARD 275763;
- 13 • Automotive Repair Dealer Registration No. ARD 275783;
- 14 • Automotive Repair Dealer Registration No. ARD 276611;
- 15 • Automotive Repair Dealer Registration No. ARD 277050;
- 16 • Automotive Repair Dealer Registration No. ARD 277585;
- 17 • Automotive Repair Dealer Registration No. ARD 277663;
- 18 • Automotive Repair Dealer Registration No. ARD 277664;
- 19 • Automotive Repair Dealer Registration No. ARD 277668;
- 20 • Automotive Repair Dealer Registration No. ARD 277715;
- 21 • Automotive Repair Dealer Registration No. ARD 278130;
- 22 • Automotive Repair Dealer Registration No. ARD 278431;
- 23 • Automotive Repair Dealer Registration No. ARD 279383;
- 24 • Automotive Repair Dealer Registration No. ARD 279722;
- 25 • Automotive Repair Dealer Registration No. ARD 279865;
- 26 • Automotive Repair Dealer Registration No. ARD 279866;
- 27 • Automotive Repair Dealer Registration No. ARD 280220;
- 28 • Automotive Repair Dealer Registration No. ARD 280288;

- Automotive Repair Dealer Registration No. ARD 280633;
- Automotive Repair Dealer Registration No. ARD 280835;
- Automotive Repair Dealer Registration No. ARD 281007;
- Automotive Repair Dealer Registration No. ARD 282131;
- Automotive Repair Dealer Registration No. ARD 283820;
- Automotive Repair Dealer Registration No. ARD 284617;
- Automotive Repair Dealer Registration No. ARD 286706;
- Automotive Repair Dealer Registration No. ARD 286707;
- Automotive Repair Dealer Registration No. ARD 286784;
- Automotive Repair Dealer Registration No. ARD 286957;
- Automotive Repair Dealer Registration No. ARD 287048;
- Automotive Repair Dealer Registration No. ARD 288092;
- Automotive Repair Dealer Registration No. ARD 288128;
- Automotive Repair Dealer Registration No. ARD 288205;
- Automotive Repair Dealer Registration No. ARD 289623;
- Automotive Repair Dealer Registration No. ARD 289833;
- Automotive Repair Dealer Registration No. ARD 289942;
- Automotive Repair Dealer Registration No. ARD 289943;
- Automotive Repair Dealer Registration No. ARD 290452;
- Automotive Repair Dealer Registration No. ARD 291202; and
- Automotive Repair Dealer Registration No. ARD 296471.

However, the revocations are stayed and each of Respondent's registrations are placed on probation for three (3) years on the following terms and conditions.

1. **Obey All Laws.** During the period of probation, Respondent shall comply with all federal and state statutes, regulations and rules governing all BAR registrations and licenses held by Respondent.

2. **Quarterly Reporting.** During the period of probation, Respondent shall report either by personal appearance or in writing as determined by BAR on a schedule set by BAR, but no

1 more frequently than once each calendar quarter, on the methods used and success achieved in
2 maintaining compliance with the terms and conditions of probation.

3 **3. Report Financial Interests.** Respondent shall, within 30 days of the effective date
4 of the decision and within 30 days from the date of any request by BAR during the period of
5 probation, report any financial interest which any Respondent or any partners, officers, or owners
6 of any Respondent facility may have in any other business required to be registered pursuant to
7 Section 9884.6 of the Business and Professions Code.

8 **4. Access to Examine Vehicles and Records.** Respondent shall provide BAR
9 representatives unrestricted access to examine all vehicles (including parts) undergoing service,
10 inspection, or repairs, up to and including the point of completion. Respondent shall also provide
11 BAR representatives unrestricted access to all records pursuant to BAR laws and regulations.

12 **5. Tolling of Probation.** If, during probation, Respondent leaves the jurisdiction of
13 California to reside or do business elsewhere or otherwise ceases to do business in the jurisdiction
14 of California, Respondent shall notify BAR in writing within 10 days of the dates of departure
15 and return, and of the dates of cessation and resumption of business in California. All provisions
16 of probation other than cost reimbursement requirements, restitution requirements, training
17 requirements, and that Respondent obey all laws, shall be held in abeyance during any period of
18 time of 30 days or more in which Respondent is not residing or engaging in business within the
19 jurisdiction of California. All provisions of probation shall recommence on the effective date of
20 resumption of business in California. Any period of time of 30 days or more in which Respondent
21 is not residing or engaging in business within the jurisdiction of California shall not apply to the
22 reduction of this probationary period or to any period of actual suspension not previously
23 completed. Tolling is not available if business or work relevant to the probationary license or
24 registration is conducted or performed during the tolling period.

25 **6. Violation of Probation.** If Respondent violates or fails to comply with the terms and
26 conditions of probation in any respect, the Director, after giving notice and opportunity to be
27 heard may set aside the stay order and carry out the disciplinary order provided in the decision.
28 Once Respondent is served notice of BAR's intent to set aside the stay, the Director shall maintain

jurisdiction, and the period of probation shall be extended until final resolution of the matter.

7. **Maintain Valid License.** Respondent shall, at all times while on probation, maintain a current and active registration and/or license(s) with BAR, including any period during which suspension or probation is tolled. If Respondent's registration or license is expired at the time the decision becomes effective, the registration or license must be renewed by Respondent within 30 days of that date. If Respondent's registration or license expires during a term of probation, by operation of law or otherwise, then upon renewal Respondent's registration or license shall be subject to any and all terms and conditions of probation not previously satisfied. Failure to maintain a current and active registration and/or license during the period of probation shall also constitute a violation of probation.

8. **Cost Recovery.** Respondent shall pay the Bureau of Automotive Repair \$268,500.00 for the reasonable costs of the investigation and enforcement of Case Nos. 77/19-16208, 77/19-16760, 77/19-16758, 77/18-11139, 77/18-16720, 77/19-17735, 77/19-9182, and 77/17-10023. Respondent shall make such payment as follows: thirty (30) monthly payments of \$8,950.00. The first monthly payment shall be due 30 days after the effective date of this decision. Any agreement for a scheduled payment plan shall require full payment to be completed no later than six (6) months before probation terminates. Respondent shall make payment by check or money order payable to the Bureau of Automotive Repair and shall indicate on the check or money order that it is for cost recovery payment for Case Nos. 77/19-16208, 77/19-16760, 77/19-16758, 77/18-11139, 77/18-16720, 77/19-17735, 77/19-9182, and 77/17-10023. Any order for payment of cost recovery shall remain in effect whether or not probation is tolled. Probation shall not terminate until full cost recovery payment has been made. BAR reserves the right to pursue any other lawful measures in collecting on the costs ordered and past due, in addition to taking action based upon the violation of probation.

9. **Completion of Probation.** Upon successful completion of probation, Respondent's affected registration and/or license will be fully restored or issued without restriction, if Respondent meets all current requirements for registration or licensure and has paid all outstanding fees, monetary penalties, or cost recovery owed to BAR.

10. **License Surrender.** Following the effective date of a decision that orders a stay of invalidation or revocation, if Respondent ceases business operations or is otherwise unable to satisfy the terms and conditions of probation, Respondent may request that the stay be vacated. Such request shall be made in writing to BAR. The Director and the BAR Chief reserve the right to evaluate the Respondent's request and to exercise discretion whether to grant the request or take any other action deemed appropriate or reasonable under the circumstances. Upon formal granting of the request, the Director will vacate the stay order and carry out the disciplinary order provided in the decision. Respondent may not petition the Director for reinstatement of the surrendered registration and/or license, or apply for a new registration or license under the jurisdiction of BAR at any time before the date of the originally scheduled completion of probation. If Respondent applies to BAR for a registration or license at any time after that date, Respondent must meet all current requirements for registration or licensure and pay all outstanding fees or cost recovery owed to BAR and left outstanding at the time of surrender.

ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, Shahen Hairapetian. I understand the stipulation and the effect it will have on my Automotive Repair Dealer Registration. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Director of the Department of Consumer Affairs.

DATED: April 24, 2020

/s/

ATV, INC., DBA AMERICAN TIRE DEPOT, ARA
TCHAGHLASSIAN
Respondent

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I have read and fully discussed with Respondent ATV, Inc., dba American Tire Depot, Ara Tchaghlassian the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED: April 24, 2020

/s/

SHAHEN HAIRAPETIAN
Attorney for Respondent

ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the Director of the Department of Consumer Affairs.

DATED: April 27, 2020

Respectfully submitted,

XAVIER BECERRA
Attorney General of California
LINDA L. SUN
Supervising Deputy Attorney General

/s/

STEPHEN D. SVETICH
Deputy Attorney General
Attorneys for Complainant

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SD2019702176/SD2020100421/SD2020100422/SA2019100456
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Exhibit A

Accusation No. 77/19-16208

1 XAVIER BECERRA
Attorney General of California
2 LINDA L. SUN
Supervising Deputy Attorney General
3 STEPHEN D. SVETICH
Deputy Attorney General
4 State Bar No. 272370
300 So. Spring Street, Suite 1702
5 Los Angeles, CA 90013
Telephone: (213) 269-6306
6 Facsimile: (916) 731-2126
E-mail: Stephen.Svetich@doj.ca.gov
7 *Attorneys for Complainant*

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

12 In the Matter of the Accusation Against:

Case No. 77/19-16208

13 **ATV, INC., ARA ARSEN**
14 **TCHAGHLASSIAN,**
15 **PRESIDENT/SECRETARY/TREASURER,**
16 **DOING BUSINESS AS AMERICAN TIRE**
17 **DEPOT**

ACCUSATION

18 15083 E. Imperial Highway
19 La Mirada, CA 90638-1302

20 Mailing Address:
21 14407 Alondra Blvd.
22 La Mirada, CA 90638

23 Automotive Repair Dealer Registration No.
24 ARD 187549,

25 Respondent.

26 **PARTIES**

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

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2. In or around 1996, the Bureau issued Automotive Repair Dealer (“ARD”) Registration Number ARD 187549 to Respondent ATV, Inc., Ara Arsen Tchaghlassian, President/Secretary/Treasurer, doing business as American Tire Depot (“Respondent”). The Automotive Repair Dealer Registration was in full force and effect at all times relevant to the charges brought herein and will expire on February 29, 2020, unless renewed.

JURISDICTION

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

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

5. Section 9884.7 of the Code provides that the Director may revoke an automotive repair dealer registration.

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

STATUTORY PROVISIONS

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

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

(a) The director, where the automotive repair dealer cannot show there was a bona fide error, may deny, suspend, revoke, or place on probation the registration of an automotive repair dealer for any of the following acts or omissions related to 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.

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

(4) Any other conduct which constitutes fraud.

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

9. Section 9884.8 of the Code states, in pertinent part:

All work done by an automotive repair dealer, including all warranty work, 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 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 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 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 equipment manufacturer crash parts or nonoriginal equipment manufacturer aftermarket crash parts. One copy of the invoice shall be given to the customer and one copy shall be retained by the automotive repair dealer.

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

(a) The automotive repair dealer shall give to the customer a written estimated price for labor and parts necessary for a specific job, except as provided in subdivision (e). No work shall be done and no charges shall accrue before authorization to proceed is obtained from the customer. No charge shall be made for work done or parts supplied in excess of the estimated price, or the posted price specified in subdivision (e), without the oral or written consent of the customer that shall be obtained at some time after it is determined that the estimated or posted price is insufficient and before the work not estimated or posted is done or the parts not estimated or posted are supplied. Written consent or authorization for an increase in the original estimated or posted price may be provided by electronic mail or facsimile transmission from 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 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, 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:

///
///

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

3 _____

4 _____ (signature or initials)"

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

8 **REGULATORY PROVISIONS**

9 11. California Code of Regulations, title 16, section 3353, states, in pertinent part:

10 "An estimate shall be provided to and authorized by the customer before any work
11 commences. The estimate shall meet the requirements of Business and Professions
12 Code section 9884.9 as well as the following:

13 (a) Estimate for Parts and Labor. Every automotive repair dealer shall give to
14 each customer an estimate containing the estimated price for parts and labor for
15 a specific job prior to obtaining authorization. Each part listed in the estimate
16 shall be new unless specifically identified as a used, rebuilt, or reconditioned
17 part. . . .

18 12. California Code of Regulations, title 16, section 3356, states, in pertinent part:

19 "(b) The invoice shall show the automotive repair dealer's registration number and the
20 corresponding business name and address as shown in the Bureau's records."

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

22 "No automotive repair dealer shall publish, utter, or make or cause to be published, uttered,
23 or made any false or misleading statement or advertisement which is known to be false or
24 misleading, or which by the exercise of reasonable care should be known to be false or
25 misleading. . . ."

26 **COST RECOVERY PROVISION**

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

UNDERCOVER OPERATION

15. The Bureau received an enforcement tip that Respondent was using a coupon advertisement for a free alignment check to oversell unneeded parts and services to unsuspecting customers. After receiving the tip, the Bureau initiated an investigation into Respondent's activities and conducted an undercover run using a Bureau vehicle.

16. From September 4, 2019, to October 7, 2019, a Bureau Representative inspected and documented the condition of the Bureau's 2001 Chevrolet (the "Chevy") at the Bureau's Forensic Documentation Laboratory. As part¹ of his documentation of the Chevy, the Bureau Representative took the following actions with respect to the Chevy:

- i. He inspected, marked, photographed, and installed the following new steering and suspension components: both front strut assemblies, both rear strut assemblies, both front lower control arms and ball joint assemblies, front sway bar links, front wheel hub and bearing assemblies, front sway bar bushings, steering rack and pinion and inner tie rod assemblies, left front CV axle assembly, rear control arms, rear trailing arms, rear wheel hub and bearing assemblies, and rear sway bar bushings.
- ii. He inspected the following existing components and found them to be in good serviceable condition: right front CV axle assembly, power steering pump, front subframe, front subframe mounts, front spindles, front sway bar, rear subframe, rear spindles, rear sway bar links, and rear sway bar. The Chevy's steering and suspension components were found to be in good, serviceable condition and free of any leaks or damage.
- iii. He inspected, marked, photographed, and installed new front outer tie rods.
- iv. He performed a four-wheel alignment check and found the Chevy to be within specifications.

17. The Bureau Representative then lowered the air pressure in the right front tire to 24 psi and the left front tire pressure to 36 psi. The rear tires were set at 32 psi, and the spare tire

¹ Not all aspects of the Bureau Representative's documentation of the Chevy are outlined herein. Only the relevant aspects of his documentation are listed.

1 was set to 15 psi. This introduced malfunction resulted in the Chevy pulling to the right under
2 normal driving conditions. The Bureau Representative road tested the Chevy again and
3 confirmed that the Chevy performed normally but pulled to the right. The only repair necessary to
4 repair this introduced malfunction was to inspect the tire pressure and fill the right front tire with
5 air to the manufacturer's specification. The Bureau Representative installed tamper indicators on
6 the Chevy's suspension adjustment points, on all four wheels and their valve stem caps, and the
7 spare tire's valve stem caps to detect if any adjustments were made.

8 18. On October 16, 2019, at approximately 1020 hours, an Undercover Operator took the
9 Chevy to Respondent's station. The Undercover Operator met a male employee who identified
10 himself as Rick Gonzalez, the store manager. The Undercover Operator informed Rick that the
11 Chevy pulled to the right and asked for a diagnosis. The Undercover Operator completed an
12 intake form and gave Rick the keys. Another employee drove the Chevy into the service area.

13 19. The Undercover Operator remained inside Respondent's facility while the Chevy was
14 diagnosed. At approximately 1118 hours, Rick informed the Undercover Operator that the front
15 struts were leaking oil. He recommended replacing both front strut assemblies and one outer tie
16 rod and performing an alignment. Rick quoted \$850.00 to complete the recommended repairs.
17 Rick also recommended replacing the rear struts, which increased the quote for the recommended
18 repairs to \$1,288.95, plus tax. The Undercover Operator agreed to the repairs. Rick provided the
19 Undercover Operator with a written estimate, stated the recommended repairs would fix the
20 drifting issue, and stated the vehicle would be ready the next day.

21 20. On October 17, 2019, the Undercover Operator returned to Respondent's facility and
22 paid \$1,362.96 for the repairs. The Undercover Operator received a two-page invoice and an
23 alignment printout. He then left with the Chevy.

24 21. On October 23, 2019, the Bureau Representative inspected the Chevy with
25 Respondent's invoice. The Bureau Representative observed the following:

- 26 i. Both front strut assemblies had been replaced with new complete strut assemblies, both
27 rear struts had been replaced, and the right front outer tie rod had been replaced, as
28 invoiced. The Chevy's front and rear strut assemblies were not in need of replacement.

- 1 They had 234 miles of service on them and were free of any leaks or damage. The Chevy's
2 right front outer tie rod also did not need to be replaced. It had 103 miles of service on it
3 and was free of any damage or wear.
- 4 ii. The tamper indicators on the vehicle's suspension adjustment points were disturbed,
5 indicating an alignment had been performed. The Chevy's alignment adjustment was
6 consistent with the alignment specification sheet Respondent provided to the Undercover
7 Operator. The Chevy did not require an alignment to correct it from drifting to the right
8 while driving.
- 9 iii. The Chevy's tires were in their original locations, as documented and released. The tamper
10 indicator on the valve stem cap for the right front tire had been disturbed, indicating an
11 adjustment was made. The tamper indicators on the valve stem caps of other three tires
12 and the spare tire remained intact and undisturbed. Tire pressure could not have been
13 checked or adjusted without breaking these tamper indicators, indicating that Respondent
14 failed to check the tire pressure on all four tires, as indicated on the invoice.
- 15 iv. The Bureau Representative performed an alignment check and discovered the camber
16 reading to be out of specification. The other alignment readings were within specification.

17 **FIRST CAUSE FOR DISCIPLINE**

18 **(Untrue or Misleading Statements)**

19 22. Respondent's registration is subject to disciplinary action pursuant to Business and
20 Professions Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized
21 statements which he knew or in the exercise of reasonable care should have known to be untrue or
22 misleading, as follows:

23 a. Respondent's employee informed the Undercover Operator that the front struts were
24 leaking oil. This statement was false and misleading and resulted in the Undercover Operator
25 authorizing unnecessary repairs to the Chevy. The true facts were that the Chevy's front struts
26 were new, were not leaking, and were in good, serviceable condition. The only needed repair for
27 the Chevy was to fill the front right tire with air to meet the minimum manufacturer's

1 specifications. Respondent charged for and received payment for unnecessary work based on this
2 false representation.

3 b. Respondent's employee informed the Undercover Operator that he recommended
4 replacing both front strut assemblies, one outer tie rod, and the rear struts, and performing an
5 alignment. He also stated that the recommended repairs would fix the drifting issue. These
6 statements were false and misleading and resulted in the Undercover Operator authorizing
7 unnecessary repairs to the Chevy. The true facts were that the Chevy's front struts assemblies,
8 outer tie rod, and rear struts were in good, serviceable condition and did not need to be replaced.
9 The Chevy's alignment was also within manufacturer's specifications, and the Chevy did not need
10 an alignment. The only needed repair for the Chevy was to fill the front right tire with air to meet
11 the minimum manufacturer's specifications. Respondent charged for and received payment for
12 unnecessary work based on this false representation.

13 c. On its invoice for the Chevy, Respondent stated that the tire pressure for the four tires
14 on the Chevy and the spare tire were all set to 32 psi. However, the tamper indicators on the
15 valve stem caps of the left front tire, both rear tires, and the spare tire were intact and undisturbed
16 after Respondent serviced the Chevy, indicating that Respondent did not check or adjust the tire
17 pressure on those tires. The statements on Respondent's invoice regarding the tire pressure for
18 the tires on the Chevy were false and misleading.

19 Complainant refers to and by this reference incorporates the allegations set forth above in
20 paragraphs 15-21, inclusive, as though fully set forth herein.

21 **SECOND CAUSE FOR DISCIPLINE**

22 **(Fraud)**

23 23. Respondent's registration is subject to disciplinary action pursuant to Business and
24 Professions Code section 9884.7, subdivision (a)(4), in that Respondent committed acts
25 constituting fraud, as fully outlined in Paragraph 22, above. Complainant refers to and by this
26 reference incorporates the allegations set forth above in paragraphs 15-21, inclusive, as though
27 fully set forth herein.

1 **THIRD CAUSE FOR DISCIPLINE**

2 **(Violations of Regulations)**

3 24. Respondent's registration is subject to disciplinary action pursuant to Business and
4 Professions Code section 9884.7, subdivision (a)(6), in that Respondent failed to comply with
5 provisions of California Code of Regulations, title 16, in the following material respects:

6 a. **Section 3353(a)**: Respondent failed to provide the Undercover Operator with a
7 written estimate with a description for the specific job or the price for both parts and labor prior to
8 obtaining authorization for the work, as fully outlined in Paragraphs 15-21, above.

9 b. **Section 3356(b)**: The name displayed on Invoice No. 130035913 is "American Tire
10 Depot La Mirada," which does not match Bureau records. Bureau records indicate that
11 Respondent's business name is "American Tire Depot," and this is the name that should have
12 appeared on the invoice.

13 c. **Section 3371**: Respondent made false or misleading statements which he knew to be
14 false or misleading, or which by the exercise of reasonable care should have known to be false or
15 misleading, as fully outlined in Paragraph 22, above.

16 Complainant refers to and by this reference incorporates the allegations set forth above in
17 paragraph 15-21, inclusive, as though fully set forth herein.

18 **FOURTH CAUSE FOR DISCIPLINE**

19 **(Failure to Comply with Statutes)**

20 25. Respondent's registration is subject to disciplinary action pursuant to Business and
21 Professions Code section 9884.7, subdivision (a)(6), in that Respondent violated the following
22 provisions of the Business and Professions Code:

23 a. **Section 9884.7, subdivision (a)(1)**: As outlined above, Respondent made or
24 authorized statements which he knew or in the exercise of reasonable care should have known to
25 be untrue or misleading.

26 b. **Section 9884.7, subdivision (a)(4)**: As outlined above, Respondent committed acts
27 constituting fraud relating to the repairs he performed on the Chevy.

1 c. **Section 9884.7, subdivision (a)(6):** As outlined above, Respondent failed to comply
2 with provisions of title 16 of the California Code of Regulations.

3 d. **Section 9884.8:** As outlined above, Respondent failed to accurately record on
4 Invoice No. 130035913 the dealer name as it appears in Bureau records.

5 e. **Section 9884.9, subdivision (a):** As outlined above, Respondent failed to provide
6 the Undercover Operator with a written estimate with a description for the specific job or the price
7 for both parts and labor prior to obtaining authorization for the work.

8 Complainant refers to and by this reference incorporates the allegations set forth above in
9 paragraphs 15-21, inclusive, as though fully set forth herein.

10 **OTHER MATTERS**

11 26. Pursuant to Business and Professions Code section 9884.7, subdivision (c), the
12 Director may suspend, revoke, or place on probation the registration for all places of business
13 operated in this State by Respondent, upon a finding that Respondent has, or is, engaged in a
14 course of repeated and willful violations of the laws and regulations pertaining to an automotive
15 repair dealer.

16 **PRAYER**

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

19 1. Revoking or suspending Automotive Repair Dealer Registration Number ARD
20 187549, issued to ATV, Inc., doing business as American Tire Depot;

21 2. Revoking or suspending any other automotive repair dealer registration issued to
22 ATV, Inc.;

23 3. Ordering ATV, Inc. to pay the Bureau of Automotive Repair the reasonable costs of
24 the investigation and enforcement of this case, pursuant to Business and Professions Code section
25 125.3; and,

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

DATED: January 28, 2020

/s/

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

LA2020500218
14352407.doc

Exhibit B

Accusation No. 77/19-16760

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E-mail: Stephen.Svetich@doj.ca.gov
7 *Attorneys for Complainant*

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

12 In the Matter of the Accusation Against:

Case No. 77/19-16760

13 **ARA TCHAGHLASSIAN,**
14 **PRESIDENT/SECRETARY/TREASURER,**
15 **ATV, INC., DOING BUSINESS AS**
16 **AMERICAN TIRE DEPOT**
305 W. Route 66
Glendora, CA 91740

ACCUSATION

17 Mailing Address:
14407 Alondra Blvd.
La Mirada, CA 90638

18 Automotive Repair Dealer Registration No.
19 ARD 276431

20 Respondent.

21 **PARTIES**

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

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27 ///

2. On or about April 29, 2014, the Bureau issued Automotive Repair Dealer ("ARD") Registration Number ARD 276431 to Respondent Ara Tchaghlassian, President/Secretary/Treasurer, ATV, Inc., doing business as American Tire Depot ("Respondent"). The Automotive Repair Dealer Registration was in full force and effect at all times relevant to the charges brought herein and will expire on April 30, 2020, unless renewed.

JURISDICTION

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

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

5. Section 9884.7 of the Code provides that the Director may revoke an automotive repair dealer registration.

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

STATUTORY PROVISIONS

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

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

(a) The director, where the automotive repair dealer cannot show there was a bona fide error, may deny, suspend, revoke, or place on probation the registration of an automotive repair dealer for any of the following acts or omissions related to 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.

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

(4) Any other conduct which constitutes fraud.

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

9. Section 9884.8 of the Code states, in pertinent part:

All work done by an automotive repair dealer, including all warranty work, 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 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 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 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 equipment manufacturer crash parts or nonoriginal equipment manufacturer aftermarket crash parts. One copy of the invoice shall be given to the customer and one copy shall be retained by the automotive repair dealer.

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

(a) The automotive repair dealer shall give to the customer a written estimated price for labor and parts necessary for a specific job, except as provided in subdivision (e). No work shall be done and no charges shall accrue before authorization to proceed is obtained from the customer. No charge shall be made for work done or parts supplied in excess of the estimated price, or the posted price specified in subdivision (e), without the oral or written consent of the customer that shall be obtained at some time after it is determined that the estimated or posted price is insufficient and before the work not estimated or posted is done or the parts not estimated or posted are supplied. Written consent or authorization for an increase in the original estimated or posted price may be provided by electronic mail or facsimile transmission from 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 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, 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:

///
///

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

3 _____

4 _____ (signature or initials)"

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

8 **REGULATORY PROVISIONS**

9 11. California Code of Regulations, title 16, section 3353, states, in pertinent part:

10 An estimate shall be provided to and authorized by the customer before any work
11 commences. The estimate shall meet the requirements of Business and Professions
12 Code section 9884.9 as well as the following:

13 (a) Estimate for Parts and Labor. Every automotive repair dealer shall give to
14 each customer an estimate containing the estimated price for parts and labor for
15 a specific job prior to obtaining authorization. Each part listed in the estimate
16 shall be new unless specifically identified as a used, rebuilt, or reconditioned
17 part. . . .

18 12. California Code of Regulations, title 16, section 3356, states, in pertinent part:

19 "(b) The invoice shall show the automotive repair dealer's registration number and the
20 corresponding business name and address as shown in the Bureau's records."

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

22 "No automotive repair dealer shall publish, utter, or make or cause to be published, uttered,
23 or made any false or misleading statement or advertisement which is known to be false or
24 misleading, or which by the exercise of reasonable care should be known to be false or
25 misleading. . . ."

26 **COST RECOVERY PROVISION**

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

UNDERCOVER OPERATION

15. The Bureau received an enforcement tip that Respondent was overselling unneeded parts and services to customers. After receiving the tip, the Bureau initiated an investigation into Respondent's activities and conducted an undercover run using a Bureau vehicle.

16. From September 24, 2019, to October 11, 2019, a Bureau Representative inspected and documented the condition of the Bureau's 1996 Lexus (the "Lexus") at the Bureau's Forensic Documentation Laboratory. As part¹ of his documentation of the Lexus, the Bureau Representative performed a wheel alignment on the Lexus. A subsequent test drive indicated the Lexus operated with no problems. The Lexus did not pull or drift to the left or to the right. He installed and photographed tamper indicators on the Lexus's wheel alignment adjustment points to identify if adjustments were later made to the suspension components.

17. The Bureau Representative then lowered the air pressure in the right front tire to 18 psi. The other three tires had a tire pressure of 32 psi. He installed tamper indicators on the Lexus' tire valves to detect any air pressure adjustments. He test drove the vehicle, and the vehicle drifted to the right during the test drive. The only repair necessary to repair this introduced malfunction was to inspect the tire pressure and fill the right front tire with air to the manufacturer's specification (32 psi).

18. On October 24, 2019, at approximately 0837 hours, an Undercover Operator took the Lexus to Respondent's station. The Undercover Operator met someone who was later identified as Thomas T. The Undercover Operator informed Thomas that the Lexus pulled to the right and ask that it be inspected. Thomas recommended an alignment, and the Undercover Operator agreed to the alignment service. Thomas verbally quoted the cost of the alignment as \$89.00. The Undercover Operator electronically signed an estimate, but he was not provided with a copy of it.

19. At approximately 1006 hours, the Undercover Operator called Respondent's station to inquire about the status of the Lexus. Thomas informed the Undercover Operator that the

¹ Not all aspects of the Bureau Representative's documentation of the Toyota are outlined herein. Only the relevant aspects of his documentation are listed.

1 alignment was complete, but they had a few recommendations. Thomas stated that the timing belt
2 and tune up were due based on time and mileage. Thomas stated that the power steering fluid was
3 dirty, and he recommended a fuel system cleaning. The Undercover Operator asked Thomas if
4 they fixed the problem with the vehicle drifting right, and Thomas replied, "yes, the alignment's
5 been corrected." The Undercover Operator asked about the price and time to complete the
6 recommended repairs, and Thomas said he would need additional time to put together an
7 estimate. 19. At approximately 1020 hours, the Undercover Operator returned to
8 Respondent's station. He informed Thomas that he would not authorize the recommended
9 repairs. The Undercover Operator paid \$89.95 in cash for the alignment and received a copy of
10 Invoice No. 112019614, a printout of Respondent's recommended repairs, and the alignment
11 specification printout.

12 20. On November 15, 2019, the Bureau Representative inspected the Lexus with
13 Respondent's invoice. The Bureau Representative observed that the tamper indicators on all four
14 tire pressure valves had been broken, indicating the tire pressure in the four tires was checked
15 and/or adjusted. The air pressure of all four tires was 32 psi. The Bureau Representative also
16 observed that the four-wheel alignment had been performed on the Lexus, as invoiced by
17 Respondent. However, the adjustments to the alignment resulted in the alignment of the Lexus
18 being out of specification. Respondent failed to correctly adjust the Lexus' wheel alignment. The
19 alignment was not necessary to keep the Lexus from drifting to the right, and thus this repair was
20 not necessary.

21 ///

22 ///

1 **FIRST CAUSE FOR DISCIPLINE**

2 **(Untrue or Misleading Statements)**

3 21. Respondent's registration is subject to disciplinary action pursuant to Business and
4 Professions Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized
5 statements which he knew or in the exercise of reasonable care should have known to be untrue or
6 misleading, as follows:

7 a. Respondent's employee represented to the Undercover Operator that Lexus required
8 an alignment to correct the Lexus' drifting to the right, or words to that effect. This statement was
9 false and misleading and resulted in the Undercover Operator authorizing unnecessary repairs to
10 the Lexus. The true facts were that the Lexus' alignment was straight, but that the tire pressure of
11 the right front tire was 18 psi, which is below the manufacturer's specifications. The only needed
12 repair for the Lexus to stop drifting to the right was to fill the front right tire with air to meet the
13 minimum manufacturer's specifications. Respondent charged for and received payment for
14 unnecessary work based on this false representation.

15 Complainant refers to and by this reference incorporates the allegations set forth above in
16 paragraphs 15-20, inclusive, as though fully set forth herein.

17 **SECOND CAUSE FOR DISCIPLINE**

18 **(Fraud)**

19 22. Respondent's registration is subject to disciplinary action pursuant to Business and
20 Professions Code section 9884.7, subdivision (a)(4), in that Respondent committed acts
21 constituting fraud, as fully outlined in Paragraph 21, above. Complainant refers to and by this
22 reference incorporates the allegations set forth above in paragraphs 15-20, inclusive, as though
23 fully set forth herein.

24 **THIRD CAUSE FOR DISCIPLINE**

25 **(Violations of Regulations)**

26 23. Respondent's registration is subject to disciplinary action pursuant to Business and
27 Professions Code section 9884.7, subdivision (a)(6), in that Respondent failed to comply with
28 provisions of California Code of Regulations, title 16, in the following material respects:

1 a. **Section 3353(a)**: Respondent failed to provide the Undercover Operator with a
2 written estimate for parts and labor prior to obtaining authorization for the work, as fully outlined
3 in Paragraphs 15-20, above.

4 b. **Section 3356(b)**: The name displayed on Invoice No. 112019614 is “American Tire
5 Depot Glendora,” which does not match Bureau records. Bureau records indicate that
6 Respondent’s business name is “American Tire Depot,” and this is the name that should have
7 appeared on the invoice.

8 c. **Section 3371**: Respondent made false or misleading statements which he knew to be
9 false or misleading, or which by the exercise of reasonable care should have known to be false or
10 misleading, as fully outlined in Paragraph 21, above.

11 Complainant refers to and by this reference incorporates the allegations set forth above in
12 paragraph 15-20, inclusive, as though fully set forth herein.

13 **FOURTH CAUSE FOR DISCIPLINE**

14 **(Failure to Comply with Statutes)**

15 24. Respondent’s registration is subject to disciplinary action pursuant to Business and
16 Professions Code section 9884.7, subdivision (a)(6), in that Respondent violated the following
17 provisions of the Business and Professions Code:

18 a. **Section 9884.7, subdivision (a)(1)**: As outlined above, Respondent made or
19 authorized statements which he knew or in the exercise of reasonable care should have known to
20 be untrue or misleading.

21 b. **Section 9884.7, subdivision (a)(4)**: As outlined above, Respondent committed acts
22 constituting fraud relating to the repairs he performed on the Lexus.

23 c. **Section 9884.7, subdivision (a)(6)**: As outlined above, Respondent failed to comply
24 with provisions of title 16 of the California Code of Regulations.

25 d. **Section 9884.9, subdivision (a)**: As outlined above, Respondent failed to provide
26 the Undercover Operator with a written estimate for parts and labor prior to obtaining
27 authorization for the work.

1 Complainant refers to and by this reference incorporates the allegations set forth above in
2 paragraphs 15-20, inclusive, as though fully set forth herein.

3 **OTHER MATTERS**

4 25. Pursuant to Business and Professions Code section 9884.7, subdivision (c), the
5 Director may suspend, revoke, or place on probation the registration for all places of business
6 operated in this State by Respondent, upon a finding that Respondent has, or is, engaged in a
7 course of repeated and willful violations of the laws and regulations pertaining to an automotive
8 repair dealer.

9 **PRAYER**

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

12 1. Revoking or suspending Automotive Repair Dealer Registration Number ARD
13 276431, issued to ATV, Inc., doing business as American Tire Depot;

14 2. Revoking or suspending any other automotive repair dealer registration issued to
15 ATV, Inc.;

16 3. Ordering ATV, Inc. to pay the Bureau of Automotive Repair the reasonable costs of
17 the investigation and enforcement of this case, pursuant to Business and Professions Code section
18 125.3; and,

19 4. Taking such other and further action as deemed necessary and proper.
20
21

22 DATED: January 28, 2020

/s/

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

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Exhibit C

Accusation No. 77/19-16758

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7 *Attorneys for Complainant*

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

12 In the Matter of the Accusation Against:

Case No. 77/19-16758

13 **ARA TCHAGHLASSIAN,**
14 **PRESIDENT/SECRETARY/TREASURER,**
15 **ATV, INC., DOING BUSINESS AS**
16 **AMERICAN TIRE DEPOT**
2320 Vineyard Ave.
Oxnard, CA 93036

ACCUSATION

16 Mailing Address:
14407 Alondra Blvd.
17 La Mirada, CA 90638

18 Automotive Repair Dealer Registration No.
19 ARD 280032

20 Respondent.

21 **PARTIES**

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

26 ///

27 ///

2. On or about April 23, 2015, the Bureau issued Automotive Repair Dealer ("ARD") Registration Number ARD 272962 to Respondent Ara Tchaghlassian, President/Secretary/Treasurer, ATV, Inc., doing business as American Tire Depot ("Respondent"). The Automotive Repair Dealer Registration was in full force and effect at all times relevant to the charges brought herein and will expire on April 30, 2020, unless renewed.

JURISDICTION

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

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

5. Section 9884.7 of the Code provides that the Director may revoke an automotive repair dealer registration.

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

STATUTORY PROVISIONS

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

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

(a) The director, where the automotive repair dealer cannot show there was a bona fide error, may deny, suspend, revoke, or place on probation the registration of an automotive repair dealer for any of the following acts or omissions related to 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.

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

(4) Any other conduct which constitutes fraud.

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

9. Section 9884.8 of the Code states, in pertinent part:

All work done by an automotive repair dealer, including all warranty work, 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 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 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 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 equipment manufacturer crash parts or nonoriginal equipment manufacturer aftermarket crash parts. One copy of the invoice shall be given to the customer and one copy shall be retained by the automotive repair dealer.

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

(a) The automotive repair dealer shall give to the customer a written estimated price for labor and parts necessary for a specific job, except as provided in subdivision (e). No work shall be done and no charges shall accrue before authorization to proceed is obtained from the customer. No charge shall be made for work done or parts supplied in excess of the estimated price, or the posted price specified in subdivision (e), without the oral or written consent of the customer that shall be obtained at some time after it is determined that the estimated or posted price is insufficient and before the work not estimated or posted is done or the parts not estimated or posted are supplied. Written consent or authorization for an increase in the original estimated or posted price may be provided by electronic mail or facsimile transmission from 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 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, 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:

///
///

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

3 _____

4 _____ (signature or initials)"

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

8 **REGULATORY PROVISIONS**

9 11. California Code of Regulations, title 16, section 3353, states, in pertinent part:

10 "An estimate shall be provided to and authorized by the customer before any work
11 commences. The estimate shall meet the requirements of Business and Professions
12 Code section 9884.9 as well as the following:

13 (a) Estimate for Parts and Labor. Every automotive repair dealer shall give to
14 each customer an estimate containing the estimated price for parts and labor for
15 a specific job prior to obtaining authorization. Each part listed in the estimate
16 shall be new unless specifically identified as a used, rebuilt, or reconditioned
17 part. . . .

18 12. California Code of Regulations, title 16, section 3356, states, in pertinent part:

19 "(b) The invoice shall show the automotive repair dealer's registration number and the
20 corresponding business name and address as shown in the Bureau's records."

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

22 "No automotive repair dealer shall publish, utter, or make or cause to be published, uttered,
23 or made any false or misleading statement or advertisement which is known to be false or
24 misleading, or which by the exercise of reasonable care should be known to be false or
25 misleading. . . ."

26 **COST RECOVERY PROVISION**

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

UNDERCOVER OPERATION

15. The Bureau received an enforcement tip that Respondent was using a coupon advertisement for a free alignment check to oversell unneeded parts and services to unsuspecting customers. After receiving the tip, the Bureau initiated an investigation into Respondent's activities and conducted an undercover run using a Bureau vehicle.

16. From October 3, 2019, to October 10, 2019, a Bureau Representative inspected and documented the condition of the Bureau's 2007 Toyota (the "Toyota") at the Bureau's Forensic Documentation Laboratory. As part¹ of his documentation of the Toyota, the Bureau Representative took the following actions with respect to the Toyota:

- i. He inspected, replaced with new parts, marked, and photographed the following components: front and rear struts, front lower control arms, lower ball joints, and front and rear stabilizer links.
- ii. He performed a four-wheel alignment. He obtained a printout indicating that the Toyota's suspension system was properly aligned. He installed and photographed tamper indicators on adjuster jam nuts to identify if later adjustments have been made to the suspension components.
- iii. He inspected, marked, and photographed the Toyota's tires. The tire tread depths measured between 5/32" and 7/32" on all four tires. The treadwear minimum specifications are 2/32" for steering tires and 1/32" for non-steering tires. The manufacturer's specification for tire air pressure is 30 psi. The tires were documented to be in good, serviceable condition and not in need of replacement.

17. The Bureau Representative then lowered the air pressure in the right front tire to 18 psi. This introduced a malfunction which resulted in the Toyota pulling to the right under normal driving conditions. The Bureau Representative road tested the Toyota again and confirmed that the Toyota performed normally but pulled to the right. The only repair necessary to correct this

¹ Not all aspects of the Bureau Representative's documentation of the Toyota are outlined herein. Only the relevant aspects of his documentation are listed.

1 introduced malfunction was to inspect the tire pressure and fill the right front tire with air to the
2 manufacturer's specification (30 psi).

3 18. On October 23, 2019, at approximately 0934 hours, an Undercover Operator took the
4 Toyota to Respondent's station. The Undercover Operator met someone named "Cesar," and told
5 Cesar that the Toyota was pulling to the right when driven. She also provided Cesar with
6 Respondent's coupon for a free alignment check and for \$20.00 off an alignment service.
7 Respondent then performed an alignment inspection on the Toyota. Respondent did not provide
8 the Undercover Operator with an estimate or a work order prior to commencing work on the
9 Toyota.

10 19. At approximately 1053 hours, Cesar informed the Undercover Operator that the
11 Toyota required replacement of both the front and rear passenger side tires. Cesar later informed
12 the Undercover Operator that the Toyota required replacement of the front passenger side tire and
13 the rear driver side tire. Cesar also stated that the vehicle required a four-wheel alignment. Cesar
14 quoted \$280.00 for these repairs. The Undercover Operator authorized the repairs and requested
15 the old tires be put in the vehicle's trunk.

16 20. Respondent completed the repairs on the Toyota that day. At approximately 1339
17 hours, the Undercover Operator returned to Respondent's station and paid \$280.00, received a
18 final invoice for the repairs, and left the station with the Toyota.

19 21. On November 12, 2019, the Bureau Representative inspected the Toyota with
20 Respondent's work order. The Bureau Representative observed that all alignment tamper
21 indicators were broken, indicating adjustments had been made as stated on the work order. He
22 also observed that the right front tire had been moved to the right rear tire of the Toyota, and the
23 tire pressure adjusted to manufacturer's specification. Two new tires were installed to the front
24 axle of the Toyota. However, the two tires that were replaced were not in need of replacement.
25 The replaced tires were returned with the Toyota, and the Bureau Representative again confirmed
26 that these tires were the two tires originally on the vehicle and that they did not need to be
27 replaced. The Bureau Representative inspected the alignment of the Toyota and found that the
28 Vehicle's suspension system was out of alignment as received from Respondent. In reviewing

Respondent's work order, the Bureau Representative noted that Respondent failed to disclose the location of the new tires or the fact that Respondent moved the right front tire to the right rear tire. The work order also has blank spaces for tire pressure, tread depth, and brake pad thickness that Respondent failed to record on the work order.

FIRST CAUSE FOR DISCIPLINE

(Untrue or Misleading Statements)

22. Respondent's registration is subject to disciplinary action pursuant to Business and Professions Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized statements which he knew or in the exercise of reasonable care should have known to be untrue or misleading, as follows:

a. Respondent's employee represented to the Undercover Operator that Toyota required replacement of both the front and rear passenger side tires. The same employee later informed the Undercover Operator that the Toyota required replacement of the front passenger side tire and the rear driver side tire. These statements were false and misleading and resulted in the Undercover Operator authorizing unnecessary repairs to the Toyota. The true facts were that the Toyota's four tires were in good, serviceable condition and did not need to be replaced. The only needed repair for the Toyota was to fill the front right tire with air to meet the minimum manufacturer's specifications. Respondent charged for and received payment for unnecessary work based on this false representation.

b. Respondent's employee represented to the Undercover Operator that the Toyota required a four-wheel alignment. This statement was false and misleading and resulted in the Undercover Operator authorizing unnecessary repairs to the Toyota. The Toyota's suspension system was properly aligned and the four-wheel alignment was not necessary. The only needed repair for the Toyota was to fill the front right tire with air to meet the minimum manufacturer's specifications. Respondent charged for and received payment for unnecessary work based on this false representation.

Complainant refers to and by this reference incorporates the allegations set forth above in paragraphs 15-21, inclusive, as though fully set forth herein.

1 **SECOND CAUSE FOR DISCIPLINE**

2 **(Fraud)**

3 23. Respondent's registration is subject to disciplinary action pursuant to Business and
4 Professions Code section 9884.7, subdivision (a)(4), in that Respondent committed acts
5 constituting fraud, as fully outlined in Paragraph 22, above. Complainant refers to and by this
6 reference incorporates the allegations set forth above in paragraphs 15-21, inclusive, as though
7 fully set forth herein.

8 **THIRD CAUSE FOR DISCIPLINE**

9 **(Violations of Regulations)**

10 24. Respondent's registration is subject to disciplinary action pursuant to Business and
11 Professions Code section 9884.7, subdivision (a)(6), in that Respondent failed to comply with
12 provisions of California Code of Regulations, title 16, in the following material respects:

13 a. **Section 3353(a)**: Respondent failed to provide the Undercover Operator with a
14 written estimate for parts and labor prior to obtaining authorization for the work, as fully outlined
15 in Paragraphs 15-21, above.

16 b. **Section 3356(b)**: The name displayed on Invoice No. 53230 is "American Tire Depot
17 Oxnard," does not match Bureau records. Bureau records indicate that Respondent's business
18 name is "American Tire Depot," and this is the name that should have appeared on the invoice.

19 c. **Section 3371**: Respondent made false or misleading statements which he knew to be
20 false or misleading, or which by the exercise of reasonable care should have known to be false or
21 misleading, as fully outlined in Paragraph 22, above.

22 Complainant refers to and by this reference incorporates the allegations set forth above in
23 paragraph 15-21, inclusive, as though fully set forth herein.

1 **FOURTH CAUSE FOR DISCIPLINE**

2 **(Failure to Comply with Statutes)**

3 25. Respondent's registration is subject to disciplinary action pursuant to Business and
4 Professions Code section 9884.7, subdivision (a)(6), in that Respondent violated the following
5 provisions of the Business and Professions Code:

6 a. **Section 9884.7, subdivision (a)(1):** As outlined above, Respondent made or
7 authorized statements which he knew or in the exercise of reasonable care should have known to
8 be untrue or misleading.

9 b. **Section 9884.7, subdivision (a)(4):** As outlined above, Respondent committed acts
10 constituting fraud relating to the repairs he performed on the Toyota.

11 c. **Section 9884.7, subdivision (a)(6):** As outlined above, Respondent failed to comply
12 with provisions of title 16 of the California Code of Regulations.

13 d. **Section 9884.8:** As outlined above, Respondent failed to accurately record on
14 Invoice No. 53230 the dealer name as it appears in Bureau records. Respondent also failed to
15 record on Invoice No. 53230 all work performed on the Toyota.

16 e. **Section 9884.9, subdivision (a):** As outlined above, Respondent failed to provide
17 the Undercover Operator with a written estimate for parts and labor prior to obtaining
18 authorization for the work.

19 Complainant refers to and by this reference incorporates the allegations set forth above in
20 paragraphs 15-21, inclusive, as though fully set forth herein.

21 **OTHER MATTERS**

22 26. Pursuant to Business and Professions Code section 9884.7, subdivision (c), the
23 Director may suspend, revoke, or place on probation the registration for all places of business
24 operated in this State by Respondent, upon a finding that Respondent has, or is, engaged in a
25 course of repeated and willful violations of the laws and regulations pertaining to an automotive
26 repair dealer.

27 ///

28 ///

PRAYER

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

1. Revoking or suspending Automotive Repair Dealer Registration Number ARD 280032, issued to Ara Tchaghlassian, President/Secretary/Treasurer, ATV, Inc., doing business as American Tire Depot;

2. Revoking or suspending any other automotive repair dealer registration issued to Ara Tchaghlassian, President, ATV, Inc.;

3. Ordering Ara Tchaghlassian 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,

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

DATED: March 5, 2020

Signature on file

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

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54167493.doc

Exhibit D

Accusation No. 77/18-11139

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7 *Attorneys for Complainant*

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

12 In the Matter of the Accusation Against:

Case No. 77/18-11139

13 **ARA TCHAGHLASSIAN,**
14 **PRESIDENT/SECRETARY/TREASURER,**
15 **ATV, INC., DOING BUSINESS AS**
16 **AMERICAN TIRE DEPOT**
2528 N. Lakewood Blvd.
Long Beach, CA 90815

ACCUSATION

16 Mailing Address:
14407 Alondra Blvd.
17 La Mirada, CA 90638

18 Automotive Repair Dealer Registration No.
19 ARD 272962

20 Respondent.

21 **PARTIES**

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

25 ///

26 ///

2. On or about May 9, 2013, the Bureau issued Automotive Repair Dealer (“ARD”) Registration Number ARD 272962 to Respondent Ara Tchaghlassian, President/Secretary/Treasurer, ATV, Inc., doing business as American Tire Depot (“Respondent”). The Automotive Repair Dealer Registration was in full force and effect at all times relevant to the charges brought herein and will expire on May 31, 2020, unless renewed.

JURISDICTION

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

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

5. Section 9884.7 of the Code provides that the Director may revoke an automotive repair dealer registration.

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

STATUTORY PROVISIONS

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

8. Section 9884.7 of the Code states:

(a) The director, where the automotive repair dealer cannot show there was a bona fide error, may deny, suspend, revoke, or place on probation the registration of an automotive repair dealer for any of the following acts or omissions related to 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.

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

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

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

(7) Any willful departure from or disregard of accepted trade standards for 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. . . .

9. Section 9884.8 of the Code states in pertinent part:

All work done by an automotive repair dealer, including all warranty work, 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 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 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 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 equipment manufacturer crash parts or nonoriginal equipment manufacturer aftermarket crash parts. One copy of the invoice shall be given to the customer and one copy shall be retained by the automotive repair dealer.

REGULATORY PROVISIONS

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

“No automotive repair dealer shall publish, utter, or make or cause to be published, uttered, or 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 false or misleading. . . .”

11. California Code of Regulations, title 16, section 3373, states:

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

COST RECOVERY PROVISION

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

UNDERCOVER OPERATION NO. 1

13. A Bureau Representative inspected and documented the condition of the Bureau's 2002 Nissan (the "Nissan") at the Bureau's Forensic Documentation Laboratory. The Bureau Representative examined the Nissan's engine lubricating oil and filter, engine cooling system coolant, engine accessory drive belts, automatic transaxle fluid, power steering system fluid, brake fluid, ignition system, fuel system, emissions control system, engine air filter and throttle body, the condition of the vehicle suspension struts, suspension alignment, and the tire and wheel assemblies. The Nissan is equipped with a four cylinder 1.8-liter California emissions certified engine and an automatic transaxle.

14. As part¹ of his documentation of the Nissan, the Bureau Representative took the following actions with respect to the Nissan:

- i. He inspected the drive belts and observed that they had no signs of surface cracking, pilling, or chunking. He performed two tests on the belts which revealed that they exhibited minimal wear.
- ii. He observed that the air conditioning/alternator and power steering pump drive belts were in good, serviceable condition.
- iii. He drained the power steering fluid from the fluid reservoir. He cleaned the power steering fluid reservoir and added Nissan clean power steering fluid from a sealed package.

¹ Not all aspects of the Bureau Representative's documentation of the Nissan are outlined herein. Only the relevant aspects of his documentation are listed.

- 1 iv. Regarding the brake system, he removed brake fluid from the brake master cylinder
2 fluid reservoir. He installed a brake hydraulic system pressure bleeding tank and filled
3 the pressure bleeding tank with brake fluid from sealed containers.
- 4 v. Regarding the engine, he removed and reinstalled the spark plugs and coil-on-plug
5 (“COP”) ignition coils.
- 6 vi. He installed a new fuel pump and fuel filter. He performed an engine ignition system
7 oscilloscope test, which revealed that all the spark plugs and COPs were in good,
8 serviceable condition.

9 15. The Bureau Representative created a short circuit to ground inside the number three
10 cylinder spark plug. The defect he created would not allow the spark plug to ignite the air/fuel
11 mixture inside the number three cylinder combustion chamber. The Bureau Representative then
12 test drove the Nissan and observed that the engine had a noticeable lack of power and ran rough.
13 The introduced defect illuminated the Nissan’s Malfunction Indicator Light (“MIL”), and the MIL
14 flashed on and off under acceleration and at cruising speeds. The only repair required to correct
15 the illuminated MIL and the engine misfire in the Nissan was the replacement of engine spark
16 plugs.

17 16. On February 12, 2019, at approximately 1015 hours, an Undercover Operator took
18 the Nissan to Respondent’s station. The Undercover Operator met someone named “Darren,” and
19 told Darren that the “check engine” light is on and asked for a diagnosis. Darren gave the
20 Undercover Operator a document and told him to complete the shaded areas (his name, address,
21 and telephone number). The Undercover Operator completed the shaded portions of the
22 document and told Darren that the Nissan’s check engine light has been on for “a couple days” and
23 that “it runs rough at an idle, but smooths out when driving.” Darren told the Undercover
24 Operator that a diagnosis would cost \$65.00 and would take approximately two hours. The
25 Undercover Operator agreed to the cost estimate and left the station.

26 17. Later that day, at approximately 1315 hours, the Undercover Operator called
27 Respondent’s station to check on the status of the Nissan. Darren made the following statements
28 to the Undercover Operator:

- 1 i. Darren informed the Undercover Operator that the engine had a misfire. He
2 recommended performing an engine tune up. Darren informed the Undercover
3 Operator that a tune up included a fuel injection service and spark plug replacement.
- 4 ii. Darren informed the Undercover Operator that an engine coil needed to be replaced
5 because it was worn out.
- 6 iii. Darren told the Undercover Operator that the brake fluid and power steering fluid
7 needed to be replaced because they were “really bad” and should be replaced every
8 30,000 miles.
- 9 iv. Darren told the Undercover Operator that the power steering and the serpentine belts
10 needed to be replaced because “they have cracks and are worn out.”

11 Darren quoted \$755.00, including tax, to complete all the recommended repairs. The Undercover
12 Operator authorized the recommended repairs.

13 18. On February 13, 2019, at approximately 0940 hours, the Undercover Operator
14 returned to Respondent’s station to pick up the Nissan. The Undercover Operator paid his bill and
15 received Invoice No. 860019996. The Undercover Operator left with the Nissan. Respondent’s
16 Invoice makes the following statements:

- 17 i. “Fuel injection service suggested for performance upgrade.”
- 18 ii. “Suggested the two belts they are cracked.”
- 19 iii. “Suggested the power steering flush and the brake fluid exchange for performance
20 upgrade.”

21 19. On February 13, 2019, the Bureau Representative inspected the Nissan to verify that
22 Respondent completed the work as outlined in Invoice No. 860019996. The Bureau
23 Representative concluded that replacement of the number three cylinder COP he installed on the
24 Nissan was in good, serviceable condition when the Undercover Operator took the Nissan to
25 Respondent’s station. Thus, it did not need replacement as stated by Respondent. The Nissan’s
26 fuel injectors and air intake system were in good, serviceable condition, and thus the Fuel Injection
27 Service and Fuel System Service recommended by Respondent were not necessary. The Nissan’s
28 brake fluid did not need replacing when the Undercover Operator took the Nissan to Respondent’s

1 station. Thus, the brake fluid exchange and brake fluid service system repair recommended by
2 Respondent were not needed. The Nissan's power steering fluid did not need replacing when the
3 Undercover Operator took the Nissan to Respondent's station. Thus, the power steering flush
4 service recommended by Respondent was not needed. The Nissan's air conditioning/alternator
5 and power steering pump drive belt were in good, serviceable condition when the Undercover
6 Operator took the Nissan to Respondent's station. Thus, Respondent's statement that these two
7 belts "are cracked," requiring replacement, was false.

8 20. Upon inspecting the Nissan, the Bureau Representative discovered that Respondent
9 did not complete the "fuel system service" and "brake fluid exchange" as invoiced. Respondent
10 failed to perform the fuel system service, as evidenced by undisturbed tamper indicators on the fuel
11 system, MAF² sensor, air cleaner cover, engine air intake system ducting, and fuel tank filler cap.
12 If Respondent had performed a fuel injection service, each of these tamper indicators would have
13 been broken. There was also an undisturbed identification mark inside the throttle body that
14 would have been removed had Respondent performed a fuel system service. Respondent failed to
15 perform the brake fluid exchange, as evidenced by undisturbed tamper indicators on each of the
16 Nissan's four brake caliper bleed screws. If the brake fluid exchange had been performed, each of
17 these tamper indicators would have been broken.

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28 ² "MAF" stands for "Mass Air Flow."

21. The following chart reflects the cost of parts and labor not needed, or parts and labor billed but not performed:

<u>TABLE 1</u>		
<u>Description</u>	<u>Labor</u>	<u>Parts</u>
Power Steering Belt	\$0.00	\$40.00
Drive Belt	\$0.00	\$45.00
Coil (Ignition)	\$0.00	\$165.00
Fuel System Service	\$50.00	\$39.95
Brake Fluid Exchange	\$60.00	\$29.95
Power Steering Flush Service	\$40.00	\$49.95
////////////////////////////////////		
Subtotal Labor	\$150.00	
Subtotal Parts	\$369.85	
SUBTOTAL	\$519.85	
Sales Tax @ 10.25%	\$37.90	
GRAND TOTAL	\$557.75	

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1 **FIRST CAUSE FOR DISCIPLINE**

2 **(Untrue or Misleading Statements)**

3 22. Respondent's registration is subject to disciplinary action pursuant to Business and
4 Professions Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized
5 statements which he knew or in the exercise of reasonable care should have known to be untrue or
6 misleading, as follows:

7 a. Respondent represented to the Undercover Operator that one of the Nissan's ignition
8 coils needed to be replaced because it was "worn out." This statement was false and misleading
9 and resulted in the Undercover Operator authorizing unnecessary repairs to the Nissan. The true
10 facts were that the ignition coil was in good, serviceable condition and the only needed repairs for
11 the Nissan was a cylinder number three spark plug replacement. Respondent charged for and
12 received payment for unnecessary work based on this false representation.

13 b. Respondent represented to the Undercover Operator that the Nissan's power steering
14 and serpentine belts needed to be replaced because "they have cracks and are worn out." This
15 statement was false and misleading and resulted in the Undercover Operator authorizing
16 unnecessary repairs to the Nissan. The true facts were that the Nissan's power steering and
17 serpentine belts were in good, serviceable condition, and they were not cracked or worn. The only
18 needed repairs for the Nissan was a cylinder number three spark plug replacement. Respondent
19 charged for and received payment for unnecessary work based on this false representation.

20 c. Respondent represented to the Undercover Operator that the Nissan's brake fluid and
21 power steering fluid needed replacement because they were "really bad" and "should be replaced
22 every thirty thousand miles." This statement was false and misleading and resulted in the
23 Undercover Operator authorizing unnecessary repairs to the Nissan. The true facts were that the
24 Nissan's brake fluid and power steering fluid were in good, serviceable condition and the only
25 needed repairs for the Nissan was a cylinder number three spark plug replacement. Respondent
26 charged for and received payment for unnecessary work based on this false representation.

27 d. Respondent represented on Invoice No. 860019996 that it performed a fuel system
28 service and received compensation from the Undercover Operator for completing this service.

1 This statement was false and misleading. The true facts were that Respondent failed to complete
2 the fuel system service as evidenced by undisturbed tamper indicators on the fuel system, MAF
3 sensor, air cleaner cover, engine air intake system ducting, and fuel tank filler cap, and an
4 undisturbed identification mark inside the throttle body. If Respondent had completed the fuel
5 system service as stated on its invoice, each of these tamper indicators would have been broken
6 and the identification marks inside the throttle body would be gone.

7 e. Respondent represented on Invoice No. 860019996 that it completed a brake fluid
8 exchange on the Nissan. This statement was false and misleading. The true facts were that
9 Respondent failed to perform the brake fluid exchange, as evidenced by unbroken tamper
10 indicators on each of the Nissan's four brake caliper bleed screws. If the brake fluid exchange had
11 been performed, each of the tamper indicators would have been broken since this repair requires
12 the bleed screws to be opened.

13 Complainant refers to and by this reference incorporates the allegations set forth above in
14 paragraphs 13-21, inclusive, as though fully set forth herein.

15 **SECOND CAUSE FOR DISCIPLINE**

16 **(Fraud)**

17 23. Respondent's registration is subject to disciplinary action pursuant to Business and
18 Professions Code section 9884.7, subdivision (a)(4), in that Respondent committed acts
19 constituting fraud, as fully outlined in Paragraph 22, above. Complainant refers to and by this
20 reference incorporates the allegations set forth above in paragraphs 13-22, inclusive, as though
21 fully set forth herein.

22 **THIRD CAUSE FOR DISCIPLINE**

23 **(Violations of Regulations)**

24 24. Respondent's registration is subject to disciplinary action pursuant to Business and
25 Professions Code section 9884.7, subdivision (a)(6), in that Respondent failed to comply with
26 provisions of California Code of Regulations, title 16, in the following material respects:
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28

1 c. **Section 3371:** Respondent made false or misleading statements which he knew to be
2 false or misleading, or which by the exercise of reasonable care should have known to be false or
3 misleading, as fully outlined in Paragraph 22, above.

4 d. **Section 3373:** Respondent wrote on Invoice No. 860019996 for services performed
5 on the Nissan that Respondent completed a fuel system service and a brake fluid exchange.
6 However, as fully outlined above, these statements were false or misleading because Respondent
7 failed to complete these services on the Nissan.

8 Complainant refers to and by this reference incorporates the allegations set forth above in
9 paragraphs 13-22, inclusive, as though fully set forth herein.

10 **FOURTH CAUSE FOR DISCIPLINE**

11 **(Failure to Comply with Statutes)**

12 25. Respondent's registration is subject to disciplinary action pursuant to Business and
13 Professions Code section 9884.7, subdivision (a)(6), in that Respondent violated the following
14 provisions of the Business and Professions Code:

15 a. **Section 9884.7, subdivision (a)(1):** As outlined above, Respondent made or
16 authorized statements which he knew or in the exercise of reasonable care should have known to
17 be untrue or misleading.

18 b. **Section 9884.7, subdivision (a)(4):** As outlined above, Respondent committed acts
19 constituting fraud relating to the repairs he performed on the Nissan.

20 c. **Section 9884.7, subdivision (a)(6):** As outlined above, Respondent failed to comply
21 with provisions of title 16 of the California Code of Regulations.

22 d. **Section 9884.8:** As outlined above, Respondent failed to accurately record all work
23 completed by Respondent on the Nissan and all parts Respondent supplied for the Nissan on
24 Invoice No. 860019996. Specifically, as outlined above, Respondent made false and misleading
25 statements on Invoice No. 860019996 regarding the work it completed on the Nissan and parts it
26 supplied for the Nissan.

27 Complainant refers to and by this reference incorporates the allegations set forth above in
28 paragraphs 13-22, inclusive, as though fully set forth herein.

UNDERCOVER OPERATION NO. 2

26. A Bureau Representative inspected and documented the condition of the Bureau's 2005 Chevrolet (the "Chevy") at the Bureau's Forensic Documentation Laboratory. The Bureau Representative examined the Chevy's ignition system, fuel system, air intake system, front and rear shock absorbers, brake fluid, windshield washer fluid, and engine oil and filter. The Chevy is equipped with an eight cylinder 4.8-liter gasoline engine, fuel injection, automatic transmission, four-wheel drive, and antilock brakes.

27. As part³ of his documentation of the Chevy, the Bureau Representative took the following actions with respect to the Chevy:

- i. He removed and inspected the spark plugs. The spark plugs had no signs of fouling, wear, or damage. He installed new spark plug wires. The Chevy's spark plugs and spark plug wires were documented to be in good working condition.
- ii. He inspected the existing ignition coils. The ignition coils showed no signs of arcing or damage. The Chevy's ignition coils were documented to be in good working condition.
- iii. He inspected the Chevy's fuel system. He documented the fuel system pressure to be within manufacturer's specifications. He checked the resistance of all eight fuel injectors and found them within manufacturer's specifications. He tested each fuel injector, and they all exhibited normal operation.
- iv. He performed a road test of the Chevy and the vehicle performed with no drivability issues and the MIL indicator remained off.
- v. He removed and inspected the throttle body and cleaned the throttle plate and bore. Using a black Sharpie pen, the Bureau Representative placed marks on the throttle plate and bore to detect cleaning.
- vi. He installed tamper indicators in the following areas of the Chevy: on the engine air cleaner outlet duct, on the brake fluid reservoir cap, on the throttle body, on the

³ Not all aspects of the Bureau Representative's documentation of the Chevy are outlined herein. Only the relevant aspects of his documentation are listed.

1 positive crankcase ventilation system hoses, on the purge valve, on the engine cover
2 mounting plate, on the fuel line at the fuel tank and fuel crossover tube, on the fuel
3 crossover tube to the fuel rails, on the fuel pressure test port, on the engine air cleaner
4 housing lid, on the windshield washer fluid reservoir, and on the gas cap.

5 28. After documenting that the Chevy was in good, serviceable condition, the Bureau
6 Representative removed the spark plug from the number four cylinder. He introduced a defect by
7 creating a short to ground within the spark plug that will cause a misfire for that cylinder. He
8 reinstalled the spark plug and performed multiple road tests with the Chevy. The Chevy ran rough
9 with poor acceleration. The MIL indicator came on and flashed intermittently. Replacement of
10 the number 4 spark plug (with the clearing of the diagnostic codes from the Chevy's computer's
11 memory) is the only repair necessary to correct this introduced malfunction and to correct the
12 drivability issues with the Chevy and the illuminated MIL indicator.

13 29. On May 29, 2019, at approximately 1010 hours, an Undercover Operator took the
14 Chevy to Respondent's station. The Undercover Operator met with a man who identified himself
15 as "Darren." The Undercover Operator informed Darren that the Chevy's "engine is running
16 rough" and confirmed the MIL light was illuminated. Darren told the Undercover Operator that it
17 "sounds like a misfire," and that the Chevy "most likely needs a tune up." Darren explained that a
18 tune up includes replacing the spark plugs and performing a fuel injection service, which consisted
19 of putting a chemical cleaner in the intake to burn off all the carbon deposits in the engine.

20 30. On May 29, 2019, at approximately 1130 hours, the Undercover Operator received a
21 call from Darren. Darren told the Undercover Operator that Respondent inspected the Chevy and
22 found two cylinders misfiring because two ignition coils were bad. He "definitely recommended"
23 performing an engine tune up and replacing two ignition coils. Darren then told the Undercover
24 operator that although the other six ignition coils were still working, he recommended replacing all
25 the ignition coils because they "were old and will eventually fail." Darren quoted "\$398.00 for the
26 tune up, \$90.00 for each of the two coils, [and] the total charge would be \$578.00 including tax."
27 The Undercover Operator authorized these repairs. At approximately 1145 hours, the Undercover
28 Operator called Darren and told him to replace the other six ignition coils as he recommended.

1 31. Approximately five minutes later, Darren called the Undercover Operator back and
2 recommended “upgrading” the ignition coils to “standard premium coils,” which were “just like
3 OEM and are A/C Delco equivalent.” The upgraded coils were an additional \$15.00 per coil, “but
4 were better than the usual ignition coils they install.” Darren told the Undercover Operator the
5 total cost to repair the Chevy would be \$1,240.00. The Undercover Operator authorized the
6 installation of the standard premium coils.

7 32. On May 29, 2019, at approximately 1525 hours, the Undercover Operator returned to
8 Respondent’s station to pick up the Chevy. The Undercover Operator received Invoice No. 45584
9 for \$1,223.20. Darren told the Undercover Operator he took \$20.00 off the invoice for the
10 extended wait time and offered a complimentary engine oil change for the inconvenience. The
11 Undercover Operator asked Darren what was wrong with the Chevy’s ignition coils, and Darren
12 told him they were “burned out,” and it was “a good thing you replaced all of them.” The
13 Undercover Operator asked Darren what was wrong with the Chevy’s spark plugs. Darren went
14 to the shop, retrieved three spark plugs from a work bench, showed them to the Undercover
15 Operator, and stated they were “worn down and should be longer.” Darren pointed to some black
16 residue on the spark plugs and told the Undercover Operator that it was carbon and “that is why
17 they did the EFI service.”⁴ The Undercover Operator paid Respondent \$1,223.00 in cash, and
18 Darren waived the additional \$0.20. The Undercover Operator then left Respondent’s station with
19 the Chevy.

20 33. Respondent’s Invoice No. 45584 makes the following statements with respect to the
21 repairs Respondent completed on the Chevy:

- 22 i. “Engine Code PO 300 and 304 cylinder misfire. . . . Suggested the two coils and the
23 tune up with spark plugs and the fuel injection service Customer request all coils
24 to be changed.”

25 34. On or about May 30, 2019, the Bureau Representative inspected the Chevy to verify
26 that Respondent completed the work as outlined in Invoice No. 45584. The Bureau

27 _____
28 ⁴ “EFI” stands for “Engine Fuel Injection.”

1 Representative's inspection of the Chevy revealed the following information regarding

2 Respondent's repairs to the Chevy:

- 3 i. Respondent's invoice stated that the "Fuel System Service" included "[a]ttach[ing]
4 cleaning tools to the fuel system," "[c]lean[ing] deposits from fuel injectors,"
5 "[r]emov[ing] deposit build up from intake valves," "[c]lean[ing] combustion chamber
6 deposits," and "[r]emov[ing] deposits from entire air intake system." Respondent also
7 charged the Undercover Operator for one unit of "fuel system cleaner," part number
8 PR2112. However, this fuel system service was not necessary to correct the Chevy's
9 drivability issues and illuminated MIL indicator.
- 10 a. The Bureau Representative discovered that cleaning tools were not attached to
11 introduce any type of fuel system cleaner into the pressurized portion of the fuel
12 system, as evidenced by the unbroken tamper indicators he placed on this system.
- 13 b. The throttle plate and bore were not cleaned. Therefore, Respondent failed to
14 "[r]emove deposits from the entire air intake system," as invoiced and billed to the
15 Undercover Operator.
- 16 ii. Respondent replaced the ignition coils, as invoiced and billed to the Undercover
17 Operator. However, replacement of the ignition coils was not necessary to correct the
18 Chevy's drivability issues and illuminated MIL indicator.

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35. The following chart reflects the cost of parts and labor not needed, or parts and labor billed but not performed:

<u>TABLE 2</u>		
<u>Description</u>	<u>Labor</u>	<u>Parts</u>
Coil (Ignition)	\$0.00	\$782.20
Fuel System Service	\$50.00	\$39.95
////////////////////////////////////		
Subtotal Labor	\$50.00	
Subtotal Parts	\$822.15	
SUBTOTAL	\$872.20	
Sales Tax @ 10.25%	\$84.27	
GRAND TOTAL	\$956.42	

FIFTH CAUSE FOR DISCIPLINE

(Untrue or Misleading Statements)

36. Respondent's registration is subject to disciplinary action pursuant to Business and Professions Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized statements which he knew or in the exercise of reasonable care should have known to be untrue or misleading, as follows:

a. Respondent represented to the Undercover Operator that the Chevy had two cylinders misfiring because two ignition coils were bad. This statement was false and misleading and resulted in the Undercover Operator authorizing unnecessary repairs to the Chevy. The true facts were that the ignition coil was in good, serviceable condition and the only needed repairs for the

1 Chevy was replacement of the number 4 spark plug (with the clearing of the diagnostic codes from
2 the Chevy's computer's memory).

3 b. Respondent represented to the Undercover Operator that the Chevy's ignition coils
4 were "burned out." This statement was false and misleading. The true facts were that the
5 Chevy's ignition coils were in good, serviceable condition, and they were not "burned out." The
6 only needed repairs for the Chevy were replacement of the number 4 spark plug (with the clearing
7 of the diagnostic codes from the Chevy's computer's memory).

8 c. Respondent represented on Invoice No. 45584 that it performed a fuel injection
9 service and received compensation from the Undercover Operator for completing this service.
10 This statement was false and misleading. The true facts were that Respondent failed to complete
11 the fuel injection service as evidenced by undisturbed tamper indicators on the fuel crossover tube,
12 fuel crossover tube to the fuel rails, fuel pressure test port, engine air cleaner outlet duct, throttle
13 body, and an undisturbed identification mark inside the throttle body. If Respondent had
14 completed the fuel injection service as stated on its invoice, each of these tamper indicators would
15 have been broken and the identification marks inside the throttle body would be gone.

16 d. Respondent represented on Invoice No. 45584 that the "Fuel System Service"
17 included "[a]ttach[ing] cleaning tools to the fuel system," "[c]lean[ing] deposits from fuel
18 injectors," "[r]emov[ing] deposit build up from intake valves," "[c]lean[ing] combustion chamber
19 deposits," and "[r]emov[ing] deposits from entire air intake system." Respondent also charged the
20 Undercover Operator for one unit of "fuel system cleaner," part number PR2112. "customer
21 request[ed] all coils to be changed." This statements were false and misleading. The true facts
22 were that Respondent did not complete this service as invoiced, because Respondent did not attach
23 cleaning tools to introduce any type of fuel system cleaner into the pressurized portion of the fuel
24 system, as evidenced by the unbroken tamper indicators he placed on this system.

25 e. Respondent represented on Invoice No. 45584 that the "customer request[ed] all coils
26 to be changed." This statement was false and misleading. The true facts were that Respondent
27 recommended to the Undercover Operator that he have all the ignition coils replaced because they
28 are old and will fail.

1 Complainant refers to and by this reference incorporates the allegations set forth above in
2 paragraphs 26-35, inclusive, as though fully set forth herein.

3 **SIXTH CAUSE FOR DISCIPLINE**

4 **(Fraud)**

5 37. Respondent's registration is subject to disciplinary action pursuant to Business and
6 Professions Code section 9884.7, subdivision (a)(4), in that Respondent committed acts
7 constituting fraud, as fully outlined in Paragraph 36, above. Complainant refers to and by this
8 reference incorporates the allegations set forth above in paragraphs 26-36, inclusive, as though
9 fully set forth herein.

10 **SEVENTH CAUSE FOR DISCIPLINE**

11 **(Willful Departure from Acceptable Trade Standards)**

12 38. Respondent's registration is subject to disciplinary action pursuant to Business and
13 Professions Code section 9884.7, subdivision (a)(7), in that Respondent willfully departed from or
14 disregarded accepted trade standards for good and workmanlike repair a material respect, which is
15 prejudicial to another without consent of the owner or his or her duly authorized representative.
16 Acceptable trade standards for the installation of ignition coils requires securing each ignition coil
17 with two bolts. Respondent failed to install ignition coil numbers one, five, and seven in a good
18 and workmanlike manner. Ignition coils one and seven were attached with only one bolt, and
19 ignition coil number five had one bolt that was cross-threaded. Complainant refers to and by this
20 reference incorporates the allegations set forth above in paragraphs 26-36, inclusive, as though
21 fully set forth herein.

22 **SEVENTH CAUSE FOR DISCIPLINE**

23 **(Violations of Regulations)**

24 39. Respondent's registration is subject to disciplinary action pursuant to Business and
25 Professions Code section 9884.7, subdivision (a)(6), in that Respondent failed to comply with
26 provisions of California Code of Regulations, title 16, in the following material respects:
27
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1 c. **Section 3371:** Respondent made false or misleading statements which he knew to be
2 false or misleading, or which by the exercise of reasonable care should have known to be false or
3 misleading, as fully outlined in Paragraph 36, above.

4 d. **Section 3373:** Respondent wrote on Invoice No. 45584 for services performed on the
5 Chevy that Respondent completed a fuel injection service and fuel system service. Respondent
6 also recorded on the invoice that the “customer request[ed] all coils to be changed.” However, as
7 fully outlined above, these statements were false or misleading because Respondent failed to
8 complete these services on the Chevy and Respondent recommended to the Undercover Operator
9 that he replace all coils because they were old and will fail.

10 Complainant refers to and by this reference incorporates the allegations set forth above in
11 paragraphs 26-36, inclusive, as though fully set forth herein.

12 **EIGHTH CAUSE FOR DISCIPLINE**

13 **(Failure to Comply with Statutes)**

14 40. Respondent’s registration is subject to disciplinary action pursuant to Business and
15 Professions Code section 9884.7, subdivision (a)(6), in that Respondent violated the following
16 provisions of the Business and Professions Code:

17 a. **Section 9884.7, subdivision (a)(1):** As outlined above, Respondent made or
18 authorized statements which he knew or in the exercise of reasonable care should have known to
19 be untrue or misleading.

20 b. **Section 9884.7, subdivision (a)(4):** As outlined above, Respondent committed acts
21 constituting fraud relating to the repairs he performed on the Chevy.

22 c. **Section 9884.7, subdivision (a)(6):** As outlined above, Respondent failed to comply
23 with provisions of title 16 of the California Code of Regulations.

24 d. **Section 9884.7, subdivision (a)(7):** As outlined above, Respondent willfully
25 departed from or disregarded accepted trade standards for good and workmanlike repair a material
26 respect, which is prejudicial to another without consent of the owner or his or her duly authorized
27 representative.

1 e. **Section 9884.8:** As outlined above, Respondent failed to accurately record all work
2 completed by Respondent on the Chevy and all parts Respondent supplied for the Chevy on
3 Invoice No. 45584. Specifically, as outlined above, Respondent made false and misleading
4 statements on Invoice No. 45584 regarding the work it completed on the Chevy and parts it
5 supplied for the Chevy.

6 Complainant refers to and by this reference incorporates the allegations set forth above in
7 paragraphs 26-36, inclusive, as though fully set forth herein.

8 **OTHER MATTERS**

9 41. Pursuant to Business and Professions Code section 9884.7, subdivision (c), the
10 Director may suspend, revoke, or place on probation the registration for all places of business
11 operated in this State by Respondent, upon a finding that Respondent has, or is, engaged in a
12 course of repeated and willful violations of the laws and regulations pertaining to an automotive
13 repair dealer.

14 **PRAYER**

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

17 1. Revoking or suspending Automotive Repair Dealer Registration Number ARD
18 272962, issued to Ara Tchaghllassian, President/Secretary/Treasurer, ATV, Inc., doing business as
19 American Tire Depot;

20 2. Revoking or suspending any other automotive repair dealer registration issued to
21 Ara Tchaghllassian;

22 3. Ordering Ara Tchaghllassian to pay the Bureau of Automotive Repair the reasonable
23 costs of the investigation and enforcement of this case, pursuant to Business and Professions Code
24 section 125.3; and,

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

DATED: January 21, 2020

- signed -

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

LA2019503859
53747871.doc

Exhibit E

Accusation No. 77/18-16720

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7 *Attorneys for Complainant*

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

12
13 In the Matter of the Accusation Against:

Case No. 77/18-16720

14 **ATV, INC., dba AMERICAN TIRE DEPOT;**
15 **ARA TCHAGHLASSIAN, President**
1402 S. Main Street
Santa Ana, CA 92707

ACCUSATION

16 Mailing Address:
17 4490 Ayers Avenue
Vernon, CA 90058

18 Automotive Repair Dealer Registration No. ARD
19 278128

20 Respondent.

21
22 **PARTIES**

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

25 2. On or about October 7, 2014, the Bureau of Automotive Repair (Bureau) issued
26 Automotive Repair Dealer Registration Number ARD 278128 to ATV, Inc., dba American Tire
27 Depot; Ara Tchaghlassian, President (Respondent). The Automotive Repair Dealer Registration
28

1 was in full force and effect at all times relevant to the charges brought herein and will expire on
2 October 31, 2020, unless renewed.

3 **JURISDICTION**

4 3. This Accusation is brought before the Director under the authority of the following
5 laws. All section references are to the Business and Professions Code (Code) unless otherwise
6 indicated.

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

11 5. Code section 477 provides that "Board" includes "bureau," "commission,"
12 "committee," "department," "division," "examining committee," "program," and "agency."
13 "License" includes certificate, registration or other means to engage in a business or profession
14 regulated by the code.

15 6. Code section 9884.13 provides, in pertinent part, that the expiration of a valid
16 registration shall not deprive the Chief of the Bureau or the Director of jurisdiction to proceed
17 with a disciplinary proceeding against an automotive repair dealer or to render a decision
18 invalidating a registration temporarily or permanently.

19 7. Code section 9884.22, subdivision (a), states:

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

25 **STATUTORY PROVISIONS**

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

27 (a) The director, where the automotive repair dealer cannot show there was a
28 bona fide error, may deny, suspend, revoke, or place on probation the registration

of an automotive repair dealer for any of the following acts or omissions related to 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.

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

....

(4) Any other conduct that constitutes fraud.

....

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

(7) Any willful departure from or disregard of accepted trade standards for 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.

....

(c) Notwithstanding subdivision (b), the director may suspend, revoke, or 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 has, or is, engaged in a course of repeated and willful violations of this chapter, or regulations adopted pursuant to it.

9. Code section 9884.9 states, in pertinent part:

(a) The automotive repair dealer shall give to the customer a written estimated price for labor and parts necessary for a specific job, except as provided in subdivision (e). No work shall be done and no charges shall accrue before authorization to proceed is obtained from the customer. No charge shall be made for work done or parts supplied in excess of the estimated price, or the posted price specified in subdivision (e), without the oral or written consent of the customer that shall be obtained at some time after it is determined that the estimated or posted price is insufficient and before the work not estimated or posted is done or the parts not estimated or posted are supplied. Written consent or authorization for an increase in the original estimated or posted price may be provided by electronic mail or facsimile transmission from 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 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, 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.

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

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

6 _____
7 (signature or initials)"

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

11

12 **REGULATORY PROVISIONS**

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

14 An estimate shall be provided to and authorized by the customer before any
15 work commences. The estimate shall meet the requirements of Business and
16 Professions Code section 9884.9 as well as the following:

17 (a) Estimate for Parts and Labor. Every automotive repair dealer shall give
18 to each customer an estimate containing the estimated price for parts and
19 labor for a specific job prior to obtaining authorization. Each part listed in
20 the estimate shall be new unless specifically identified as a used, rebuilt, or
21 reconditioned part.

22 11. CCR section 3371 states, in pertinent part:

23 No automotive repair dealer shall publish, utter, or make or cause to be
24 published, uttered, or made any false or misleading statement or
25 advertisement which is known to be false or misleading, or which by the
26 exercise of reasonable care should be known to be false or misleading."

27 12. CCR section 3373 states:

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

29 **COST RECOVERY**

30 13. Code section 125.3 provides, in pertinent part, that the Board may request the
31 administrative law judge to direct a licentiate found to have violated the licensing act to pay a

1 sum not to exceed the reasonable costs of the investigation and enforcement of the case, with
2 failure of the licentiate to comply subjecting the license to not being renewed or reinstated.

3 **FACTUAL ALLEGATIONS**

4 **Vehicle #1.**

5 14. On August 21, 2018, a Bureau representative drove his state-assigned 2008 Chevrolet
6 Impala (Vehicle #1) to Respondent's facility in Santa Ana, California (Facility) for a new set of
7 tires. The Facility has a contract to provide maintenance services on state-owned vehicles at set
8 prices. Most maintenance requires pre-approval from the Bureau, and the maintenance is
9 performed pursuant to a tire purchase approval that includes the set price for the approved
10 maintenance (Purchase Approval).

11 15. When he arrived at the Facility, the Bureau representative spoke with Rudy Torres,
12 the Facility's manager (Torres). Torres provided the representative with a work order stating the
13 Facility would install four new tires on Vehicle #1 for the pre-approved amount of \$389.23. The
14 representative signed the work order and left the vehicle at the Facility.

15 16. Later that day, Torres called the representative and told him Vehicle #1's left front
16 wheel hub bearing was making noise and needed to be replaced, and recommended a wheel
17 alignment, all of which would cost about \$350.00. The representative declined the work and
18 returned to the Facility to pick up Vehicle #1.

19 17. While the technician was at the station, Torres told the representative that, in addition
20 to the wheel hub replacement and alignment, he also recommended replacing all four suspension
21 struts because they looked original and were leaking. The representative declined the work and
22 Torres gave him an invoice. The invoice stated, "Mr. Dan, all four struts are out of date and
23 leaking, front driver side hub loose and making noise."

24 18. On September 17, 2018, a Bureau lab technician inspected Vehicle #1. The
25 technician did not hear any unusual noises during a road test of the vehicle. After the road test,
26 the technician inspected the left front hub and determined the hub nut was not torqued to
27 manufacturer specification. The technician located a Technical Service Bulletin addressing the
28 issue and followed the procedures it set forth – he replaced the driver's side hub nut and torqued

1 it to manufacturer's specifications. The technician also inspected the suspension struts on
2 Vehicle #1 and found all four were dry, not leaking, and not in need of replacement.

3 **Vehicle #2.**

4 19. On January 18, 2019, a second Bureau representative drove his state-assigned 2008
5 Chevrolet Impala (Vehicle #2) to the Facility for two new tires. The representative spoke to the
6 Facility manager, Torres, and gave him a Purchase Approval for two tires. The Purchase
7 Approval include the set contract amount for the two tires – \$194.62. Torres did not provide the
8 representative with a work order or estimate.

9 20. The representative watched a Facility technician remove and replace the two front
10 tires on Vehicle #2. Torres then presented the representative with an invoice for \$322.91 – more
11 than \$100 over the approved amount. The representative objected and Torres made a telephone
12 call. Torres told the individual on the phone that Vehicle #2 needed an alignment and new struts
13 because all four were leaking.

14 21. After the call, Torres told the representative they had “straightened it out” and the
15 alignment would be discounted to \$75.00. The representative objected that he did not authorize
16 an alignment but Torres claimed it had already been completed. The representative did not
17 observe any wheel alignment equipment installed on Vehicle #2 during the visit, and Torres did
18 not provide any alignment readings. The representative paid the contracted amount for the two
19 tires and \$75.00 for the alleged alignment.¹

20 22. On September 25, 2019, a Bureau lab technician inspected Vehicle #2. The
21 technician inspected the suspension struts on Vehicle #2 and found all four were dry, not leaking,
22 and not in need of replacement. He also found the front and rear alignment angles were out of
23 specification and relevant suspension components on Vehicle #2 showed no signs that an
24 alignment had been performed. Finally, the tire pressure on all four tires was out of specification.

25 ///

26 ///

27 _____
28 ¹ On January 24, 2019, a Bureau supervisor spoke with both Torres and a representative
from American Tire Depot's corporate office, and eventually negotiated a refund of the \$75.00.

1 **Vehicle #3.**

2 23. On April 17, 2019, an Orange County District Attorney Investigator drove a Bureau-
3 owned 2005 Pontiac (Vehicle #3) to Respondent's Facility for repairs. The Bureau had
4 previously inspected Vehicle #3 and documented that it required no maintenance other than an
5 engine oil and filter change. The investigator spoke with Torres and asked for an engine oil and
6 filter change.

7 24. Later that day, the investigator returned to the Facility to pick up Vehicle #3. Torres
8 told her the front control arm bushings were cracked and should be replaced and also
9 recommended she replace the front struts due to Vehicle #3's mileage. The investigator told
10 Torres she would consider that and left the Facility.

11 25. On April 22, 2019, a Bureau lab technician re-inspected Vehicle #3. The technician
12 found the engine oil and filter had been replaced but the engine was overfilled with engine oil and
13 the tires pressure had not been checked. Although cracks were visible on the surface of the lower
14 control arm bushings, the bushings were not loose, damaged, gouged, distorted, deformed, or
15 showing any other condition warranting replacement. The technician also found the strut
16 assemblies were undamaged, not leaking, and had no signs of seepage or fluid residue. The strut
17 assemblies did not need replacement due to damage, mileage, or any other reason.

18 26. On May 22, 2019, the investigator returned to the Facility and told Torres she had
19 returned for the repairs he recommended. Torres told her he could not find her information in the
20 computer but would inspect the vehicle and call her. Later that day, Torres informed the
21 investigator the vehicle's front control arm bushings were "blown out and torn," which would
22 "cause unstable braking." He also told her he should replace Vehicle #3's front and rear struts
23 due to the vehicle mileage, residue, and potential for leaking. The investigator approved
24 replacement of the bushings and struts.

25 27. When the investigator returned to the Facility later that day, Torres told her they were
26 also performing a wheel alignment. After paying Torres \$1,600.00, the inspector received an
27 invoice and left the Facility with Vehicle #3.

28. On May 23, 2019, a Bureau lab technician re-inspected Vehicle #3. The technician found that the lower control arm bushings and all four struts had been replaced unnecessarily. He also found that although the Facility represented it had performed a “4 wheel adjustable alignment,” Vehicle #3’s left rear camber angle was out of specification.

FIRST CAUSE FOR DISCIPLINE

(Untrue or Misleading Statements – All Vehicles)

29. Complainant re-alleges and incorporates by reference the allegations set forth above in paragraphs 14 through 28.

30. Respondent’s registration is subject to disciplinary action under Code section 9884.7, subdivision (a)(1), and CCR sections 3371 and 3373, in that Respondent made written or oral statements that were untrue or misleading, and that were known, or by the exercise of reasonable care should have been known, to be untrue or misleading as follows:

31. With respect to Vehicle #1:

(a) Respondent’s employee Rudy Torres told a Bureau representative the vehicle’s left front wheel hub bearing was making noise and needed to be replaced when it did not.

(b) Torres told a Bureau representative the vehicle’s front and rear struts needed to be replaced when they did not.

(c) Respondent’s invoice falsely stated that all four struts were out of date and leaking.

(d) Respondent’s invoice falsely stated that the front driver side hub was loose and making noise.

32. With respect to Vehicle #2:

(a) Respondent’s employee Rudy Torres told an American Tire Depot Representative in the presence and hearing of the Bureau representative that all four of the vehicle’s struts were leaking and needed to be replaced when they did not.

(b) Torres told multiple people the Facility had performed a wheel alignment it did not perform.

(c) Respondent’s invoice included a charge for a wheel alignment that was not performed.

33. With respect to Vehicle #3:

1 (a) Respondent's employee Rudy Torres told an investigator the vehicle's front control arm
2 bushings were "blown out and torn" and needed to be replaced when they did not.

3 (b) Torres told an investigator the vehicle's front and rear struts needed to be replaced due
4 to the vehicle's mileage, the presence of residue, and potential for leaking, when they did not.

5 (c) Respondent's work order documented the mileage of Vehicle #3 as 110,235 when the
6 mileage was, in fact, in excess of 111,582.

7 (d) Respondent's invoice stated that the air pressure in all four tires was 32 psi indicating
8 they checked the air pressure, when they did not.

9 **SECOND CAUSE FOR DISCIPLINE**

10 **(Fraud – Vehicle #2 and Vehicle #3)**

11 34. Complainant re-alleges and incorporates by reference the allegations set forth above
12 in paragraphs 14 through 28.

13 35. Respondent's registration is subject to disciplinary action under Code section 9884.7,
14 subdivision (a)(4), in that Respondent committed acts constituting fraud as follows: (a) with
15 respect to Vehicle #2, Respondent invoiced and charged for a wheel alignment it did not perform;
16 and (b) with respect to Vehicle #3, Respondent's employee Rudy Torres made false and
17 misleading representations to an investigator in order to induce her to authorize and pay for
18 unnecessary vehicle service, resulting in the unnecessary replacement of the vehicle's front
19 control arm bushings and front and rear struts.

20 **THIRD CAUSE FOR DISCIPLINE**

21 **(Departure from Trade Standards – Vehicle #3)**

22 36. Complainant re-alleges and incorporates by reference the allegations set forth above
23 in paragraphs 14 through 28.

24 37. Respondent's registration is subject to disciplinary action under Code section 9884.7,
25 subdivision (a)(7), in that Respondent willfully departed from or disregarded accepted trade
26 standards for good and workmanlike repair without the consent of the owner or the owner's duly
27 authorized representative when it over-filled the engine of Vehicle #3 with engine oil, and
28

1 performed a four-wheel alignment on Vehicle #3 that left the rear camber angle out of
2 specification.

3 **FOURTH CAUSE FOR DISCIPLINE**

4 **(Failure to Provide a Written Estimate – Vehicle #3)**

5 28. Respondent's registration is subject to disciplinary action under Code section 9884.7,
6 subdivision (a)(6), in that Respondent failed to comply with Code section 9884.9, subdivision (a),
7 when he failed to provide the investigator with a written estimate for parts and labor necessary for
8 a specific job.

9 **OTHER MATTERS**

10 38. Pursuant to Business and Professions Code section 9884.7, subdivision (c), the
11 Director may suspend, revoke, or place on probation the registration for all places of business
12 operated in this State by Respondent, upon a finding that Respondent has, or is, engaged in a
13 course of repeated and willful violations of the laws and regulations pertaining to an automotive
14 repair dealer.

15 ///

16 ///

PRAYER

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

1. Revoking or suspending Automotive Repair Dealer Registration Number ARD 278128, issued to ATV, Inc., Ara Tchaghlassian, President;
2. Revoking or suspending any other Automotive Repair Dealer Registration issued to Ara Tchaghlassian;
3. Ordering Ara Tchaghlassian 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
4. Taking such other and further action as deemed necessary and proper.

DATED: February 26, 2020

Signature on File

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

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71968576.docx

Exhibit F

Accusation No. 77/19-17735

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7 *Attorneys for Complainant*

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

12 In the Matter of the Accusation Against:

Case No. 77/19-17735

13 **ARA TCHAGHLASSIAN,**
14 **PRESIDENT/SECRETARY/TREASURER,**
15 **ATV, INC., DOING BUSINESS AS**
16 **AMERICAN TIRE DEPOT**
17 19791 Beach Blvd.
Huntington Beach, CA 92648

ACCUSATION

18 Mailing Address:
4490 Ayers Ave.
19 Vernon, CA 90058

20 Automotive Repair Dealer Registration No.
ARD 265879

Respondent.

21 **PARTIES**

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

26 ///

27 ///

2. On or about July 14, 2011, the Bureau issued Automotive Repair Dealer (“ARD”) Registration Number ARD 265879 to Respondent Ara Tchaghlassian, President/Secretary/Treasurer, ATV, Inc., doing business as American Tire Depot (“Respondent”). The Automotive Repair Dealer Registration was in full force and effect at all times relevant to the charges brought herein and will expire on July 31, 2020, unless renewed.

JURISDICTION

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

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

5. Section 9884.7 of the Code provides that the Director may revoke an automotive repair dealer registration.

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

STATUTORY PROVISIONS

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

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

(a) The director, where the automotive repair dealer cannot show there was a bona fide error, may deny, suspend, revoke, or place on probation the registration of an automotive repair dealer for any of the following acts or omissions related to 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.

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

(4) Any other conduct which constitutes fraud.

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

9. Section 9884.8 of the Code states, in pertinent part:

All work done by an automotive repair dealer, including all warranty work, 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 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 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 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 equipment manufacturer crash parts or nonoriginal equipment manufacturer aftermarket crash parts. One copy of the invoice shall be given to the customer and one copy shall be retained by the automotive repair dealer.

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

(a) The automotive repair dealer shall give to the customer a written estimated price for labor and parts necessary for a specific job, except as provided in subdivision (e). No work shall be done and no charges shall accrue before authorization to proceed is obtained from the customer. No charge shall be made for work done or parts supplied in excess of the estimated price, or the posted price specified in subdivision (e), without the oral or written consent of the customer that shall be obtained at some time after it is determined that the estimated or posted price is insufficient and before the work not estimated or posted is done or the parts not estimated or posted are supplied. Written consent or authorization for an increase in the original estimated or posted price may be provided by electronic mail or facsimile transmission from 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 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, 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. . . .

REGULATORY PROVISIONS

11. California Code of Regulations, title 16, section 3353, states, in pertinent part:

"An estimate shall be provided to and authorized by the customer before any work commences. The estimate shall meet the requirements of Business and Professions Code section 9884.9 as well as the following:

(a) Estimate for Parts and Labor. Every automotive repair dealer shall give to each customer an estimate containing the estimated price for parts and labor for a specific job prior to obtaining authorization. Each part listed in the estimate shall be new unless specifically identified as a used, rebuilt, or reconditioned part. . . .

12. California Code of Regulations, title 16, section 3356, states, in pertinent part:

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

"(1) All services and repairs performed, including any diagnosis or warranty repairs, and the prices for each."

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

"No automotive repair dealer shall publish, utter, or make or cause to be published, uttered, or 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 false or misleading. . . ."

14. California Code of Regulations, title 16, section 3373, states, in pertinent part:

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

1 **COST RECOVERY PROVISION**

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

8 **UNDERCOVER OPERATION**

9 16. From September 4, 2019, to November 5, 2019, a Bureau Representative inspected
10 and documented the condition of the Bureau's 2008 Toyota (the "Toyota") at the Bureau's
11 Forensic Documentation Laboratory. As part¹ of his documentation of the Toyota, the Bureau
12 Representative took the following actions with respect to the Toyota:

- 13 i. On September 5, 2019, the Bureau Representative performed a road test of the Toyota
14 and confirmed that it performed normally.
- 15 ii. On September 17, 2019, he tested the Toyota's fuel injectors and confirmed that they
16 performed within the vehicle manufacturer's specifications and were not in need of
17 service. He performed a fuel system pressure test and confirmed the Toyota's fuel
18 system was not in need of service.
- 19 iii. On September 18-19, 2019, the Bureau Representative inspected and tested the four
20 existing spark plugs and existing ignition coils. He confirmed that the spark plugs and
21 ignition coils were in good condition and not in need of replacement.
- 22 iv. On October 1, 2019, the Bureau Representative tested the Toyota's existing Air Fuel
23 Sensor and confirmed that it was not in need of replacement.

24 17. On October 18, 2019, the Bureau Representative installed a shorted spark plug into
25 cylinder number three of the Toyota's engine. He then performed a short drive test to allow the
26 Toyota to detect the misfire and illuminate the Malfunction Indicator Light ("MIL"). During this

27 ¹ Not all aspects of the Bureau Representative's documentation of the Toyota are outlined herein.
28 Only the relevant aspects of his documentation are listed.

1 drive test, the Toyota ran rough due to the shorted spark plug, and the MIL indicator illuminated.
2 On October 22, 2019, the Bureau Representative connected a scan tool to the Toyota, and the tool
3 indicated that the only Diagnostic Trouble Code (“DTC”) stored on the Toyota’s computer was
4 “P0303 Cylinder 3 Misfire Detected.” The only repair necessary to repair the Toyota’s engine
5 misfire was the replacement of the cylinder number three spark plug.

6 18. On October 31, 2019, the Bureau Representative installed tamper indicators on the
7 fuel cap, rear floor fuel pump/tank service access cover, fuel tank mounting strap bolt, fuel pipe
8 clamp number 1, fuel pipe clamp number 2, intake manifold, all vacuum lines and hoses
9 associated to the intake manifold, the air cleaner hose, and the Positive Crankcase Ventilation
10 (“PCV”) ventilation hose. These tamper indicators would reveal whether these components of the
11 Toyota were removed.

12 19. On November 20, 2019, at approximately 1215 hours, an Undercover Operator took
13 the Toyota to Respondent’s station. The Undercover Operator met with Respondent’s employee
14 named “Mike.” The Undercover Operator informed her that the Toyota’s MIL light was
15 illuminated and the engine was running rough. Mike asked her to fill out a form with her name,
16 address, telephone number, and the year, make, and model of her vehicle. Mike told the
17 Undercover Operator that it was free for them to look at the Toyota, but it would cost \$80.00 if
18 they had to do anything more to it. Mike told her that he would call her and let her know if there
19 would be an \$80.00 charge, but that the \$80.00 could be applied to the cost of the repairs. Mike
20 had the Undercover Operator sign two documents, but he did not provide her with a copy of what
21 she signed. She then left Respondent’s facility.

22 20. On November 20, 2019, at approximately 1435 hours, the Undercover Operator
23 received a call from Mike. He told her two of the four engine coils are bad, and that these were
24 causing the engine to run rough. Mike told the Undercover Operator that the Toyota needed a
25 tune up, which included replacement of the spark plugs and a fuel injection cleaning. Mike also
26 informed the Undercover Operator that the scanner stated the O2 sensor is bad and needed to be
27 replaced. Mike stated the Toyota’s MIL indicator would not turn off unless the O2 sensor was
28

1 replaced. Mike quoted the Undercover Operator \$1,100.00 to complete these recommended
2 repairs.

3 21. On November 20, 2019, at approximately 1510 hours, the Undercover Operator again
4 spoke to Mike on the telephone. The Undercover Operator asked Mike what was included in the
5 tune up, and Mike told her spark plugs, two coils, an O2 sensor, and a fuel injection cleaning.
6 The Undercover Operator asked Mike what a fuel injection cleaning includes, and Mike informed
7 her that they clean the throttle body, air intake, and fuel rail. The Undercover Operator then
8 verbally authorized the recommended repairs, and Mike informed her that the Toyota should be
9 ready later that day.

10 22. On November 21, 2019, at approximately 1130 hours, the Undercover Operator
11 returned to Respondent's facility. Mike greeted her and told her that they completed all repairs to
12 the Toyota. Mike told her that there were no other issues with the Toyota, but he recommended
13 replacing the rear struts and performing a wheel alignment based on time. Mike explained that
14 there was nothing wrong with the parts at that time. The Undercover Operator did not authorize
15 these additional repairs. She paid the \$1,100.00 owed for services and repairs Respondent
16 performed on the Toyota, and then she left with the Toyota.

17 23. On November 22, 2019, the Bureau Representative inspected the Toyota with
18 Respondent's invoice. The Bureau Representative made the following observations regarding
19 Respondent's repairs to the Toyota:

- 20 i. All spark plugs had been replaced, as invoiced.
- 21 ii. The ignition coils for engine cylinder numbers two and three were replaced, as
22 invoiced. However, replacing the two ignition coils was not needed to repair the
23 Toyota.
- 24 iii. The air fuel ratio sensor, which was incorrectly identified as an "oxygen sensor" on
25 the invoice, was replaced. However, the air fuel ratio sensor was in good working
26 condition and did not need to be replaced.
- 27 iv. The invoice states that Respondent performed a fuel system service, which included
28 "attach[ing] cleaning tools to the fuel system" and "clean[ing] deposits from fuel

injectors.” However, cleaning tools were never attached to the fuel system, and no chemicals were added to the fuel tank.

- v. The invoice indicates that Respondent used a three-step fuel injection and induction clean-up kit. The kit includes an intake valve deposit cleaner that is introduced into the air induction system through a vacuum hose, a fuel tank additive to clean the fuel system, and an engine oil additive. However, the three-step fuel injection and induction system clean-up service was not provided or performed as documented on the invoice.

24. The following chart reflects the cost of parts and repairs on the Toyota that were charged for but not provided:

TABLE 1		
Description	Labor	Parts
2 *UF247F Coil (Ignition)	\$80.00	\$270.00
1 PR2103 Fuel System Kit		\$39.95
1 Oxygen Sensor	\$100.00	\$405.47
Subtotal Labor		\$180.00
Subtotal Parts		\$715.42
SUBTOTAL		\$895.42
Sales Tax (@ 7.75%)		\$55.45
GRAND TOTAL		\$950.87

FIRST CAUSE FOR DISCIPLINE

(Untrue or Misleading Statements)

25. Respondent’s registration is subject to disciplinary action pursuant to Business and Professions Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized statements which he knew or in the exercise of reasonable care should have known to be untrue or misleading, as follows:

- i. Respondent’s employee, Mike, informed the Undercover Operator that two of the four engine coils are bad, and that these were causing the engine to run rough. This statement was false and misleading and resulted in the Undercover Operator

1 authorizing unnecessary repairs to the Toyota. Replacing the two ignition coils was
2 not needed to repair the Toyota. The only repair necessary to repair the Toyota was
3 the replacement of the cylinder number three spark plug. Respondent charged for and
4 received payment for unnecessary work based on this false representation.

5 ii. Respondent's employee, Mike, informed the Undercover Operator that the Toyota
6 needed a tune up. This statement was false and misleading and resulted in the
7 Undercover Operator authorizing unnecessary repairs to the Toyota. The only repair
8 necessary to repair the Toyota was the replacement of the cylinder number three spark
9 plug. Respondent charged for and received payment for unnecessary work based on
10 this false representation.

11 iii. Respondent's employee, Mike, informed the Undercover Operator that the Toyota's
12 O2 sensor² was bad and needed to be replaced. He stated the Toyota's MIL indicator
13 would not turn off unless the O2 sensor was replaced. These statements were false
14 and misleading and resulted in the Undercover Operator authorizing unnecessary
15 repairs to the Toyota. The only repair necessary to repair the Toyota was the
16 replacement of the cylinder number three spark plug. Respondent charged for and
17 received payment for unnecessary work based on this false representation.

18 iv. The invoice states that Respondent performed a fuel system service, which included
19 "attach[ing] cleaning tools to the fuel system" and "clean[ing] deposits from fuel
20 injectors." However, cleaning tools were never attached to the fuel system, and no
21 chemicals were added to the fuel tank. Therefore, this statement on the invoice was
22 false and misleading. Respondent charged for and received payment for unnecessary
23 work that it did not complete.

24 v. The invoice indicates that Respondent used a three-step fuel injection and induction
25 clean-up kit. However, the three-step fuel injection and induction system clean-up

26
27 ² Respondent replaced the Toyota's air fuel ratio sensor, which was incorrectly identified on the
28 invoice as an "oxygen sensor." However, the air fuel ratio sensor was in good working condition
and did not need to be replaced.

1 service was not provided or performed as documented on the invoice. Respondent
2 charged for and received payment for unnecessary work that it did not complete.

3 Complainant refers to and by this reference incorporates the allegations set forth above in
4 paragraphs 16-24, inclusive, as though fully set forth herein.

5 **SECOND CAUSE FOR DISCIPLINE**

6 **(Fraud)**

7 26. Respondent's registration is subject to disciplinary action pursuant to Business and
8 Professions Code section 9884.7, subdivision (a)(4), in that Respondent committed acts
9 constituting fraud, as fully outlined in Paragraph 24, above. Complainant refers to and by this
10 reference incorporates the allegations set forth above in paragraphs 16-25, inclusive, as though
11 fully set forth herein.

12 **THIRD CAUSE FOR DISCIPLINE**

13 **(Violations of Regulations)**

14 27. Respondent's registration is subject to disciplinary action pursuant to Business and
15 Professions Code section 9884.7, subdivision (a)(6), in that Respondent failed to comply with
16 provisions of California Code of Regulations, title 16, in the following material respects:

17 a. **Section 3353(a)**: Respondent failed to provide the Undercover Operator with a
18 written estimate for parts and labor prior to obtaining authorization for the work, as fully outlined
19 in Paragraphs 16-24, above.

20 b. **Section 3356(c)(1)**: Respondent failed to record on the invoice all diagnostic work
21 that Respondent performed to determine the spark plugs, two ignition coils and oxygen sensor (air
22 fuel ratio sensor) needed to be replaced and that a fuel system service needed to be performed.

23 c. **Section 3371**: Respondent made false or misleading statements which he knew to be
24 false or misleading, or which by the exercise of reasonable care should have known to be false or
25 misleading, as fully outlined in Paragraph 24, above.

26 d. **Section 3373**: As fully outlined in Paragraphs 16-24, above, on its invoice for repairs
27 it completed on the Toyota, Respondent recorded false or misleading statements, or statements
28

1 where the tendency or effect thereby would be to mislead or deceive customers, prospective
2 customers, or the public.

3 Complainant refers to and by this reference incorporates the allegations set forth above in
4 paragraph 16-24, inclusive, as though fully set forth herein.

5 **FOURTH CAUSE FOR DISCIPLINE**

6 **(Failure to Comply with Statutes)**

7 28. Respondent's registration is subject to disciplinary action pursuant to Business and
8 Professions Code section 9884.7, subdivision (a)(6), in that Respondent violated the following
9 provisions of the Business and Professions Code:

10 a. **Section 9884.7, subdivision (a)(1):** As outlined above, Respondent made or
11 authorized statements which he knew or in the exercise of reasonable care should have known to
12 be untrue or misleading.

13 b. **Section 9884.7, subdivision (a)(4):** As outlined above, Respondent committed acts
14 constituting fraud relating to the repairs he performed on the Toyota.

15 c. **Section 9884.7, subdivision (a)(6):** As outlined above, Respondent failed to comply
16 with provisions of title 16 of the California Code of Regulations.

17 d. **Section 9884.8:** As outlined above, Respondent failed to accurately record on its
18 invoice all diagnostic work that Respondent performed to determine the spark plugs, two ignition
19 coils and oxygen sensor (air fuel ratio sensor) needed to be replaced and that a fuel system service
20 needed to be performed.

21 e. **Section 9884.9, subdivision (a):** As outlined above, Respondent failed to provide
22 the Undercover Operator with a written estimate for parts and labor prior to obtaining
23 authorization for the work.

24 Complainant refers to and by this reference incorporates the allegations set forth above in
25 paragraphs 16-24, inclusive, as though fully set forth herein.

26 ///

27 ///

1 **OTHER MATTERS**

2 29. 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 Respondent, upon a finding that Respondent has, or is, engaged in a
5 course of repeated and willful violations of the laws and regulations pertaining to an automotive
6 repair dealer.

7 **PRAYER**

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

- 10 1. Revoking or suspending Automotive Repair Dealer Registration Number ARD
11 265879, issued to Ara Tchaghlassian, President/Secretary/Treasurer, ATV, Inc.;
- 12 2. Revoking or suspending any other automotive repair dealer registration issued to
13 Ara Tchaghlassian;
- 14 3. Ordering Ara Tchaghlassian to pay the Bureau of Automotive Repair the reasonable
15 costs of the investigation and enforcement of this case, pursuant to Business and Professions Code
16 section 125.3; and,
- 17 4. Taking such other and further action as deemed necessary and proper.
- 18
19

20 DATED: March 5, 2020

- Signature on File -

21 PATRICK DORAIS
22 Chief
23 Bureau of Automotive Repair
24 Department of Consumer Affairs
25 State of California
26 *Complainant*

27 SD2020100421
28 54141963.doc

Exhibit G

Accusation No. 77/19-9182

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E-mail: Stephen.Svetich@doj.ca.gov
7 *Attorneys for Complainant*

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

12 In the Matter of the Accusation Against:

Case No. 77/19-9182

13 **ARA TCHAGHLASSIAN,**
14 **PRESIDENT/SECRETARY/TREASURER,**
15 **ATV, INC., DOING BUSINESS AS**
16 **AMERICAN TIRE DEPOT**
5493 Cerritos Ave.
Cypress, CA 90630

ACCUSATION

17 Mailing Address:
4490 Ayers Ave.
Vernon, CA 90058

18 Automotive Repair Dealer Registration No.
ARD 278127

19
20 Respondent.

21
22 **PARTIES**

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

25 ///

26 ///

2. On or about October 7, 2014, the Bureau issued Automotive Repair Dealer (“ARD”) Registration Number ARD 278127 to Respondent Ara Tchaghlassian, President/Secretary/Treasurer, ATV, Inc., doing business as American Tire Depot (“Respondent”). The Automotive Repair Dealer Registration was in full force and effect at all times relevant to the charges brought herein and will expire on October 31, 2020, unless renewed.

JURISDICTION

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

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

5. Section 9884.7 of the Code provides that the Director may revoke an automotive repair dealer registration.

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

STATUTORY PROVISIONS

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

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

(a) The director, where the automotive repair dealer cannot show there was a bona fide error, may deny, suspend, revoke, or place on probation the registration of an automotive repair dealer for any of the following acts or omissions related to 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.

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

(4) Any other conduct which constitutes fraud.

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

REGULATORY PROVISIONS

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

“No automotive repair dealer shall publish, utter, or make or cause to be published, uttered, or 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 false or misleading. . . .”

10. California Code of Regulations, title 16, section 3373, states, in pertinent part:

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

COST RECOVERY PROVISION

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

UNDERCOVER OPERATION

12. From July 5, 2019, to October 9, 2019, a Bureau Representative inspected and documented the condition of the Bureau’s 2007 Honda (the “Honda”) at the Bureau's Forensic

1 Documentation Laboratory. As part¹ of his documentation of the Honda, the Bureau
2 Representative took the following actions with respect to the Honda:

- 3 i. The Bureau Representative installed new replacement front and rear damper strut
4 spring assemblies. He documented all four damper strut spring assemblies to be dry,
5 not leaking, and had no signs of seepage or fluid residue. He tested all four damper
6 strut spring assemblies and found them to be in good working condition and not in
7 need of replacement.
- 8 ii. The Bureau Representative installed six new spark plugs bearing his mark. He found
9 the new spark plugs to be in good condition with no damage to the electrodes.
- 10 iii. The Bureau Representative performed a pre-alignment inspection of the Honda's
11 steering and suspension system. The lower ball joints and all other steering and
12 suspension system components were documented to be in good working condition and
13 not in need of replacement.
- 14 iv. The Bureau Representative performed a four-wheel alignment. He installed tamper
15 indicators on the vehicle's front tie rod's nuts and rear toe adjusters.

16 13. As part of his documentation of the Honda, the Bureau Representative observed the
17 engine oil to be brown in color and in the middle of the cross-hatched area on the engine oil
18 dipstick. He installed tamper indicators on the engine oil fill cap, engine oil dipstick, engine oil
19 filter, and engine oil drain plug. The only service needed on the Honda was an engine oil and filter
20 change.

21 14. On October 14, 2019, at approximately 0955 hours, an Undercover Operator took the
22 Honda to Respondent's station. The Undercover Operator met with Respondent's employee who
23 identified himself as "Eddie." The Undercover Operator informed Eddie that he needed to have
24 the Honda's engine oil and filter changed. The Undercover Operator provided Eddie with a
25 coupon for a free alignment inspection and a free vehicle inspection. Eddie asked the Undercover
26 Operator to fill out a form with his name, address, telephone number, and email address. The

27 ¹ Not all aspects of the Bureau Representative's documentation of the Honda are outlined herein.
28 Only the relevant aspects of his documentation are listed.

1 Undercover Operator completed the form and gave the form and the Honda's keys to Eddie.
2 Eddie then prepared an estimate with a price of \$22.77. The Undercover Operator signed the
3 document, and Eddie provided him with a copy of the unsigned estimate.

4 15. On October 14, 2019, at approximately 1217 hours, the Undercover Operator spoke
5 to Eddie on the phone. Eddie informed the Undercover Operator that he recommends replacing
6 the front and rear struts because of the Honda's mileage. Eddie stated that the struts are
7 recommended to be changed at 50,000 miles, but he has seen them last to 100,000 miles or
8 120,000 miles, and that the current struts were not causing any damage. Eddie quoted the
9 Undercover Operator \$1,252.82 to replace the front and rear struts and perform a wheel
10 alignment. Eddie also recommended replacing the spark plugs if they have not been replaced
11 because the Honda had over 100,000 miles. Eddie provided an estimate of \$275.91 to replace the
12 spark plugs. The Undercover Operator told Eddie he would call him back.

13 16. On October 14, 2019, at approximately 1245 hours, the Undercover Operator again
14 spoke to Eddie on the phone. Eddie confirmed that the quoted price of \$1,252.82 for the strut
15 replacement included a wheel alignment. The Undercover Operator asked Eddie the reason for
16 replacing the spark plugs, and Eddie responded, "[t]hey are recommended at 90,000 miles," or
17 words to that effect. Eddie told the Undercover Operator that he would work on a better price
18 and call him back.

19 17. On October 14, 2019, at approximately 1335 hours, the Undercover Operator again
20 spoke to Eddie on the phone. Eddie informed the Undercover Operator that they would replace
21 the oil and filter, spark plugs, front and rear struts, and perform a wheel alignment for \$1,362.15.
22 Eddie told the Undercover Operator that this service included a lifetime wheel alignment. The
23 Undercover Operator authorized these additional recommended repairs. Eddie stated the repairs
24 would be completed later that day.

25 18. On October 15, 2019, at approximately 0930 hours, the Undercover Operator
26 returned to Respondent's station to pick up the Honda. When the Undercover Operator, Eddie
27 informed him that they performed "a fuel service and put it in the gas tank." Eddie stated that the
28 Honda should get better gas mileage. The Undercover Operator paid \$1,362.00 for the repairs

1 completed by Respondent and electronically signed an invoice. He then left with the Honda and a
2 copy of an invoice.

3 19. Between October 15, 2019, and October 18, 2019, the Bureau Representative
4 inspected the Honda with Respondent's invoice. The Bureau Representative made the following
5 observations regarding Respondent's repairs to the Honda:

- 6 i. The invoice indicates that Respondent performed "3 year 4 wheel adjustable alignment
7 correct and adjust[ed] all O.E. adjustable front and rear alignment angles." However,
8 the Bureau Representative performed a four-wheel alignment as part of his
9 documentation of the Honda. When he inspected the tamper indicators that he
10 installed, they remained intact. Thus, Respondent did not make any adjustments to the
11 Honda's alignment.
- 12 ii. The engine oil and engine filter were changed, as indicated on the invoice.
- 13 iii. The invoice indicates that Respondent replaced two front suspension struts. The
14 Bureau Representative inspected the front damper/spring assemblies and observed that
15 the damper/strut did not retain his marks, indicating that they were replaced.
16 However, the springs retained his marks. Prior to Respondent's repairs to the Honda,
17 the Bureau Representative had installed new front damper/spring strut assemblies and
18 confirmed they were in good condition and not in need of replacement.
- 19 iv. The invoice indicates that Respondent replaced two rear suspension struts and coils.
20 The Bureau Representative inspected the rear damper/spring assemblies and observed
21 that the damper/strut did not retain his marks, indicating that they were replaced.
22 However, the springs retained his marks, indicating that the springs were not replaced,
23 as indicated on the invoice. Prior to Respondent's repairs to the Honda, the Bureau
24 Representative had installed new rear damper/spring strut assemblies and confirmed
25 they were in good condition and not in need of replacement.
- 26 v. The invoice indicates that Respondent replaced six spark plugs and completed a tune
27 up. The spark plugs in the Honda did not bear the Undercover Operator's marks,
28

1 indicating they were replaced as invoiced. However, the spark plugs did not require
2 service or replacement.

3 vi. The tamper indicator on the fuel cap was intact, indicating that Respondent did not
4 remove the fuel cap.

5 20. The following chart reflects the cost of parts and repairs on the Honda that were
6 charged for but not needed or not provided:

TABLE 1		
Description	Labor	Parts
2 71372 Front Suspension Strut		\$411.90
2 72123 Rear Suspension Strut and Coil		\$287.92
Promoss "Shock-Sturt Buy 3 Get 1 Free"		-\$143.96
Labor Shock & Struts	\$320.00	
Subtotal Labor		\$320.00
Subtotal Parts		\$555.86
SUBTOTAL		\$875.86
Sales Tax (@ 7.75%)		\$43.08
GRAND TOTAL		\$918.94

16 **FIRST CAUSE FOR DISCIPLINE**

17 **(Untrue or Misleading Statements)**

18 21. Respondent's registration is subject to disciplinary action pursuant to Business and
19 Professions Code section 9884.7, subdivision (a)(1), in that Respondent made or authorized
20 statements which he knew or in the exercise of reasonable care should have known to be untrue or
21 misleading, as follows:

22 i. Respondent's employee, Eddie, informed the Undercover Operator that he recommend
23 replacing the front and rear struts because of the Honda's mileage. Eddie stated that
24 the struts are recommended to be changed at 50,000 miles. This statement was false
25 and misleading and resulted in the Undercover Operator authorizing unnecessary
26 repairs to the Honda. There is no recommended replacement interval for struts on the
27 Honda based on mileage. Replacing the Honda's front and rear struts was not needed
28 to repair the Honda. The only repair necessary to repair the Honda was to change the

1 engine oil and engine oil filter. Respondent charged for and received payment for
2 unnecessary work based on this false representation.

3 ii. Respondent's employee, Eddie, informed the Undercover Operator that Respondent
4 performed "a fuel service and put it in the gas tank." However, this statement was
5 false and misleading. The tamper indicator placed on the fuel cap was intact,
6 indicating that Respondent did not complete any fuel service by pouring anything in
7 the fuel tank.

8 iii. The invoice states that Respondent performed "3 year 4 wheel adjustable alignment
9 correct and adjust[ed] all O.E. adjustable front and rear alignment angles." However,
10 the Bureau Representative performed a four-wheel alignment as part of his
11 documentation of the Honda. When he inspected the tamper indicators that he
12 installed, they remained intact. Thus, Respondent did not make any adjustments to the
13 Honda's alignment, and this statement on Respondent's invoice was false and
14 misleading. Respondent charged for and received payment for unnecessary work that
15 it did not complete.

16 iv. The invoice states that Respondent replaced two rear suspension struts and coils.
17 However, Respondent did not replace the rear springs, as evidenced by the Bureau
18 Representative's marks that remained on the rear springs. Therefore, this statement
19 on Respondent's invoice was false and misleading. Respondent charged for and
20 received payment for unnecessary work that it did not complete.

21 Complainant refers to and by this reference incorporates the allegations set forth above in
22 paragraphs 12-20, inclusive, as though fully set forth herein.

23 **SECOND CAUSE FOR DISCIPLINE**

24 **(Fraud)**

25 22. Respondent's registration is subject to disciplinary action pursuant to Business and
26 Professions Code section 9884.7, subdivision (a)(4), in that Respondent committed acts
27 constituting fraud, as fully outlined in Paragraph 21, above. Complainant refers to and by this

reference incorporates the allegations set forth above in paragraphs 12-21, inclusive, as though fully set forth herein.

THIRD CAUSE FOR DISCIPLINE

(Violations of Regulations)

23. Respondent's registration is subject to disciplinary action pursuant to Business and Professions Code section 9884.7, subdivision (a)(6), in that Respondent failed to comply with provisions of California Code of Regulations, title 16, in the following material respects:

a. **Section 3371**: Respondent made false or misleading statements which he knew to be false or misleading, or which by the exercise of reasonable care should have known to be false or misleading, as fully outlined in Paragraph 21, above.

b. **Section 3373**: As fully outlined in Paragraphs 12-21, above, on its invoice for repairs it completed on the Honda, Respondent recorded false or misleading statements, or statements where the tendency or effect thereby would be to mislead or deceive customers, prospective customers, or the public.

Complainant refers to and by this reference incorporates the allegations set forth above in paragraph 12-21, inclusive, as though fully set forth herein.

FOURTH CAUSE FOR DISCIPLINE

(Failure to Comply with Statutes)

24. Respondent's registration is subject to disciplinary action pursuant to Business and Professions Code section 9884.7, subdivision (a)(6), in that Respondent violated the following provisions of the Business and Professions Code:

a. **Section 9884.7, subdivision (a)(1)**: As outlined above, Respondent made or authorized statements which he knew or in the exercise of reasonable care should have known to be untrue or misleading.

b. **Section 9884.7, subdivision (a)(4)**: As outlined above, Respondent committed acts constituting fraud relating to the repairs he performed on the Honda.

c. **Section 9884.7, subdivision (a)(6)**: As outlined above, Respondent failed to comply with provisions of title 16 of the California Code of Regulations.

Complainant refers to and by this reference incorporates the allegations set forth above in paragraphs 12-23, inclusive, as though fully set forth herein.

OTHER MATTERS

25. Pursuant to Business and Professions Code section 9884.7, subdivision (c), the Director may suspend, revoke, or place on probation the registration for all places of business operated in this State by Respondent, upon a finding that Respondent has, or is, engaged in a course of repeated and willful violations of the laws and regulations pertaining to an automotive repair dealer.

PRAYER

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

1. Revoking or suspending Automotive Repair Dealer Registration Number ARD 278127, issued to Ara Tchaghlassian, President/Secretary/Treasurer, ATV, Inc.;
2. Revoking or suspending any other automotive repair dealer registration issued to Ara Tchaghlassian;
3. Ordering Ara Tchaghlassian 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,
4. Taking such other and further action as deemed necessary and proper.

DATED: __March 3, 2020__

- signature on file -

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

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54143770.doc

Exhibit H

Accusation No. 77/17-10023

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2 DAVID E. BRICE
Supervising Deputy Attorney General
3 JEFFREY M. PHILLIPS
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Facsimile: (916) 327-8643
7 *Attorneys for Complainant*

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

12
13 In the Matter of the Accusation Against:

Case No. 77/17-10023

14 **ATV, INC. dba AMERICAN TIRE DEPOT**
ARA TCHAGHLASSIAN, President
15 1620 West Lacey Boulevard
Hanford, CA 93230
16 and
Mailing Address:
17 4490 Ayers Ave.
Vernon, CA 90058
18 **Automotive Repair Dealer Registration No.**
ARD 259246

ACCUSATION

19 **ATV, INC. dba AMERICAN TIRE DEPOT**
ARA TCHAGHLASSIAN, President
20 1901-B Prescott Road
Modesto, CA 95356
21 and
Mailing Address:
22 4490 Ayers Ave.
Vernon, CA 90058
23 **Automotive Repair Dealer Registration No.**
24 **ARD 263611**

ATV, INC. dba AMERICAN TIRE DEPOT
ARA TCHAGHLASSIAN, President
1927 East Mineral King
Visalia, CA 93292
and
Mailing Address:
4490 Ayers Ave.
Vernon, CA 90058
Automotive Repair Dealer Registration No.
ARD 259245

ATV, INC. dba AMERICAN TIRE DEPOT
ARA TCHAGHLASSIAN, President
3120 McHenry Avenue
Modesto, CA 95350
and
Mailing Address:
14407 Alondra Boulevard
La Mirada, CA 90638
Automotive Repair Dealer Registration No.
ARD 262786

ATV, INC. dba AMERICAN TIRE DEPOT
ARA TCHAGHLASSIAN, President
5262 N. Blackstone Avenue
Fresno, CA 93710
and
Mailing Address:
4490 Ayers Ave.
Vernon, CA 90058
Automotive Repair Dealer Registration No.
ARD 266366

ATV, INC. dba AMERICAN TIRE DEPOT
ARA TCHAGHLASSIAN, President
1850 Shaw Avenue
Clovis, CA 93611
and
Mailing Address:
14407 Alondra Boulevard
La Mirada, CA 90638
Automotive Repair Dealer Registration No.
ARD 276538

ATV, INC. dba AMERICAN TIRE DEPOT
ARA TCHAGHLASSIAN, President
200 D Street
Madera, CA 93638
and
Mailing Address:
4490 Ayers Ave.
Vernon, CA 90058
Automotive Repair Dealer Registration No.
ARD 268083

1 **ATV, INC. dba AMERICAN TIRE DEPOT**
2 **ARA TCHAGHLASSIAN, President**
3 2300 W. Cleveland Ave.
4 Madera, CA 93637
5 and
6 Mailing Address:
7 14407 Alondra Boulevard
8 La Mirada, CA 90638
9 **Automotive Repair Dealer Registration No.**
10 **ARD 286867**

Respondent.

PARTIES

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

Automotive Repair Dealer Registration Number 259246

2. On or about August 26, 2009, the Bureau issued Automotive Repair Dealer Registration Number ARD 259246 to ATV, Inc. doing business as American Tire Depot (“Respondent 1”) with Ara Tchaghlassian as President, Secretary and Treasurer. The registration was in full force and effect at all times relevant to the charges brought herein and will expire on August 31, 2020, unless renewed.

Automotive Repair Dealer Registration Number 263611

3. On or about November 3, 2010, the Bureau issued Automotive Repair Dealer Registration Number ARD 263611 to ATV, Inc. doing business as American Tire Depot (“Respondent 2”) with Ara Tchaghlassian as President, Secretary and Treasurer. The registration was in full force and effect at all times relevant to the charges brought herein and will expire on November 30, 2020, unless renewed.

Automotive Repair Dealer Registration Number 262786

4. On or about July 23, 2010, the Bureau issued Automotive Repair Dealer Registration Number ARD 262786 to ATV, Inc. doing business as American Tire Depot (“Respondent 3”) with Ara Tchaghlassian as President, Secretary and Treasurer. The registration was in full force and effect at all times relevant to the charges brought herein and expired on July 31, 2019.

///

1 **Automotive Repair Dealer Registration Number 259245**

2 5. On or about August 26, 2009, the Bureau issued Automotive Repair Dealer
3 Registration Number ARD 259245 to ATV, Inc. doing business as American Tire Depot
4 (“Respondent 4”) with Ara Tchaghllassian as President, Secretary and Treasurer. The registration
5 was in full force and effect at all times relevant to the charges brought herein and will expire on
6 August 31, 2020, unless renewed.

7 **Automotive Repair Dealer Registration Number 266366**

8 6. On or about August 24, 2011, the Bureau issued Automotive Repair Dealer
9 Registration Number ARD 266366 to ATV, Inc. doing business as American Tire Depot
10 (“Respondent 5”) with Ara Tchaghllassian as President, Secretary and Treasurer. The registration
11 was in full force and effect at all times relevant to the charges brought herein and will expire on
12 August 31, 2020, unless renewed.

13 **Automotive Repair Dealer Registration Number 276538**

14 7. On or about May 8, 2014, the Bureau issued Automotive Repair Dealer Registration
15 Number ARD 276538 to ATV, Inc. doing business as American Tire Depot (“Respondent 6”)
16 with Ara Tchaghllassian as President, Secretary and Treasurer. The registration was in full force
17 and effect at all times relevant to the charges brought herein and will expire on May 31, 2020,
18 unless renewed.

19 **Automotive Repair Dealer Registration Number 268083**

20 8. On or about February 23, 2012, the Bureau issued Automotive Repair Dealer
21 Registration Number ARD 268083 to ATV, Inc. doing business as American Tire Depot
22 (“Respondent 7”) with Ara Tchaghllassian as President, Secretary and Treasurer. The registration
23 was in full force and effect at all times relevant to the charges brought herein and will expire on
24 February 29, 2020, unless renewed.

25 **Automotive Repair Dealer Registration Number 286867**

26 9. On or about May 10, 2017, the Bureau issued Automotive Repair Dealer Registration
27 Number ARD 286867 to ATV, Inc. doing business as American Tire Depot (“Respondent 8”)
28 with Ara Tchaghllassian as President, Secretary and Treasurer. The registration was in full force

1 and effect at all times relevant to the charges brought herein and will expire on May 31, 2020,
2 unless renewed.

3 **JURISDICTION**

4 10. This Accusation is brought before the Bureau under the authority of the following
5 laws.

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

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

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

16 **STATUTORY PROVISIONS**

17 14. Code section 9884.7 states, in pertinent part:

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

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

27

28 (4) Any other conduct that constitutes fraud.

. . . .

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

. . . .

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

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

7
8 15. Code section 9884.8 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 shall
11 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 each. If any
12 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 used, rebuilt or
13 reconditioned parts, that invoice shall clearly state that fact. The invoice shall include
a statement indicating whether any crash parts are original equipment manufacturer
14 crash parts or nonoriginal equipment manufacturer aftermarket crash parts. One copy
of the invoice shall be given to the customer and one copy shall be retained by the
automotive repair dealer.”

15
16 16. 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, except as provided in
subdivision (e). No work shall be done and no charges shall accrue before
19 authorization to proceed is obtained from the customer. No charge shall be made for
work done or parts supplied in excess of the estimated price, or the posted price
20 specified in subdivision (e), without the oral or written consent of the customer that
shall be obtained at some time after it is determined that the estimated or posted price
21 is insufficient and before the work not estimated or posted is done or the parts not
estimated or posted are supplied. Written consent or authorization for an increase in

22 the original estimated or posted price may be provided by electronic mail or facsimile
23 transmission from 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
24 increase in the 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
25 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
26 and labor and the total additional cost

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1 **REGULATORY PROVISIONS**

2 17. California Code of Regulations, title 16 ("CRC"), section 3356(b) states, "The
3 invoice shall show the automotive repair dealer's registration number and the corresponding
4 business name and address as shown in the Bureau's records."

5 18. CRC section 3372.1 states, in pertinent part:

6 An automotive repair dealer shall not advertise automotive service at a price
7 which is misleading. Price advertising is misleading in circumstances which include
but are not limited to the following:

8 (a) The automotive repair dealer does not intend to sell the advertised service
9 at the advertised price but intends to entice the consumer into a more costly
transaction. . . .

10 19. CRC section 3371 states:

11 No automotive repair dealer shall publish, utter, or make or cause to be
12 published, uttered, or made any false or misleading statement or advertisement which
13 is known to be false or misleading, or which by the exercise of reasonable care should
14 be known to be false or misleading. Advertisements and advertising signs shall
clearly show the name and address listed on the automotive repair dealer's State
registration certificate.

15 20. CRC section 3376 states, in pertinent part:

16 All guarantees shall be in writing and a legible copy thereof shall be delivered
17 to the customer with the invoice itemizing the parts, components, and labor
represented to be covered by such guarantee. A guarantee shall be deemed false and
18 misleading unless it conspicuously and clearly discloses in writing the following:

19 (a) The nature and extent of the guarantee including a description of all parts,
characteristics or properties covered by or excluded from the guarantee, the duration
20 of the guarantee and what must be done by a claimant before the guarantor will fulfill
his obligation (such as returning the product and paying service or labor charges).

21 (b) The manner in which the guarantor will perform. The guarantor shall state
22 all conditions and limitations and exactly what the guarantor will do under the
guarantee, such as repair, replacement or refund. If the guarantor or recipient of the
23 guarantee has an option as to what may satisfy the guarantee, this must be clearly
stated. . . .

24 **COST RECOVERY**

25 21. Code section 125.3 provides, in pertinent part, that a Board may request the
26 administrative law judge to direct a licensee found to have committed a violation or violations of
27 the licensing act to pay a sum not to exceed the reasonable costs of the investigation and
28 enforcement of the case.

1 **UNDERCOVER OPERATION #1 – AUGUST 1, 2018**

2 22. In or around June 2018, a Bureau representative documented the Bureau's 2001
3 Toyota and created a condition that caused the vehicle to pull to the right while driving.

4 23. On or about August 1, 2018, a Bureau undercover operator using an alias (the
5 "operator") took the Bureau's 2001 Toyota to Respondent 1's facility at 1620 W. Lacey
6 Boulevard in Hanford, California. The operator gave Tony, Respondent 1's employee,
7 Respondent 1's coupon for a free alignment check and \$20 off an alignment and asked for a free
8 alignment check. The operator was not provided with an estimate.

9 24. Tony informed the operator that the 2001 Toyota needed a wheel alignment for
10 \$69.95, which the operator authorized. When the vehicle was finished, the operator was given
11 Work Order No. 39851 invoicing \$69.95 (the "Invoice"), for an alignment, which the operator
12 paid.

13 25. A Bureau representative subsequently inspected the 2001 Toyota using
14 Respondent 1's Invoice for comparison. The representative concluded that Respondent 1 failed
15 to inspect the tires for proper air pressure, incorrectly performed a front wheel alignment, and
16 performed an unnecessary wheel alignment service to the vehicle.

17 **FIRST CAUSE FOR DISCIPLINE**

18 (Untrue or Misleading Statements)

19 26. Respondent 1 is subject to discipline pursuant to Code section 9884.7(a)(1), in that on
20 or about August 1, 2018, Respondent 1 made or authorized statements which it knew or in the
21 exercise of reasonable care should have known to be untrue or misleading, as follows:

22 a. Respondent 1's employee, Tony, falsely represented to the Bureau operator that the
23 vehicle needed an alignment when, in fact, it did not.

24 b. Respondent 1 falsely represented to the Bureau operator on its Invoice that the tires
25 were 35 psi when, in fact, Respondent had not checked or adjusted the tire pressure.

26 c. Respondent 1 advertised \$20 off the price of an alignment but did not in fact provide
27 the discount.

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1 **SECOND CAUSE FOR DISCIPLINE**

2 (Fraud)

3 27. Respondent 1 is subject to disciplinary action pursuant to Code section 9884.7(a)(4),
4 in regard to the Bureau's 2001 Toyota, Respondent 1 committed acts that constitute fraud.
5 Specifically, as set forth in paragraph 26, subparagraph a, above, Respondent 1's employee,
6 Tony, made false or misleading statements to the Bureau operator in order to induce the operator
7 to purchase unnecessary service for the vehicle, and then sold the operator the unnecessary
8 service.

9 **THIRD CAUSE FOR DISCIPLINE**

10 (Failure to Provide a Written Estimate)

11 28. Respondent 1 is subject to discipline pursuant to section 9884.7(a)(6), in that
12 Respondent 1 failed to comply with Code section 9884.9(a). Specifically, on or about August 1,
13 2018, Respondent 1 failed to provide the operator with a written estimate for work that he agreed
14 to perform on the Bureau's 2001 Toyota.

15 **FOURTH CAUSE FOR DISCIPLINE**

16 (Failure to Document Prior Authorization)

17 29. Respondent 1 is subject to discipline pursuant to Code section 9884.7(a)(6), in that on
18 or about August 1, 2018, in regard to the Bureau's 2001 Toyota, Respondent 1 failed to materially
19 comply with Code section 9884.9(a), when it failed to properly document on its Invoice the
20 operator's authorization for an increase over the original estimated price.

21 **FIFTH CAUSE FOR DISCIPLINE**

22 (Failure to Comply with Regulations)

23 30. Respondent 1 is subject to discipline pursuant to Code section 9884.7(a)(6), in that as
24 to the Bureau's 2001 Toyota, Respondent 1 failed to materially comply with Regulations, as
25 follows:

26 a. Respondent 1 offered a coupon that was misleading in that it advertised \$20 off the
27 price of an alignment, a discount that Respondent 1 did not, in fact, provide, in violation of CRC
28 section 3372.1(a).

1 b. Respondent 1 offered a coupon that failed to include Respondent 1's address as it
2 appears on the automotive repair dealer's State registration certificate, in violation of
3 CCR section 3371.

4 c. Respondent 1's guarantee, set forth on its Invoice, failed to conspicuously and clearly
5 disclose the nature and extent of the guarantee or what must be done by a claimant before
6 Respondent 1 would fulfill its obligation under the guarantee, in violation of CCR section 3376.

7 d. Respondent 1's Invoice failed to show the business name of Respondent 1's
8 automotive repair dealer "American Tire Depot", as recorded in the Bureau's records.

9 **UNDERCOVER OPERATION #2 – DECEMBER 18, 2018**

10 31. On or about October 2, 2018, a Bureau representative documented the Bureau's 2001
11 Chevrolet and created a condition that caused the vehicle to pull to the right while driving.

12 32. On or about December 18, 2018, a Bureau undercover operator using an alias (the
13 "operator") took the Bureau's 2001 Chevrolet to Respondent 2's facility at 1901 B Prescott Road,
14 Modesto, California. The operator gave Shaun, Respondent 2's employee, Respondent 2's
15 coupon for a free alignment check and \$20 off an alignment, and requested a free alignment
16 check. The operator was not provided with an estimate.

17 33. Shaun informed the operator that the 2001 Chevrolet needed a wheel alignment,
18 which the operator approved. When the vehicle was ready, Shaun told the operator that it would
19 cost \$69.95. The operator reminded Shaun that he had a \$20 coupon. The operator paid \$49.95,
20 and was provided with Invoice No. 610015543 for \$49.95, which notes that a "two-wheel thrust
21 angle alignment" was performed and documented the tire pressure of the vehicle at 35 psi for all
22 four tires, and 60 psi for the spare tire.

23 34. A Bureau representative subsequently inspected the 2001 Chevrolet, using
24 Respondent 2's Invoice No. 610015543 for comparison. The representative concluded that
25 Respondent 2 did not perform an alignment or check the tire pressure on the vehicle, as invoiced.
26 Further, an alignment would not have corrected the introduced condition that caused the vehicle
27 to pull to the right.

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1 **SIXTH CAUSE FOR DISCIPLINE**

2 (Untrue or Misleading Statements)

3 35. Respondent 2 is subject to discipline pursuant to Code section 9884.7(a)(1), in regard
4 to the Bureau's 2001 Chevrolet, on or about December 18, 2018, Respondent 2 made or
5 authorized statements which it knew or in the exercise of reasonable care should have known to
6 be untrue or misleading, as follows:

7 a. Respondent 2's employee, Shaun, told the operator that the vehicle needed an
8 alignment when, in fact, it did not.

9 b. Respondent 2's Invoice No. 610015543 shows that the tire pressure was adjusted
10 when, in fact, the tire pressure was neither checked nor adjusted.

11 c. Respondent 2's Invoice No. 610015543 included a charge for an alignment when, in
12 fact, an alignment had not been performed.

13 **SEVENTH CAUSE FOR DISCIPLINE**

14 (Fraud)

15 36. Respondent 2 is subject to discipline pursuant to Code section 9884.7(a)(4), in regard
16 to the Bureau's 2001 Chevrolet, Respondent 2 committed acts that constitute fraud. Specifically,
17 as set forth in paragraph 35, subparagraphs a and c above, Respondent 2's employee, Shaun,
18 made false or misleading statements to the Bureau operator in order to induce the operator to
19 purchase unnecessary service for the vehicle, and then sold the operator the unnecessary service.

20 **EIGHTH CAUSE FOR DISCIPLINE**

21 (Failure to Provide a Written Estimate)

22 37. Respondent 2 is subject to discipline pursuant to section 9884.7(a)(6) in that,
23 Respondent 2 failed to comply with Code section 9884.9(a). Specifically, on or about
24 December 18, 2018, Respondent 2 failed to provide the operator with a written estimate for work
25 on the Bureau's 2001 Chevrolet.

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NINTH CAUSE FOR DISCIPLINE

(Failure to Comply with Regulations)

38. Respondent 2 is subject to discipline pursuant to Code section 9884.7(a)(6), in regard to the Bureau’s 2001 Chevrolet, Respondent 2 failed to materially comply with Regulations, as follows:

a. Respondent 2 offered a coupon that failed to include Respondent 2’s address as it appears on the automotive repair dealer’s State registration certificate, in violation of CCR section 3371.

b. Respondent 2’s Invoice No. 610015543 failed to show the business name of Respondent 2’s automotive repair dealer “American Tire Depot”, as shown in the Bureau’s records, in violation of CCR section 3356(b).

UNDERCOVER OPERATION #3 – OCTOBER 19, 2018

39. On or about October 19, 2018, a Bureau undercover operator using an alias (the “operator”) took the Bureau’s documented 2001 GMC to Respondent 3’s facility at 3120 McHenry Avenue, Modesto, California, and presented Respondent 3’s coupon for a free alignment check and \$20 off an alignment. The operator requested a free alignment check. The operator was not provided with an estimate.

40. Respondent’s employee informed the operator that the alignment on the 2001 GMC checked out and there was nothing wrong. Respondent did not provide the operator with any paperwork when the work was completed.

TENTH CAUSE FOR DISCIPLINE

(Failure to Provide a Written Estimate)

41. Respondent 3 is subject to discipline pursuant to section 9884.7(a)(6), in that Respondent 3 failed to comply with Code section 9884.9(a). Specifically, on or about October 19, 2018, Respondent 3 failed to provide the operator with a written estimate for work on the Bureau’s 2001 GMC.

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1 **ELEVENTH CAUSE FOR DISCIPLINE**

2 (Failure to Comply with the Automotive Repair Act – Invoice Requirements)

3 42. Respondent 3 is subject to discipline pursuant to Code section 9884.7(a)(6), in regard
4 to the Bureau's 2001 GMC, Respondent failed to materially comply with provisions of Code
5 section 9884.8, in that on or about October 19, 2018, Respondent failed to provide the operator
6 with an invoice.

7 **TWELFTH CAUSE FOR DISCIPLINE**

8 (Failure to Comply with Regulations)

9 43. Respondent 3 is subject to discipline pursuant to Code section 9884.7(a)(6), in that
10 Respondent 3 failed to materially comply with Regulations by offering a coupon that failed to
11 include Respondent 3's address as it appears on the automotive repair dealer's State registration
12 certificate, in violation of CCR section 3371.

13 **UNDERCOVER OPERATION #4 – APRIL 3, 2019**

14 44. In or around March 2019, a Bureau representative documented the Bureau's 2001
15 Chevrolet and created a condition that caused the vehicle to pull to the right while driving.

16 45. On or about April 3, 2019, a Bureau undercover operator using an alias (the
17 "operator") took the Bureau's 2001 Chevrolet to Respondent 3's facility at 3120 McHenry
18 Avenue, Modesto, California. The operator gave Wes, Respondent 3's employee, Respondent 3's
19 coupon for a free alignment check and \$20 off an alignment, and requested a free alignment
20 check. The operator was not provided with an estimate.

21 46. Wes later informed the operator that the front right outer tie rod end needed to be
22 replaced and therefore both front tie rod ends would have to be replaced pursuant to
23 Respondent 3's policy. Wes told the operator that the repairs would cost \$280. The operator
24 approved the repairs and requested that the replaced parts be returned. When work on the vehicle
25 was finished, Wes provided to the operator Invoice No. 630015834 for \$280.52, which the
26 operator paid. The invoice notes that a "two-wheel thrust angle alignment" was corrected and
27 adjusted, the front tire rods were replaced, and that the tire pressure was checked.

28 47. A Bureau representative subsequently inspected the 2001 Chevrolet, using

Respondent 3's invoice No. 630015834 for comparison, and the replaced tie rods that were returned to the operator by Respondent. The representative found that both front outer tie rods were replaced as invoiced but did not need to be replaced, that a two-wheel alignment had been invoiced, but no alignment was necessary, and that the vehicle pulled to the right when driven. After the representative adjusted the front tire pressure to manufacturer's specifications, the vehicle no longer pulled to the right when driven. The only necessary repair was a tire pressure adjustment to both front tires to correct the pulling condition.

THIRTEENTH CAUSE FOR DISCIPLINE

(Untrue or Misleading Statements)

48. Respondent 3 is subject to discipline pursuant to Code section 9884.7(a)(1), in that on or about April 3, 2019, in regard to the Bureau's 2001 Chevrolet, Respondent 3 made or authorized statements which it knew or in the exercise of reasonable care should have known to be untrue or misleading, as follows:

a. Respondent 3's employee, Wes, told the operator that the front right outer tie rod ends needed to be replaced when, in fact, they did not.

b. Respondent 3's Invoice No. 630015834 shows that the tires were adjusted when, in fact, the tire pressure was not checked or adjusted.

c. Respondent 3's Invoice No. 630015834 included a charge for an alignment when, in fact, the vehicle did not need an alignment.

d. Respondent 3's Invoice No. 630015834 included a charge for replacement of the front outer tie rod ends when, in fact, those parts did not need replacement.

FOURTEENTH CAUSE FOR DISCIPLINE

(Fraud)

49. Respondent 3 is subject to discipline pursuant to Code section 9884.7(a)(4), in regard to the Bureau's 2001 Chevrolet, when it committed acts constituting fraud when it made or authorized false or misleading representations to the operator, as set forth in paragraph 48, subparagraphs a, c, and d, above, in order to induce the operator to authorize and pay for unnecessary services and repairs to the vehicle, then sold the operator unnecessary services and

1 repairs.

2 **FIFTEENTH CAUSE FOR DISCIPLINE**

3 (Failure to Provide a Written Estimate)

4 50. Respondent 3 is subject to discipline pursuant to section 9884.7(a)(6), in that
5 Respondent 3 failed to comply with Code section 9884.9(a). Specifically, on or about April 3,
6 2019, Respondent 3 failed to provide the operator with a written estimate for work on the
7 Bureau's 2001 Chevrolet.

8 **SIXTEENTH CAUSE FOR DISCIPLINE**

9 (Failure to Comply with Regulations)

10 51. Respondent 3 is subject to discipline pursuant to Code section 9884.7(a)(6), in regard
11 to the Bureau's 2001 Chevrolet, Respondent 3 failed to materially comply with Regulations, as
12 follows:

13 a. Respondent 3 failed to comply with CCR section 3376. Specifically, Respondent 3's
14 guarantee, set forth in Invoice No. 630015834, failed to conspicuously and clearly disclose the
15 nature and extent of the guarantee or what must be done by a claimant before Respondent 3
16 would fulfill its obligation under the guarantee.

17 b. Respondent 3 offered a coupon that failed to include Respondent 3's address as it
18 appears on the automotive repair dealer's State registration certificate, in violation of CCR
19 section 3371.

20 c. Respondent 3's Invoice No. 630015834 failed to show the business name of
21 Respondent 3's automotive repair dealer "American Tire Depot", as shown in the Bureau's
22 records, in violation of CCR section 3356(b).

23 **UNDERCOVER OPERATION #5 – MARCH 7, 2019**

24 52. In or around February 2019, a Bureau representative documented the Bureau's 2001
25 Chevrolet and created a condition that caused the vehicle to pull to the right while driving.

26 53. On or about March 7, 2019, a Bureau undercover operator using an alias (the
27 "operator") took the Bureau's 2001 Chevrolet to Respondent 4's facility at 1927 E. Mineral King
28 Avenue, Visalia, California. The operator gave Mike, Respondent 4's employee, Respondent 4's

1 coupon for a free alignment check and \$20 off an alignment, and requested a free alignment
2 check. The operator was not provided with an estimate.

3 54. Mike informed the operator that the 2001 Chevrolet needed engine mounts,
4 transmission mounts, and a wheel alignment. The operator only approved the wheel alignment.
5 Mike subsequently told the operator that the vehicle was finished, and said it cost \$69.95. The
6 operator reminded Mike that he had a \$20 coupon. Mike told the operator the price for an
7 alignment was \$89.95. The operator paid Respondent \$69.95, and received Invoice No.
8 460020692 for \$69.95.

9 55. A Bureau representative subsequently inspected the 2001 Chevrolet using
10 Respondent 4's Invoice No. 460020692 for comparison. The representative concluded that
11 Respondent 4 did not check or adjust the tire pressure on the vehicle, as invoiced. Respondent 4
12 only adjusted the front toe alignment angles, and did not adjust all the front and rear alignment
13 angles, as invoiced. Respondent 4 aligned the front toe out of specification. Further, a wheel
14 alignment was not necessary. The only necessary repair was a tire pressure adjustment to both
15 front tires to correct the pulling condition. After the representative adjusted the tire pressure to
16 the manufacturer's specification, the vehicle still pulled to the right, as a result of the incorrectly
17 adjusted front toe by Respondent 4.

18 **SEVENTEENTH CAUSE FOR DISCIPLINE**

19 (Untrue or Misleading Statements)

20 56. Respondent 4 is subject to discipline pursuant to Code section 9884.7(a)(1), in that on
21 or about March 7, 2019, in regard to the Bureau's 2001 Chevrolet, Respondent 4 made or
22 authorized statements which it knew or in the exercise of reasonable care should have known to
23 be untrue or misleading, as follows:

24 a. Respondent 4's employee, Mike, told the operator that the vehicle needed a wheel
25 alignment when, in fact, it did not.

26 b. Respondent 4's Invoice No. 460020692 shows that the tires were adjusted when, in
27 fact, the tire pressure was neither checked nor adjusted.

28 c. Respondent 4's Invoice No. 460020692 included a charge for an alignment when, in

1 fact, an alignment was not needed.

2 d. Respondent 4's Invoice No. 460020692 included a charge for a four wheel adjustable
3 alignment when, in fact, the only adjustment made was the front toe alignment, which was
4 incorrectly performed.

5 **EIGHTEENTH CAUSE FOR DISCIPLINE**

6 (Fraud)

7 57. Respondent 4 is subject to discipline pursuant to Code section 9884.7(a)(4), in regard
8 to the Bureau's 2001 Chevrolet, when it committed acts constituting fraud when it made or
9 authorized false or misleading representations to the operator, as set forth in paragraph 56,
10 subparagraphs a, c, and d, above, in order to induce the operator to authorize and pay for
11 unnecessary service and repairs to the vehicle, then sold the operator unnecessary services and
12 repairs.

13 **NINETEENTH CAUSE FOR DISCIPLINE**

14 (Failure to Provide a Written Estimate)

15 58. Respondent 4 is subject to discipline pursuant to section 9884.7(a)(6), in that
16 Respondent 4 failed to comply with Code section 9884.9(a). Specifically, on or about March 7,
17 2019, Respondent 4 failed to provide the operator with a written estimate for work on the
18 Bureau's 2001 Chevrolet.

19 **TWENTIETH CAUSE FOR DISCIPLINE**

20 (False and Misleading Guarantee)

21 59. Respondent 4 is subject to discipline pursuant to Code section 9884.7(a)(6), in regard
22 to the Bureau's 2001 Chevrolet, Respondent 4 failed to comply with CCR section 3376.
23 Specifically, Respondent 4's guarantee, set forth on Invoice No. 460020692, failed to
24 conspicuously and clearly disclose the nature and extent of the guarantee or what must be done by
25 a claimant before Respondent 4 would fulfill its obligation under the guarantee.

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1 **TWENTY-FIRST CAUSE FOR DISCIPLINE**

2 (Failure to Comply with Regulations)

3 60. Respondent 4 is subject to discipline pursuant to Code section 9884.7(a)(6), in that as
4 to the Bureau's 2001 Chevrolet, Respondent 4 failed to materially comply with Regulations, as
5 follows:

6 a.. Respondent 4 offered a coupon that failed to include Respondent 4's address as it
7 appears on the automotive repair dealer's State registration certificate, in violation of CCR
8 section 3371.

9 b. Respondent 4's Invoice No. 460020692 failed to show the business name of
10 Respondent 4's automotive repair dealer "American Tire Depot", as shown in the Bureau's
11 records, in violation of CCR section 3356(b).

12 **UNDERCOVER OPERATION #6 (SECRET SHOPPER) – AUGUST 11, 2017**

13 61. On or about August 11, 2017, a Bureau undercover operator using an alias (the
14 "operator") took the Bureau's documented 2005 Pontiac to Respondent 5's facility at 5262 North
15 Blackstone Avenue, Fresno, California. The operator presented Respondent 5's coupon for a free
16 alignment check and \$20 off an alignment and requested a free alignment check. The operator
17 was not provided with an estimate.

18 62. Respondent 5's employee informed the operator that the 2005 Pontiac needed front
19 wheel bearings and inner and outer tire rods for both sides. The operator declined service and was
20 provided with Invoice No. 660010338, which recommended front wheel bearings, inner and outer
21 tie rods for both sides, and an alignment for a total of \$1,243.81.

22 63. A Bureau representative subsequently inspected the 2005 Pontiac, using
23 Respondent 5's Work Order No. 24079 for comparison. The representative concluded that the
24 work recommended by Respondent 5 was unnecessary.

25 **TWENTY-SECOND CAUSE FOR DISCIPLINE**

26 (Untrue or Misleading Statements)

27 64. Respondent 5 is subject to discipline pursuant to Code section 9884.7(a)(1), in regard
28 to the Bureau's 2005 Pontiac, on or about August 11, 2017, it made or authorized statements

1 which it knew or in the exercise of reasonable care should have known to be untrue or
2 misleading. Specifically, Respondent 5 made or authorized the recommendation of an alignment
3 and replacement of the front wheel bearings and inner and outer tie rods for both sides, when, in
4 fact, that work did not need to be done.

5 **TWENTY-THIRD CAUSE FOR DISCIPLINE**

6 (Failure to Provide a Written Estimate)

7 65. Respondent 5 is subject to discipline pursuant to section 9884.7(a)(6), in that it failed
8 to comply with Code section 9884.9(a). Specifically, on or about August 11, 2017, Respondent 5
9 failed to provide the operator with a written estimate for service or repairs on the 2005 Pontiac.

10 **TWENTY-FOURTH CAUSE FOR DISCIPLINE**

11 (Failure to Comply with Regulations)

12 66. Respondent 5 is subject to discipline pursuant to Code section 9884.7(a)(6), in regard
13 to the Bureau's 2005 Pontiac, when it failed to materially comply with Regulations, as follows:

14 a. Respondent 5 offered a coupon that failed to include Respondent 5's address as it
15 appears on the automotive repair dealer's State registration certificate, in violation of CCR
16 section 3371.

17 b. Respondent 5's Invoice No. 660010338 failed to show the business name of
18 Respondent 5's automotive repair dealer "American Tire Depot", as shown in the Bureau's
19 records, in violation of CCR section 3356(b).

20 **UNDERCOVER OPERATION #7 – FEBRUARY 7, 2018**

21 67. In or around February 2018, a Bureau representative documented the Bureau's 1998
22 Chevrolet and created a condition that caused the vehicle to pull to the right while driving.

23 68. On or about February 7, 2018, a Bureau undercover operator using an alias (the
24 "operator") took the Bureau's 1998 Chevrolet to Respondent 5's facility at 5262 North
25 Blackstone Avenue, Fresno, California. The operator presented Respondent 5's coupon for a free
26 alignment check to Respondent 5's employee "Lopez" and requested a free alignment check. The
27 operator was not provided an estimate.

28 69. Lopez informed the operator that the 1998 Chevrolet needed front wheel bearings and

1 the rear differential was leaking and needed repair for a cost of \$400.00. The operator approved
2 the replacement of the front wheel bearings only for a cost of \$149.00, and declined the rear
3 differential repair. When the vehicle was finished, Lopez provided the operator with Work
4 Orders No. 30436 and 30444 invoicing a total of \$149.95 and paid Respondent 5 \$149.95 and
5 left. Later that afternoon, a Bureau employee posing as the operator's husband questioned Lopez
6 about the charge for the brakes on the invoice and the absence of the charge to replace the wheel
7 bearings on the invoice. Lopez explained that Respondent 5 did not have an option for charging
8 wheel bearings, so he chose the closest one. Lopez and then stated that the wheel bearings did
9 not need to be replaced because they were good and only needed to be tightened up.

10 70. A Bureau representative subsequently inspected the 1998 Chevrolet, using
11 Respondent 5's Invoice for comparison. The representative concluded that Respondent 5 did not
12 check or adjust the tire pressure on the vehicle as invoiced, that a front wheel alignment was
13 performed, but not needed, the wheel alignment adjustments to the caster and toe angles were
14 done incorrectly and out of specification, the front wheel bearings were adjusted incorrectly and
15 in a manner that could cause further damage, even though no wheel bearing adjustments were
16 needed. The only necessary repair was a tire pressure adjustment to both front tires to correct the
17 pulling condition. Further, an alignment would not have corrected the introduced condition that
18 caused the vehicle to pull to the right.

19 **TWENTY-FIFTH CAUSE FOR DISCIPLINE**

20 (Untrue or Misleading Statements)

21 71. Respondent 5 is subject to discipline pursuant to Code section 9884.7(a)(1), in regard
22 to the Bureau's 1998 Chevrolet, on or about February 7, 2018, Respondent 5 made or authorized
23 statements which it knew or in the exercise of reasonable care should have known to be untrue or
24 misleading, as follows:

25 a. Respondent 5's employee, Lopez, told the operator that the vehicle needed an
26 alignment when, in fact, it did not.

27 b. Respondent 5's employee, Lopez, told the operator that the wheel bearings needed
28 replacement, then later stated they needed an adjustment, when, in fact, they needed neither.

1 c. Respondent 5's Invoice shows that the tires were adjusted when, in fact, the tire
2 pressure was neither checked nor adjusted.

3 d. Respondent 5's Invoice included a charge for an alignment when, in fact, an
4 alignment was not needed.

5 e. Respondent 5's Invoice charged "Labor – Brakes" when Respondent did not, in fact,
6 perform brake work, but performed a front wheel bearing adjustment, which was not needed.

7 **TWENTY-SIXTH CAUSE FOR DISCIPLINE**

8 (Fraud)

9 72. Respondent 5 is subject to discipline pursuant to Code section 9884.7(a)(4), in regard
10 to the Bureau's 1998 Chevrolet, when it committed acts constituting fraud when it made or
11 authorized false or misleading representations to the operator, as set forth in paragraph 71,
12 subparagraphs a, b, d, and e, above, in order to induce the operator to authorize and pay for
13 unnecessary service and repairs to the vehicle, then sold the operator unnecessary services and
14 repairs

15 **TWENTY-SEVENTH CAUSE FOR DISCIPLINE**

16 (Failure to Provide a Written Estimate)

17 73. Respondent 5 is subject to discipline pursuant to section 9884.7(a)(6), in that it failed
18 to comply with Code section 9884.9(a). Specifically, on or about February 7, 2018, Respondent 5
19 failed to provide the operator with a written estimate for work on the Bureau's 1998 Chevrolet.

20 **TWENTY-EIGHTH CAUSE FOR DISCIPLINE**

21 (Failure to Comply with the Automotive Repair Act – Invoice Requirements)

22 74. Respondent 5 is subject to discipline pursuant to Code section 9884.7(a)(6), in regard
23 to the Bureau's 1998 Chevrolet on or about February 7, 2018, when it failed to materially comply
24 with provisions of Code section 9884.8. Specifically, Respondent 5 failed to indicate on its
25 Invoice the actual service work performed by documenting on its Invoice that Respondent 5
26 performed a front wheel bearings adjustment and documented instead, "Labor – Brakes", which it
27 did not in fact perform.

28 ///

1 **TWENTY-NINTH CAUSE FOR DISCIPLINE**

2 (Failure to Document Prior Authorization)

3 75. Respondent 5 is subject to discipline pursuant to Code section 9884.7(a)(6), in that on
4 or about February 7, 2018, in regard to the Bureau's 1998 Chevrolet, when it failed to materially
5 comply with Code section 9884.9(a), when it failed to properly document on its Invoice the
6 operator's authorization for an increase over the original estimated price.

7 **THIRTIETH-NINTH CAUSE FOR DISCIPLINE**

8 (False and Misleading Guarantee)

9 76. Respondent 5 is subject to discipline pursuant to Code section 9884.7(a)(6), in regard
10 to the Bureau's 1998 Chevrolet, when it failed to comply with CCR section 3376. Specifically,
11 Respondent 5's guarantee, set forth on its Invoice, failed to conspicuously and clearly disclose the
12 nature and extent of the guarantee or what must be done by a claimant before Respondent 5
13 would fulfill its obligation under the guarantee.

14 **THIRTY-FIRST CAUSE FOR DISCIPLINE**

15 (Failure to Comply with Regulations)

16 77. Respondent 5 is subject to discipline pursuant to Code section 9884.7(a)(6), in regard
17 to the Bureau's 1998 Chevrolet, when it failed to materially comply with Regulations, as follows:

18 a. Respondent 5 offered a coupon that failed to include Respondent 5's address as it
19 appears on the automotive repair dealer's State registration certificate, in violation of CCR
20 section 3371.

21 b. Respondent 5's Invoice failed to show the business name of Respondent 5's
22 automotive repair dealer "American Tire Depot", as shown in the Bureau's records, in violation
23 of CCR section 3356(b).

24 **UNDERCOVER OPERATION #8 – AUGUST 3 – 7, 2017**

25 78. On or about August 3, 2017, a Bureau undercover operator using an alias (the
26 "operator") took the Bureau's documented 2002 Dodge to Respondent 6's facility at 1850 Shaw
27 Avenue, Clovis, California, where he spoke to "John", Respondent 6's employee. The operator
28 requested a diagnosis because the engine would intermittently fail to start, which required an

1 occasional “jump start.” The operator left the vehicle at Respondent 6’s facility. The operator
2 was not provided with an estimate. The operator later telephoned Respondent 6’s facility and was
3 told that the alternator needed to be replaced for \$362. The operator authorized the repair.

4 79. On or about August 4, 2017, John telephoned the operator and told the operator that
5 the alternator was replaced but the vehicle was not charging satisfactorily. John later told the
6 operator that a loose wire in the harness needed to be repaired. The operator authorized the repair
7 and told John to lock the vehicle inside the facility because the vehicle had to be picked up at a
8 later date.

9 80. On or about August 7, 2017, the operator retrieved the vehicle. John provided the
10 operator with Invoice No. 790009883 for \$383.07, and accepted \$383.00 cash payment from the
11 operator.

12 81. A Bureau representative subsequently inspected the 2002 Dodge using
13 Respondent 6’s Invoice No. 790009883 for comparison. The representative concluded that the
14 alternator was replaced with a remanufactured alternator, but it was outputting amps above the
15 manufacturer’s specifications. Furthermore, replacing the alternator was unnecessary since the
16 vehicle had a new alternator that was recently installed and in good working condition. The
17 representative also found that a wire in the charging system’s control circuit was correctly
18 repaired, but not invoiced. The only necessary repair was repairing the wire in the charging
19 system control circuit.

20 **THIRTY-SECOND CAUSE FOR DISCIPLINE**

21 (Untrue or Misleading Statements)

22 82. Respondent 6 is subject to discipline pursuant to Code section 9884.7(a)(1), in regard
23 to the Bureau’s 2002 Dodge, it made or authorized statements which it knew or in the exercise of
24 reasonable care should have known to be untrue or misleading, as follows:

25 a. On or about August 3, 2017, Respondent 6’s employee, John, told the operator that
26 the alternator needed to be replaced when, in fact, it did not.

27 b. Respondent 6’s Invoice No. 790009883, dated August 7, 2017, included a charge to
28 replace an alternator when, in fact, the alternator did not need to be replaced.

1 **THIRTY-THIRD CAUSE FOR DISCIPLINE**

2 (Fraud)

3 83. Respondent 6 is subject to discipline pursuant to Code section 9884.7(a)(4), in regard
4 to the Bureau's 2002 Dodge, when it committed acts constituting fraud when it made or
5 authorized false or misleading representations to the operator, as set forth in paragraph 82,
6 subparagraphs a and b, above, in order to induce the operator to authorize and pay for
7 unnecessary service and repairs to the vehicle, then sold the operator unnecessary services and
8 repairs

9 **THIRTY-FOURTH CAUSE FOR DISCIPLINE**

10 (Failure to Provide a Written Estimate)

11 84. Respondent 6 is subject to discipline pursuant to section 9884.7(a)(6), in that it failed
12 to comply with Code section 9884.9(a). Specifically, on or about August 3, 2017, Respondent 6
13 failed to provide the operator with a written estimate for work on the Bureau's 2002 Dodge.

14 **THIRTY-FIFTH CAUSE FOR DISCIPLINE**

15 (Failure to Comply with the Automotive Repair Act – Invoice Requirements)

16 85. Respondent 6 is subject to discipline pursuant to Code section 9884.7(a)(6), in regard
17 to Respondent 6's Invoice No. 790009883, Respondent 6 failed to materially comply with
18 provisions of Code section 9884.8, as follows:

- 19 a. Respondent 6 failed to document diagnostic work performed.
20 b. Respondent 6 failed to document the wiring repair.

21 **THIRTY-SIXTH CAUSE FOR DISCIPLINE**

22 (Failure to Comply with Regulations)

23 86. Respondent 6 is subject to discipline pursuant to Code section 9884.7(a)(6), in that
24 Respondent 6's Invoice No. 790009883 failed to show the business name of Respondent 6's
25 automotive repair dealer "American Tire Depot", as shown in the Bureau's records, in violation
26 of CCR section 3356(b).

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UNDERCOVER OPERATION #9 – JANUARY 9-10, 2018

87. On or about January 9, 2018, a Bureau undercover operator using an alias (the “operator”) took the Bureau’s documented 2000 Honda to Respondent 6’s facility at 1850 Shaw Avenue, Clovis, California, and spoke to Respondent 6’s employee, John. The operator requested a diagnosis of the MIL (Malfunction Indicator Lamp, commonly referred to as the “check engine” light). A Bureau representative had previously documented the vehicle and installed a defective Air Fuel Ratio Sensor Relay in order to cause the MIL to turn on, and the only service needed to correct the vehicle was replacement of this sensor relay. John told the operator that two sensors needed to be replaced, which would cost approximately \$900. The operator authorized the repair. The operator left the vehicle at Respondent 6’s facility and was not provided with an estimate. The operator later telephoned Respondent 6’s facility and John told the operator that the sensors were replaced but the MIL was still on and that a specialist was needed to make an electrical repair. John reduced the estimate to \$700.00.

88. On or about January 10, 2018, the operator retrieved the vehicle and John provided the operator with Invoice No. 790012506 for \$700.28, and accepted \$700.00 cash payment from the operator.

89. A Bureau representative subsequently inspected the 2000 Honda, using Respondent 6’s Invoice No. 790012506 for comparison. The representative concluded that Respondent 6 unnecessarily replaced the A/F Ratio Sensor and Oxygen Sensors and that the defective Air Fuel Ratio Sensor Relay that needed to be replaced, had not been replaced. The vehicle’s MIL light was still on after the vehicle was returned from Respondent 6’s facility.

THIRTY-SEVENTH CAUSE FOR DISCIPLINE

(Untrue or Misleading Statements)

90. Respondent 6 is subject to discipline pursuant to Code section 9884.7(a)(1), in that in regard to the Bureau’s 2000 Honda, it made or authorized statements which it knew or in the exercise of reasonable care should have known to be untrue or misleading, as follows:

a. On or about January 9, 2018, Respondent 6’s employee, John, told the operator that two oxygen sensors needed to be replaced when, in fact, they did not.

b. On or about January 9, 2018, Respondent 6's employee, John, wrote down on a piece of paper that two oxygen sensors needed to be replaced when, in fact, they did not.

c. Respondent 6's Invoice No. 790012506 included charges to replace two oxygen sensors when, in fact, they did not need to be replaced.

d. Respondent 6's Invoice No. 790012506 stated that the vehicle's odometer reading for "mileage in" and "mileage out" was "1" mile.

THIRTY-EIGHTH CAUSE FOR DISCIPLINE

(Fraud)

91. Respondent 6 is subject to discipline pursuant to Code section 9884.7(a)(4), in regard to the Bureau's 2000 Honda, when it committed acts constituting fraud when it made or authorized false or misleading representations to the operator, as set forth in paragraph 90, subparagraphs a through c, above, in order to induce the operator to authorize and pay for unnecessary service and repairs to the vehicle, then sold the operator unnecessary services and repairs

THIRTY-NINTH CAUSE FOR DISCIPLINE

(Failure to Provide a Written Estimate)

92. Respondent 6 is subject to discipline pursuant to section 9884.7(a)(6), in that it failed to comply with Code section 9884.9(a). Specifically, on or about January 9, 2018, Respondent 6 failed to provide the operator with a written estimate for work on the Bureau's 2000 Honda.

FORTIETH CAUSE FOR DISCIPLINE

(Failure to Comply with the Automotive Repair Act – Invoice Requirements)

93. Respondent 6 is subject to discipline pursuant to Code section 9884.7(a)(6), in regard to Respondent 6's Invoice No. 790012506 for the Bureau's 2000 Honda, Respondent 6 failed to materially comply with provisions of Code section 9884.8. Specifically, Respondent 6 failed to document on Invoice NO. 790012506 diagnostic work performed or the reason for replacing the oxygen sensors.

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1 **FORTY FIRST CAUSE FOR DISCIPLINE**

2 (Failure to Comply with Regulations)

3 94. Respondent 6 is subject to discipline pursuant to Code section 9884.7(a)(6), in that
4 Respondent 6's Invoice No. 790012506 failed to show the business name of Respondent's
5 automotive repair dealer "American Tire Depot", as shown in the Bureau's records, in violation
6 of CCR section 3356(b).

7 **UNDERCOVER OPERATION #10 – SEPTEMBER 24, 2018**

8 95. On or about September 24, 2018, a Bureau undercover operator using an alias (the
9 "operator") took the Bureau's documented 2005 Honda to Respondent 6's facility at 1850 Shaw
10 Avenue in Clovis, California. Previously, a bureau representative documented the Bureau's 2005
11 Honda and created a condition that caused the vehicle to pull to the right while driving. The
12 operator requested an engine oil change, an alignment check, and a brake inspection. The
13 operator presented Respondent 6's employee, "John," a copy Respondent 6's coupon for a free
14 alignment check and \$20 off an alignment, and Respondent 6's coupon for \$20 off a brake
15 service. The operator was provided a copy of an estimate, signed it, and left Respondent's
16 facility.

17 96. John informed the operator in a telephone conversation later that day stating that they
18 had inspected the vehicle's front brake pad and needed to be replaced because they were at
19 3/32nds. John also stated that the front rotors also needed replacement because they could not be
20 machined because they had already been machined three times. John then inquired about whether
21 the master cylinder and rear shocks had been recently replaced, but the operator was unsure. John
22 then recommended flushing the brake fluid and that the vehicle needed an alignment because of
23 the tire wear. John provided a verbal quote of \$450.00 plus tax for the alignment and front brake
24 repairs, which were authorized.

25 97. John later contacted the operator to advise that the vehicle was ready. When the
26 operator presented Respondent 6's coupons at time of payment, John stated that the coupons were
27 not necessary because they flushed the brake fluid without charge – a service that typically cost
28 \$89.99. John provided the operator with Invoice No. 790017167 for \$451.80 for an oil change,

1 alignment, brake inspection, brake pads, and brake rotor, which the operator paid.

2 98. A Bureau representative subsequently inspected the 2005 Honda, using
3 Respondent 6's Invoice No. 790017167 for comparison. The representative concluded that the
4 engine oil and filter change were performed and the tire pressure was adjusted, which were
5 proper. However, the representative also concluded that an alignment was not needed and the
6 front brake pads and rotors did not need to be replaced. The only necessary repair was a tire
7 pressure adjustment to both front tires in order to correct the pulling condition to the right.

8 **FORTY-SECOND CAUSE FOR DISCIPLINE**

9 (Untrue or Misleading Statements)

10 99. Respondent 6 is subject to discipline pursuant to Code section 9884.7(a)(1), in that on
11 or about September 24, 2018, in regard to the Bureau's 2005 Honda, it made or authorized
12 statements which it knew or in the exercise of reasonable care should have known to be untrue or
13 misleading, as follows:

14 a. Respondent 6's employee, John, told the operator that the vehicle needed an
15 alignment when, in fact, it did not.

16 b. Respondent 6's employee, John, told the operator that the front brake pads and rotors
17 needed replacement when, in fact, they did not.

18 c. Respondent 6's Invoice No. 790017167 included a charge for an alignment when, in
19 fact, an alignment was not needed.

20 d. Respondent 6's Invoice No. 790017167 charged for the replacement of the front
21 brake pads and rotors when, in fact, they did not need to be replaced.

22 e. Respondent 6's Invoice No. 790017167 indicates that the operator authorized
23 additional repairs "IN STORE" when, in fact, the operator authorized additional repairs over the
24 telephone.

25 **FORTY-THIRD CAUSE FOR DISCIPLINE**

26 (Fraud)

27 100. Respondent 6 is subject to discipline pursuant to Code section 9884.7(a)(4), in regard
28 to the Bureau's 2005 Honda, when it committed acts constituting fraud when it made or

1 authorized false or misleading representations to the operator, as set forth in paragraph 99,
2 subparagraphs a through d, above, in order to induce the operator to authorize and pay for
3 unnecessary service and repairs to the vehicle, then sold the operator unnecessary services and
4 repairs.

5 **FORTY-FOURTH CAUSE FOR DISCIPLINE**

6 (Failure to Properly Document Prior Authorization)

7 101. Respondent 6 is subject to discipline pursuant to section 9884.7(a)(6) in that on or
8 about September 24, 2018, in regard to the Bureau's 2005 Honda, it failed to comply with Code
9 section 9884.9(a), as follows:

10 a. Respondent 6 failed to document on Invoice No. 790017167 the telephone number
11 used to obtain the operator's telephonic authorization for additional repairs.

12 b. Respondent 6 bled the vehicle's brake fluid without obtaining prior approval from the
13 operator.

14 **FORTY-FIFTH CAUSE FOR DISCIPLINE**

15 (Failure to Comply with the Automotive Repair Act – Invoice Requirements)

16 102. Respondent 6 is subject to discipline pursuant to Code section 9884.7(a)(6), in regard
17 to Invoice No. 79001767 dated September 24, 2018, for the Bureau's 2005 Honda, Respondent 6
18 failed to materially comply with provisions of Code section 9884.8, as follows:

19 a. Respondent 6 failed to indicate on the invoice its diagnosis or reason for replacement
20 of the vehicle's front brake pads, front rotors, and need for a four-wheel alignment.

21 b. Respondent 6 failed to separately list, describe, and identify each part supplied and
22 the price for each part, in that the invoice states, "up to 5QTA of 5W30 Premium Conventional
23 Motor Oil" but includes a charge for 4.40 quarts of 5W-20 conventional motor oil.

24 **FORTY-SIXTH CAUSE FOR DISCIPLINE**

25 (Failure to Comply with Regulations)

26 103. Respondent 6 is subject to discipline pursuant to Code section 9884.7(a)(6), in regard
27 to the Bureau's 2005 Honda, when it failed to materially comply with Regulations, as follows:

28 ///

1 a. Respondent 6 offered coupons that were misleading in that they advertised \$20 off
2 the price of an alignment and \$20.00 off brake service, a discount that Respondent 6 did not, in
3 fact, provide, in violation of CRC section 3372.1(a).

4 b. Respondent 6 offered coupons that failed to include Respondent 6's address as it
5 appears on the automotive repair dealer's State registration certificate, in violation of CCR
6 section 3371.

7 c. Respondent 6's guarantee, set forth on Invoice No. 790017167, failed to
8 conspicuously and clearly disclose the nature and extent of the guarantee or what must be done by
9 a claimant before Respondent 6 would fulfill its obligation under the guarantee, in violation of
10 CCR section 3376.

11 d. Respondent 6's Invoice No. 790017167 failed to show the business name of
12 Respondent's automotive repair dealer "American Tire Depot", as shown in the Bureau's records,
13 in violation of CCR section 3356(b).

14 **UNDERCOVER OPERATION #11 – JULY 29, 2019**

15 104. In or around June 2019, a Bureau representative documented the Bureau's 2001
16 Chevrolet and created a condition that caused the vehicle to pull to the right while driving.

17 105. On or about July 29, 2019, a Bureau undercover operator using an alias (the
18 "operator") took the Bureau's 2001 Chevrolet to Respondent 7's facility at 200 D Street in
19 Madera, California. The operator asked Respondent 7's employee at the counter for a free
20 alignment check and offered to provide Respondent 7's coupon for a free alignment check and
21 \$20 off an alignment. Respondent 7's employee stated that the coupon was not needed. The
22 operator was not provided with an estimate or a work order, and left the facility.

23 106. Approximately two hours later, Respondent 7's employee called the operator and
24 stated that the vehicle was done, everything checked out good and there was nothing wrong. The
25 operator returned to Respondent 7's facility, was given an inspection checklist, an alignment print
26 out, and retrieved the vehicle.

27 107. A Bureau representative subsequently inspected the 2001 Chevrolet using
28 Respondent 7's inspection checklist and alignment print out for comparison. The representative

1 concluded that Respondent 7 failed to inspect or adjust the tires for proper air pressure, as
2 indicated on the checklist. The only repair required was a tire pressure adjustment to both front
3 tires to correct the pulling condition, which was not done. The vehicle's tire pressure was not
4 adjusted to 35 psi, as indicated on Respondent 7's inspection checklist.

5 **FORTY-SEVENTY CAUSE FOR DISCIPLINE**

6 (Untrue or Misleading Statements)

7 108. Respondent 7 is subject to discipline pursuant to Code section 9884.7(a)(1), in that on
8 or about July 29, 2019, Respondent made or authorized statements which it knew or in the
9 exercise of reasonable care should have known to be untrue or misleading, as follows:

10 a. Respondent 7's employee falsely stated that the vehicle checked out good and there
11 was nothing wrong, when in fact the vehicle had a low tire pressure condition which caused the
12 vehicle to pull to the right while driving.

13 b. Respondent 7 falsely represented to the Bureau operator on its checklist that the tires
14 were 35 psi when, in fact, Respondent had not checked or adjusted the tire pressure.

15 c. Respondent 7 falsely represented to the Bureau operator on its checklist that "All
16 Systems Good" when in fact, Respondent had not checked or adjusted the tire pressure and the
17 vehicle had a low tire pressure condition which caused the vehicle to pull to the right while
18 driving.

19 **FORTY-EIGHTH CAUSE FOR DISCIPLINE**

20 (Failure to Provide a Written Estimate)

21 109. Respondent 7 is subject to discipline pursuant to section 9884.7(a)(6), in that
22 Respondent 7 failed to comply with Code section 9884.9(a). Specifically, on or about July 29,
23 2019, Respondent 7 failed to provide the operator with a written estimate for work on the
24 Bureau's 2001 Chevrolet.

25 **FORTY-NINTH CAUSE FOR DISCIPLINE**

26 (Failure to Comply with the Automotive Repair Act – Invoice Requirements)

27 110. Respondent 7 is subject to discipline pursuant to Code section 9884.7(a)(6), in regard
28 to the Bureau's 2001 Chevrolet, Respondent 7 failed to materially comply with provisions of

1 Code section 9884.8, in that on or about July 29, 2019, Respondent failed to provide the operator
2 with an invoice for services performed.

3 **UNDERCOVER OPERATION #12 – SEPTEMBER 5, 2019**

4 111. In or around August 2019, a Bureau representative documented the Bureau's 2005
5 Ford and created a condition that caused the vehicle to pull to the right while driving.

6 112. On or about September 5, 2019, a Bureau undercover operator using an alias (the
7 "operator") took the Bureau's 2005 Ford to Respondent 8's facility at 2300 W. Cleveland
8 Avenue, in Madera, California. The operator gave Angel, Respondent 8's employee, Respondent
9 8's coupon for a free alignment check and \$20 off an alignment and asked for a free alignment
10 check. Angel stated that he did not need the coupon and agreed to perform the free alignment
11 check. The operator was not provided with either an estimate or a repair order. The operator was
12 told that it would be awhile, so he left the facility.

13 113. Approximately one hour later, Angel called the operator and informed him that the
14 alignment checked out on the 2005 Ford, but the vehicle had a slight pull to the right and needed
15 struts because it was the only thing that could cause the vehicle to pull to the right. Angel told the
16 operator that it would cost \$1,169.00 to replace the struts, then stated that he would do it for
17 \$1,150.00 out the door, including an alignment, which the operator authorized. When the vehicle
18 was finished, the operator paid Angel \$1,150.00 and was given Work Order No. 17908, and an
19 alignment specifications printout.

20 114. A Bureau representative subsequently inspected the 2005 Ford using Respondent 8's
21 work order and alignment specifications printout for comparison. The representative observed
22 that Respondent 8 removed and replaced the two front strut assemblies and two rear shock
23 absorbers, which was unnecessary. The left front wheel and tire assembly had been moved to the
24 right front position, and the right front wheel and tire assembly had been moved to the left front
25 position; this work was not documented on the work order. The representative also observed that
26 Respondent 8 invoiced, charged, and was paid for a four (4) wheel alignment, which work was
27 unnecessary. Finally, the representative observed that Respondent 8 adjusted the tire air pressure
28 to 32 psi, but this work was not documented on the work order.

1 **FIFTIETH CAUSE FOR DISCIPLINE**

2 (Untrue or Misleading Statements)

3 115. Respondent 8 is subject to discipline pursuant to Code section 9884.7(a)(1), in regard
4 to the Bureau's 2005 Ford, in that on or about September 5, 2019, Respondent 8 made or
5 authorized statements which it knew or in the exercise of reasonable care should have known to
6 be untrue or misleading, as follows:

7 a. Respondent 8's employee, Angel, falsely represented to the Bureau operator that the
8 vehicle needed struts when, in fact, it did not.

9 b. Respondent 8's Invoice No. 17908 included a charge for an alignment when, in fact,
10 the vehicle did not need an alignment.

11 c. Respondent 8's Invoice No. 17908 included a charge for replacement of the two front
12 strut assemblies and two rear shock absorbers when, in fact, those parts did not need replacement.

13 **FIFTY-FIRST CAUSE FOR DISCIPLINE**

14 (Fraud)

15 116. Respondent 8 is subject to disciplinary action pursuant to Code section 9884.7(a)(4),
16 in regard to the Bureau's 2005 Ford, Respondent 8 committed acts that constitute fraud.
17 Specifically, as set forth in paragraph 115, subparagraph a, b, and c, above, Respondent 8 made
18 false or misleading statements to the Bureau operator in order to induce the operator to purchase
19 unnecessary parts and service for the vehicle, and then sold the operator the unnecessary parts and
20 service.

21 **FIFTY-SECOND CAUSE FOR DISCIPLINE**

22 (Failure to Provide a Written Estimate)

23 117. Respondent 8 is subject to discipline pursuant to section 9884.7(a)(6), in that
24 Respondent 8 failed to comply with Code section 9884.9(a). Specifically, on or about September
25 5, 2019, Respondent 8 failed to provide the operator with a written estimate for work that was
26 performed on the Bureau's 2005 Ford.

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1 **FIFTY-THIRD CAUSE FOR DISCIPLINE**

2 (Failure to Comply with the Automotive Repair Act – Invoice Requirements)

3 118. Respondent 8 is subject to discipline pursuant to Code section 9884.7(a)(6), in regard
4 to the Bureau's 2005 Ford, in that the name on the work order "American Tire Depot Madera2"
5 does not match the Bureau's records for Respondent 8. In addition, the left front wheel and tire
6 assembly had been moved to the right front position, and the right front wheel and tire assembly
7 had been moved to the left front position, which work was not documented on the work order.
8 The adjustments to the tire pressure was not documented on the work order.

9 **MATTERS IN AGGRAVATION**

10 119. To determine the degree of discipline, if any, to be imposed, Complainant alleges as
11 follows.

12 a. On or about May 4, 2015, the Bureau held a proactive conference at the Bureau's
13 field office with "M.H.", the training director for Respondent 6. At that conference, a Bureau
14 representative informed M.H. that it had come to the Bureau's attention that Respondent 6 was
15 not complying with the Automotive Repair Act, which included a failure to: provide written
16 estimates; record additional authorization; maintain records; and, describe on invoices all service
17 work performed, including diagnostic and warranty work. The Bureau also informed M.H. that
18 Respondent 6's employees were making false and misleading statements. M.H. was advised that
19 continued violations may result in discipline which could jeopardize Respondent 6's automotive
20 repair dealer registration.

21 b. On or about April 12, 2016, Bureau representatives held an office conference with
22 "R.H"., training director, and "K.B.", district manager, for Respondent 3, regarding five
23 consumer complaints received by the Bureau between September 2015 and December 2016. At
24 that conference, a Bureau representative informed Respondent 3's representatives that it had
25 come to the Bureau's attention that Respondent 3 was not complying with the Automotive Repair
26 Act, which included, but was not limited to a failure to: provide written estimates; record
27 additional authorization; maintain records; and, comply with statutory requirements regarding
28 invoicing. The Bureau also informed Respondent 3's representatives that its employees were

1 making false and misleading statements and committed gross negligence. M.T. was advised that
2 continued violations may result in discipline which could jeopardize Respondent 3's automotive
3 repair dealer registration.

4 **OTHER MATTERS**

5 120. Under Code section 9884.7(c), the Director may invalidate temporarily or
6 permanently or refuse to validate, the registrations for all places of business operated in this state
7 issued to Respondent ATV, Inc., doing business as American Tire Depot, including Automotive
8 Repair Dealer Registration Numbers ARD 266366, 259246, 276538, 263611, 259245, 262786,
9 268083, and 286867 upon a finding that it has, or is, engaged in a course of repeated and willful
10 violations of the laws and regulations pertaining to an automotive repair dealer.

11 121. Under Code section 9884.7(c), the Director may invalidate temporarily or
12 permanently or refuse to validate, the registrations for all places of business operated in this state
13 by Respondent ATV, Inc., doing business as American Tire Depot, upon a finding that it has, or
14 is, engaged in a course of repeated and willful violations of the laws and regulations pertaining to
15 an automotive repair dealer.

16 **PRAYER**

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

19 1. Revoking or suspending Automotive Repair Dealer Registration Number
20 ARD 266366, issued to Respondent ATV, Inc., doing business as American Tire Depot;

21 2. Revoking or suspending Automotive Repair Dealer Registration Number
22 ARD 259246, issued to Respondent ATV, Inc., doing business as American Tire Depot;

23 3. Revoking or suspending Automotive Repair Dealer Registration Number
24 ARD 276538, issued to Respondent ATV, Inc., doing business as American Tire Depot;

25 4. Revoking or suspending Automotive Repair Dealer Registration Number
26 ARD 263611, issued to Respondent ATV, Inc., doing business as American Tire Depot;

27 5. Revoking or suspending Automotive Repair Dealer Registration Number
28 ARD 259245, issued to Respondent ATV, Inc., doing business as American Tire Depot;

1 6. Revoking or suspending Automotive Repair Dealer Registration Number
2 ARD 262786, issued to Respondent ATV, Inc., doing business as American Tire Depot;

3 7. Revoking or suspending Automotive Repair Dealer Registration Number
4 ARD 268083, issued to Respondent ATV, Inc., doing business as American Tire Depot;

5 8. Revoking or suspending Automotive Repair Dealer Registration Number
6 ARD 286867, issued to Respondent ATV, Inc., doing business as American Tire Depot;

7 9. Revoking or suspending any other automotive repair dealer registration issued to
8 Respondent ATV, Inc.;

9 10. Ordering Respondent ATV, Inc. to pay the Bureau of Automotive Repair the
10 reasonable costs of the investigation and enforcement of this case, pursuant to Business and
11 Professions Code section 125.3; and,

12 11. Taking such other and further action as deemed necessary and proper.
13
14

15 DATED: __March 5, 2020__

Signature on File

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

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