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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:

Case No.

77/14-43

12 **EXPERT AUTO CLINIC; MKRTICH**
13 **MIKE ZOURNACHYAN, owner**
14 **14510 Bessemer St.**
Van Nuys, CA 91411

A C C U S A T I O N

15 **Automotive Repair Dealer Registration No.**
16 **ARD 231854**
17 **Smog Check Station License No. RC 231854**
Brake Station License No. BS231854
Lamp Station License No. LS 231854

18 Respondent.

19 Complainant alleges:

20 **PARTIES**

- 21 1. Patrick Dorais (Complainant) brings this Accusation solely in his official capacity as
22 the Chief of the Bureau of Automotive Repair, Department of Consumer Affairs.
23 2. On or about April 9, 2004, the Bureau of Automotive Repair issued Automotive
24 Repair Dealer Registration Number ARD 231854 to Expert Auto Clinic; Mkrkich Mike
25 Zournachyan, owner (Respondent). The Automotive Repair Dealer Registration was in full force
26 and effect at all times relevant to the charges brought herein and will expire on February 28, 2014,
27 unless renewed.
28

1 'bureau,' 'commission,' 'committee,' 'department,' 'division,' 'examining committee,' 'program,' and
2 'agency.'

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

7 10. Section 9884.7 of the Code states:

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

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

16 ***

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

19 11. Section 9884.13 of the Code provides, in pertinent part, that the expiration of a valid
20 registration shall not deprive the Director of jurisdiction to proceed with a disciplinary proceeding
21 against an automotive repair dealer or to render a decision invalidating a registration temporarily
22 or permanently.

23 12. Section 9888.3 of the Code provides, in pertinent part that "No person shall operate
24 an "official" lamp or brake adjusting station unless a license therefor has been issued by the
25 director. No person shall issue, or cause or permit to be issued, any certificate purporting to be an
26 official lamp adjustment certificate unless he or she is a licensed lamp adjuster or an official brake
27 adjustment certificate unless he or she is a licensed brake adjuster."
28

1 13. Section 9887.1 of the Code provides that the Bureau has authority to issue licenses for
2 official lamp and brake adjusting stations and shall license lamp and brake adjusters. Lamp and
3 brake adjusters are required to pass the appropriate examination every four years in order to be
4 licensed. Persons whose licenses have expired shall immediately cease the activity requiring a
5 license, but the director shall accept applications for renewal during the 30-day period following
6 the date of expiration if they are accompanied by a new license fee. In no case shall a license be
7 renewed where the application is received more than 30 days after the date of expiration.

8 14. Section 9889.7 of the Code provides, in pertinent part, that the expiration or
9 suspension of a license by operation of law or by order or decision of the Director or a court of
10 law, or the voluntary surrender of a license shall not deprive the Director of jurisdiction to
11 proceed with any disciplinary proceedings.

12 15. Section 9889.3 of the Code states, in pertinent part:

13 "The director may suspend, revoke, or take other disciplinary action against a license as
14 provided in this article [Article 7 (commencing with section 9889.1) of the Automotive Repair
15 Act] if the licensee or any partner, officer, or director thereof:

16 "(a) Violates any section of the Business and Professions Code which relates to his or her
17 licensed activities.

18 ***

19 "(c) Violates any of the regulations promulgated by the director pursuant to this chapter
20 [the Automotive Repair Act].

21 ***

22 "(f) Aids or abets an unlicensed person to evade the provisions of this chapter.

23 ***

24 "(h) Violates or attempts to violate the provisions of this chapter relating to the particular
25 activity for which he or she is licensed.

26 16. Section 9889.22 of the Code states:

27 "The willful making of any false statement or entry with regard to a material matter in any
28 oath, affidavit, certificate of compliance or noncompliance, or application form which is required

1 by this chapter [the Automotive Repair Act] or Chapter 5 (commencing with Section 44000) of
2 Part 5 of Division 26 of the Health and Safety Code constitutes perjury and is punishable as
3 provided in the Penal Code."

4 17. California Code of Regulations, title 16, section 3308, states: "An official station
5 shall stop performing the functions for which it has been licensed when it no longer has the
6 services of a licensed adjuster, or when its station license has expired or has been surrendered,
7 suspended, or revoked. Such station must dispose of materials related to its formerly licensed
8 activity according to these provisions."

9 18. Vehicle Code section 20 provides: "It is unlawful to use a false or fictitious name, or
10 to knowingly make any false statement or knowingly conceal any material fact in any document
11 filed with the Department of Motor Vehicles or the Department of the California Highway
12 Patrol."

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

19 STATEMENT OF FACTS

20 20. In 2010, Paronyan came to work for Respondent as a "partner" in the brake, lamp and
21 smog inspection part of Respondent's licensed activities. Respondent supervised the licensed
22 activities and the activities of Paronyan. Paronyan ceased working for Respondent on or about
23 November 10, 2012 when he opened his own auto repair facility.

24 21. Between October 2010 and October 2012, Paronyan issued all of the Lamp
25 Adjustment certificates at Respondent's facility and while he did not hold a valid lamp adjuster
26 license.

27 22. California Department of Motor Vehicles (DMV) requires that a State Licensed
28 Inspection Station conduct a thorough and complete examination of these critical components

1 which may have been possibly damaged or misaligned due to an accident or as a result of theft
2 damage.

3 23. The purpose of a Brake and Lamp Inspection is to assure that a vehicle being issued a
4 salvage certificate is in a safe and road worthy condition prior to being retitled. When a salvaged
5 vehicle is "revived" either due to accident damage or theft of the vehicle, the California
6 Department of Motor vehicles considers the ownership of the vehicle to be changed, even though
7 the owner remains the same.

8 24. A vehicle may also need such an inspection to correct a defect cited by a law
9 enforcement agency such as the California Highway patrol. This is called a Brake and Lamp
10 Inspection and when successfully completed, a certificate is issued to be presented to the DMV or
11 California Highway Patrol as proof of correction of any cited condition and the safety of the
12 vehicle.

13 25. For the Lamp Inspection, the licensed technician will inspect the lighting systems of
14 the vehicle to determine that they are in correct operating condition. This will generally include
15 using specially designed and certified equipment to measure the aim of the beam of the
16 headlights as well as the visual inspection of any exterior safety lighting devices such as turn
17 signals and clearance lights.

18 26. Of major concern is the proper operation of the brake lamp and tail light electrical
19 system. Once successfully completed, the technician will issue a certificate, which is good for 90
20 days, to be presented to the requesting agency, usually DMV.

21 27. Paronyan was issuing a quantity of approximately two (2) Brake and two (2) Lamp
22 Certificate Books each month for which Paronyan did not generate an estimate and/or final
23 invoice for approximately half the total amount of Brake and Lamp Certificates issued. The
24 Brake and Lamp Certificates are purchased from the Bureau by mail, in books that hold 50
25 certificates each.

26 28. Bureau representatives requested and received the original Brake and Lamp
27 Certificate books for certificates issued by Paronyan while employed at Respondent's licensed
28 auto repair facility. Received from Respondent were a total of sixty one (61) certificate books.

1 Bureau representatives also made a written request on a Station Inspection Report for all
2 estimates and final invoices related to the Brake and Lamp certificates issued between January
3 2011 and November 2012

4 29. On December 7, 2012, Bureau representatives met with Respondent at the Valencia
5 field office. Respondent stated he ordered all Brake and Lamp certificates for his licensed
6 facility. Respondent stated that the Brake and Lamp Adjustment Certificate books were kept
7 secure in Paronyan's toolbox. Respondent stated that he was an active day to day manager/
8 supervisor at the facility and oversaw the activities of Paronyan, and trusted him to perform the
9 job correctly. Respondent stated that Paronyan became his financial business partner on Dec. 5,
10 2005.

11 30. Respondent stated that he discussed fleet accounts with Paronyan and transported cars
12 back and forth from LA Cars Repo. Respondent stated his licensed facility was open Monday
13 through Saturday and that Paronyan had issued each and every certificate.

14 31. LA Cars Repo Inc. is a used vehicle dealer that is licensed by the Department of
15 Motor Vehicles to sell used vehicles. Respondent charged LA Cars Repo \$50 to \$60 total for
16 both a brake and lamp certificate for its vehicles that Respondent inspected. LA Cars Repo
17 obtained certificates from both Respondent and Paronyan on separate occasions.

18 32. Respondent also issued brake and lamp certificates for inspections performed by
19 Paronyan while he was not licensed to the following: First Quality Collision Center and Shorty's
20 Body Shop. In these transactions, Paronyan was known as "Kris" to the customers and
21 Respondent was known as "Mike".

22 33. In the lamp certificates issued by Paronyan, Paronyan signed a statement under
23 penalty of perjury attesting that he had performed the tests in accordance with and as specified by
24 the Bureau and in accordance with Titles 13 and 16 of the California Code of Regulations, the
25 Vehicle Code and the Business and Professions Code. In fact these attestations were untrue or
26 misleading since Paronyan did not hold a valid lamp adjuster license at the time he issued the
27 certificates and Paronyan and Respondent knew them to be untrue or misleading since they both
28

1 knew or by the exercise of reasonable care should have known that Paronyan did not hold a valid
2 license.

3 FIRST CAUSE FOR DISCIPLINE

4 (Untrue or Misleading Statements)

5 34. Respondent is subject to disciplinary action under section 9884.7 subd. (a) (1) in that
6 he made or authorized untrue or misleading statements that he knew or by exercise of reasonable
7 care should have known were untrue or misleading as alleged in the preceding paragraphs 20
8 through 33 that are incorporated by reference as though fully set forth.

9 SECOND CAUSE FOR DISCIPLINE

10 (Issuance of Official Lamp Adjustment Certificate When Unlicensed)

11 35. Respondent is subject to disciplinary action under section 9888.3 in conjunction with
12 Title 16 California Code of Regulations sec. 3308 in that Respondent failed to cease the functions
13 of a Lamp Station while it did not have the services of a validly licensed lamp adjuster. The
14 circumstances are as alleged in the preceding paragraphs 32 through 33 that are incorporated
15 herein by reference as though fully set forth.

16 THIRD CAUSE FOR DISCIPLINE

17 (False Statements or Entries in an Oath, Affidavit or Certificate of Compliance)

18 36. Respondent is subject to disciplinary action under sections 9884.7, subd. (a)(6) and
19 9889.22 in conjunction with Title 16 California Code of Regulations sec. 3308 in that
20 Respondent's employee Paronyan made false statements that he was properly licensed as a lamp
21 adjuster in the certificates issued by Respondent. The circumstances are as alleged in the
22 preceding paragraphs 32 through 33 that are incorporated herein by reference as though fully set
23 forth.

24 FOURTH CAUSE FOR DISCIPLINE

25 (Violation of Statute Relating to Licensed Activities)

26 35. Respondent is subject to disciplinary action under sections 9889.3 subd. (a) and (h)
27 for violation of section 9889.22 in conjunction with Title 16 California Code of Regulations sec.
28 3308 in that Respondent's employee Paronyan made false statements that he was properly

1 licensed as a lamp adjuster in the certificates issued by Respondent. The circumstances are as
2 alleged in the preceding paragraphs 32 through 33 that are incorporated herein by reference as
3 though fully set forth.

4 FIFTH CAUSE FOR DISCIPLINE

5 (Violation of Regulation Relating to Licensed Activities)

6 35. Respondent is subject to disciplinary action under sections 9889.3 subd. (c) for
7 violation of section 9888.3 in conjunction with Title 16 California Code of Regulations sec. 3308
8 in that Respondent was required by law to cease the licensed functions of a Lamp Station while it
9 did not have the services of a validly licensed lamp adjuster. The circumstances are as alleged in
10 the preceding paragraphs 32 through 33 that are incorporated herein by reference as though fully
11 set forth.

12 SIXTH CAUSE FOR DISCIPLINE

13 (Aiding and Abetting Violation of Regulation Relating to Licensed Activities)

14 35. Respondent is subject to disciplinary action under sections 9889.3 subd. (f) for aiding
15 and abetting an unlicensed person, Paronyan, to evade the provisions of the Automotive Repair
16 Act relating to lamp inspections. The circumstances are as alleged in the preceding paragraphs
17 20, 29 and 32 through 33 that are incorporated herein by reference as though fully set forth.

18 OTHER MATTERS

19 36. Pursuant to Bus. & Prof. Code section 9884.7, subdivision (c), the Director may
20 suspend, revoke or place on probation the registration for all places of business operated in this
21 state by Respondent EXPERT AUTO CLINIC; MKRTICH MIKE ZOURNACHYAN, owner,
22 upon a finding that Respondent has, or is, engaged in a course of repeated and willful violations
23 of the laws and regulations pertaining to an automotive repair dealer.

24 37. Pursuant to Health & Saf. Code section 44072.8, if Smog Check Station License
25 Number RC 231854, issued to Respondent EXPERT AUTO CLINIC; MKRTICH MIKE
26 ZOURNACHYAN, owner, is revoked or suspended, any additional license issued under Chapter
27 5 of the Health & Saf. Code in the name of said licensee may be likewise revoked or suspended
28 by the Director.

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

DATED: February 20, 2014 

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

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