

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

In the Matter of the Accusation Against:

KEW CORPORATION, INC.
dba DODGE CHRYSLER JEEP OF
VACAVILLE
CLARENCE WILLIAMS, JR., PRESIDENT
681 Orange Drive
Vacaville, CA 95687

Automotive Repair Dealer Registration No.
ARD 216027

Smog Check Station License No.
RC 216027

Respondent.

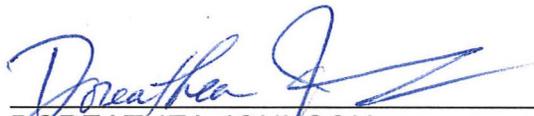
Case No. 77/14-38

DECISION

The attached Stipulated Settlement and Disciplinary Order is hereby accepted and adopted as the Decision of the Director of the Department of Consumer Affairs in the above-entitled matter.

This Decision shall become effective September 23, 2014.

DATED: August 27, 2014



DOREATHEA JOHNSON
Deputy Director, Legal Affairs
Department of Consumer Affairs

1 KAMALA D. HARRIS
 Attorney General of California
 2 FRANK H. PACOE
 Supervising Deputy Attorney General
 3 JUSTIN R. SURBER
 Deputy Attorney General
 4 State Bar No. 226937
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 7 *Attorneys for Complainant*

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

11 In the Matter of the Accusation Against:	Case No. 77/14-38
12 KEW CORPORATION, INC.	STIPULATED SETTLEMENT AND
13 dba DODGE CHRYSLER JEEP OF	
14 VACAVILLE	
15 CLARENCE WILLIAMS, JR.,	
16 PRESIDENT	
17 681 Orange Drive	
18 Vacaville, CA 95687	DISCIPLINARY ORDER
19 Automotive Repair Dealer Registration No.	
20 ARD 216027	
21 Smog Check Station License No. RC 216027	
22 Respondent.	

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

23 PARTIES

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

1 the attendance of witnesses and the production of documents; the right to reconsideration and
2 court review of an adverse decision; and all other rights accorded by the California
3 Administrative Procedure Act and other applicable laws.

4 9. Respondent voluntarily, knowingly, and intelligently waives and gives up each and
5 every right set forth above.

6 CULPABILITY

7 10. Respondent understands and agrees that the charges and allegations in Accusation
8 No. 77/14-38, if proven at a hearing, constitute cause for imposing discipline upon its
9 Automotive Repair Dealer Registration as well as for its Smog Check Station License.

10 11. For the purpose of resolving the Accusation without the expense and uncertainty of
11 further proceedings, Respondent agrees that, at a hearing, Complainant could establish a factual
12 basis for the charges in the Accusation, and that Respondent hereby gives up its right to contest
13 those charges.

14 12. Respondent agrees that its Automotive Repair Dealer Registration is subject to
15 discipline and they agree to be bound by the Director's probationary terms as set forth in the
16 Disciplinary Order below."

17 CONTINGENCY

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

28

1 14. The parties understand and agree that Portable Document Format (PDF) and facsimile
2 copies of this Stipulated Settlement and Disciplinary Order, including Portable Document Format
3 (PDF) and facsimile signatures thereto, shall have the same force and effect as the originals.

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

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

13 **DISCIPLINARY ORDER**

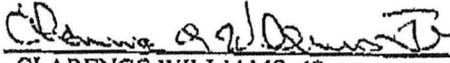
14 IT IS HEREBY ORDERED that Automotive Repair Dealer Registration No. ARD 216027
15 and Smog Check Station License No. RC 216027 issued to Respondent KEW Corporation, Inc.
16 dba Dodge Chrysler Jeep of Vacaville, Clarence Williams, Jr., President (Respondent) are
17 revoked. However, the revocation is stayed and Respondent is placed on probation for three (3)
18 years on the following terms and conditions.

19 1. **Obey All Laws.** Comply with all statutes, regulations, and rules governing
20 automotive inspections, estimates, and repairs.

21 2. **Reporting.** Respondent or Respondent's authorized representative must report in
22 person or in writing as prescribed by the Bureau on a schedule set by the Bureau, but no more
23 frequently than each quarter, on the methods used and success achieved in maintaining
24 compliance with the terms and conditions of probation.

25 3. **Report Financial Interest.** Within 30 days of the effective date of this action, report
26 any financial interest which any partners, officers, or owners of the Respondent facility may have
27 in any other business required to be registered pursuant to section 9884.6 of the Business and
28 Professions Code.

1 intelligently, and agree to be bound by the Decision and Order of the Director of Consumer
2 Affairs.

3 DATED: 8-7-14 
4 CLARENCE WILLIAMS, JR.
5 KEW CORPORATION, INC. dba DODGE
6 CHRYSLER JEEP OF VACAVILLE
7 Respondent

8 I have read and fully discussed with Respondent Clarence Williams, Jr. the terms and
9 conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order.
10 I approve its form and content.

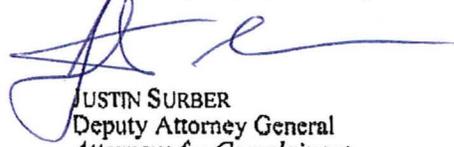
11 DATED: 8/7/14  for
12 ANDREW V. STEARNS
13 Attorney for Respondent

14 ENDORSEMENT

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

17 Dated: 8/8/14

18 Respectfully submitted,
19 KAMALA D. HARRIS
20 Attorney General of California
21 FRANK H. PACOE
22 Supervising Deputy Attorney General


23 JUSTIN SURBER
24 Deputy Attorney General
25 *Attorneys for Complainant*

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Exhibit A

Accusation No. 77/14-38

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Attorney General of California
2 FRANK H. PACOE
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3 NICHOLAS TSUKAMAKI
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7 *Attorneys for Complainant*

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

11 In the Matter of the Accusation Against:

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13 **dba DODGE CHRYSLER JEEP OF**
14 **VACAVILLE**
15 **CLARENCE WILLIAMS, JR.,**
16 **PRESIDENT**
17 **681 Orange Drive**
18 **Vacaville, CA 95687**

A C C U S A T I O N

19 **Automotive Repair Dealer Registration No.**
20 **ARD 216027**

21 **Smog Check Station License No. RC 216027**

22 Respondent.

23 Complainant alleges:

PARTIES

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

26 2. In or around 2001, the Bureau issued Automotive Repair Dealer Registration Number
27 ARD 216027 to Kew Corporation, Inc., dba Dodge Chrysler Jeep of Vacaville, Clarence
28 Williams, Jr., President (Respondent). The Automotive Repair Dealer Registration was in full

1 force and effect at all times relevant to the charges brought herein and will expire on April 30,
2 2014, unless renewed.

3 3. On or about April 11, 2008, the Bureau issued Smog Check Station License Number
4 RC 216027 to Respondent. The Smog Check Station License was in full force and effect at all
5 times relevant to the charges brought herein and will expire on April 30, 2014, unless renewed.

6 JURISDICTION

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

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

14 6. Section 118 of the Code states:

15 The suspension, expiration, or forfeiture by operation of law of a license issued by
16 a board in the department, or its suspension, forfeiture, or cancellation by order of
17 the board or by order of a court of law, or its surrender without the written consent
18 of the board, shall not, during any period in which it may be renewed, restored,
19 reissued, or reinstated, deprive the board of its authority to institute or continue a
disciplinary proceeding against the licensee upon any ground provided by law or to
enter an order suspending or revoking the license or otherwise taking disciplinary
action against the licensee on any such ground.

20 STATUTORY PROVISIONS

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

22 (a) The director, where the automotive repair dealer cannot show there was a bona
23 fide error, may refuse to validate, or may invalidate temporarily or permanently, the
24 registration of an automotive repair dealer for any of the following acts or
25 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.

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

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...

(4) Any other conduct which constitutes fraud.

...

(6) Failure in any material respect to comply with the provisions of this chapter [the Automotive Repair Act (Bus. & Prof. Code, § 9880, et seq.)] or regulations adopted pursuant to it.

...

(c) Notwithstanding subdivision (b), the director may refuse to validate, or may invalidate temporarily or permanently, 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.

....

8. 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. . . ."

REGULATORY PROVISIONS

9. California Code of Regulations, title 16, section 3371 states, in pertinent part: "No 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:

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.

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

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

1 ...

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

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

5 ...

6 **COSTS**

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

13 **UNDERCOVER OPERATION #1 – September 18, 2012**

14 13. On or about September 18, 2012, Bureau employees performed an undercover
15 operation at the subject facility using a 2002 Dodge. Prior to initiating the undercover operation,
16 Bureau personnel had inspected and documented the Dodge. The only repairs needed for the
17 vehicle to be safely driven were replacement of the front brake pads and replacement of the
18 engine oil and filter.

19 14. On or about September 18, 2012, a Bureau undercover operator drove the Dodge to
20 the subject facility and spoke with an employee by the name of Frank Mendoza (Mendoza). The
21 operator requested an oil change and asked Mendoza to check the brakes and determine why the
22 vehicle seemed to ride strange. Mendoza told the operator that he would call her after he had
23 performed an inspection of the vehicle. Later in the day on September 18, 2012, Mendoza called
24 the operator and told her the following: the Dodge's front brakes needed to be replaced; the
25 vehicle's front sway bar bushings and link bearings were worn out and needed to be replaced; and
26 the cost of the repairs would be around \$1,080. The operator authorized the repairs.

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1 15. On or about September 20, 2012, the operator returned to the subject facility to pick
2 up the Dodge. Mendoza informed the operator that the vehicle's front brake pads had been
3 replaced, the rotors had been machined, and the vehicle's sway bar bushings were completely
4 crushed flat and the link bearings were shot. The operator paid \$1,084.41 for the repairs and
5 received a copy of invoice [REDACTED]

6 16. Invoice [REDACTED] states: "installed 10121 oil flush." The Dodge's owner's manual,
7 however, does not recommend that oil flush cleaner and conditioner be added to the engine oil.
8 The invoice also states: "Recommend 30,000 mile interval premium service due to time and
9 mileage . . ." Based on the vehicle's owner's manual, this recommendation was not required for
10 the Dodge. Upon re-inspection of the Dodge, a Bureau representative determined that the
11 vehicle's front brake rotors had been replaced. The vehicle's front brake rotors, however, were in
12 good, serviceable condition and were not in need of replacement. The Bureau representative
13 further determined that the vehicle's front sway bar bushings and end links had been replaced as
14 invoiced. The vehicle's front suspension stabilizer bar end links and mounting bushings,
15 however, were in good, serviceable condition and were not in need of replacement.

16 17. Bureau personnel determined that Respondent's facility charged the operator \$922.33
17 in unnecessary parts and labor. The costs paid for these unnecessary parts and labor are shown in
18 Table #1 below.

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TABLE #1

Description	Parts Cost	Service/installation labor cost
Front brake rotors (2)	\$71.98	\$195.00
Oil flush	\$25.99	
Front sway bar bushings and links	\$163.98	\$420.00
Tax	\$45.38	
Total Parts	\$307.33	
Total Labor	\$615.00	
Total Fraud	\$922.33	

FIRST CAUSE FOR DISCIPLINE

(Untrue and/or Misleading Statements)

18. Respondent's registration is subject to discipline under section 9884.7, subdivisions (a)(1) and/or (a)(6) of the Code and California Code of Regulations, title 16, sections 3371 and 3373, in that Respondent made or authorized statements that he knew or in the exercise of reasonable care should have known to be untrue and/or misleading, as follows:

a. Respondent's employee told the Bureau's operator that the Dodge needed certain parts that were not in need of replacement.

b. Respondent's employee listed on the invoice for the repairs to the Dodge certain parts and repairs that were unnecessary.

SECOND CAUSE FOR DISCIPLINE

(Fraud)

19. Respondent is subject to disciplinary action under section 9884.7, subdivisions (a)(4) and/or (a)(6) of the Code in that Respondent committed acts constituting fraud by accepting payment for the installation of oil flush and the replacement of the Dodge's front brake rotors and

///

1 front sway bar bushings and end links, even though those parts were not in need of installation or
2 replacement.

3
4 **UNDERCOVER OPERATION #2 – April 8, 2013**

5 20. On or about April 8, 2013, Bureau employees performed an undercover operation at
6 the subject facility using a 2002 Dodge. Prior to initiating the undercover operation, Bureau
7 personnel had inspected and documented the Dodge. The only repairs needed for the vehicle to
8 be safely driven were an engine oil and filter change, the replacement of the front brake pads, the
9 replacement of the vehicle's throttle position sensor (TPS), and the tightening of the vehicle's
10 driver's side front stabilizer bar link.

11 21. On or about April 8, 2013, a Bureau undercover operator drove the Dodge to the
12 subject facility and spoke with an employee by the name of Jennifer Lintag (Lintag). The
13 operator requested an oil change and also requested that the facility check the brakes, check why
14 the vehicle seemed to ride different, and determine why the check engine light was on. Lintag
15 informed the operator that she would call the operator after the facility had performed an
16 inspection of the vehicle. On or about April 9, 2013, the operator spoke with Lintag who told the
17 operator that the vehicle's front brake pads needed to be replaced and the brake rotors turned, a
18 bolt in the front sway bar needed to be tightened, the TPS needed to be replaced, the throttle body
19 was dirty and needed cleaning, and the brake light switch was stuck in the "on" position and
20 needed to be replaced. Lintag further informed the operator that the cost of the repairs would be
21 around \$1,055. The operator authorized the repairs.

22 22. On or about April 11, 2013, the operator returned to the subject facility to pick up the
23 Dodge. The operator paid \$1,052.64 for the repairs and received a copy of invoice [REDACTED]

24 23. A Bureau employee later determined that Respondent's facility replaced the Dodge's
25 brake light switch as invoiced. This part, however, was documented to be in good and
26 serviceable condition and was not in need of replacement or repair. The Bureau employee further
27 determined that the facility tightened the vehicle's driver's side front stabilizer bar link. Invoice
28 [REDACTED] however, does not indicate that this part was tightened. Invoice [REDACTED] states the

1 following: "Performed oil and filter change with oil flush adding cleaner and conditioner." The
2 Dodge's manufacturer, however, does not recommend the addition of any additive to the
3 vehicle's engine oil. Finally, Respondent's facility charged for and added fuel system cleaner to
4 the vehicle even though it was not necessary.

5 24. Bureau personnel determined that Respondent's facility charged the operator \$184.97
6 in unnecessary parts and labor. The costs paid for these unnecessary parts and labor are shown in
7 Table #2 below.

8 **TABLE #2**

9 Description	Parts Cost	Service/installation labor cost
10 Brake switch	\$28.63	\$70.00
11 Oil flush	\$25.99	
12 Cleaner: fuel system	\$51.35	
13 Tax	\$9.00	
14		
15 Total Parts	\$114.97	
16 Total Labor	\$70	
17 Total Fraud	\$184.97	

18 **THIRD CAUSE FOR DISCIPLINE**

19 **(Untrue and/or Misleading Statements)**

20 25. Respondent's registration is subject to discipline under section 9884.7, subdivisions
21 (a)(1) and/or (a)(6) of the Code and California Code of Regulations, title 16, sections 3371 and
22 3373, in that Respondent made or authorized statements which he knew or in the exercise of
23 reasonable care should have known to be untrue and/or misleading, as follows:

24 a. Respondent's employee told the Bureau's operator that the Dodge needed certain
25 parts and repairs that were unnecessary.

26 b. Respondent's employee listed on the invoice for the repairs to the Dodge certain parts
27 and repairs that were unnecessary.

28

1 **FOURTH CAUSE FOR DISCIPLINE**

2 **(Fraud)**

3 26. Respondent is subject to disciplinary action under section 9884.7, subdivisions (a)(4)
4 and/or (a)(6) of the Code in that Respondent committed acts constituting fraud by accepting
5 payment for the replacement of the Dodge's brake light switch, the addition of an additive to the
6 vehicle's engine oil, and the addition of fuel system cleaner to the vehicle, even though those
7 parts/repairs were not needed.

8 **FIFTH CAUSE FOR DISCIPLINE**

9 **(Failure to Record Work on Invoice)**

10 27. Respondent is subject to disciplinary action under section 9884.8 of the Code and
11 California Code of Regulations, title 16, section 3356, subdivision (a)(2)(A) in that Respondent
12 tightened the Dodge's driver's side front stabilizer bar link but did not record this repair on the
13 invoice.

14 **OTHER MATTERS**

15 28. Pursuant to section 9884.7, subdivision (c) of the Code, the Director may suspend,
16 revoke, or place on probation the registrations for all places of business operated in this state by
17 Kew Corporation, Inc., dba Dodge Chrysler Jeep of Vacaville, Clarence Williams, Jr., President,
18 upon a finding that it has, or is, engaged in a course of repeated and willful violations of the laws
19 and regulations pertaining to an automotive repair dealer.

20
21 **PRAYER**

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

24 1. Revoking or suspending Automotive Repair Dealer Registration Number ARD
25 216027 issued to Kew Corporation, Inc., dba Dodge Chrysler Jeep of Vacaville, Clarence
26 Williams, Jr., President;

27 2. Revoking or suspending Smog Check Station License Number RC 216027 issued to
28 Kew Corporation, Inc., dba Dodge Chrysler Jeep of Vacaville, Clarence Williams, Jr., President;

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3. Revoking, suspending, or placing on probation any other automotive repair dealer registration issued to Kew Corporation, Inc., dba Dodge Chrysler Jeep of Vacaville, Clarence Williams, Jr., President;

4. Ordering Kew Corporation, Inc., dba Dodge Chrysler Jeep of Vacaville, Clarence Williams, Jr., President, 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

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

DATED: January 28, 2014 *Patrick Dorais*

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

SF2013406108