BAR case study

Bill Thomas
BAR Executive Office
July 30, 2026

DEPARTMENT OF CONSUMER AFFAIRS
BAR
Bureau of Automotive Repair
Bureau of Automotive Repair

Licensure of automotive repair dealer

- On April 21, 2025, BAR issued an automotive repair dealer (ARD) registration to a collision repair shop in Los Angeles owned by a limited liability company.
- As required, the applicant provided a physical address for the repair facility.
- However, documentation obtained during BAR’s investigation of consumer complaints against the ARD identified a different address.
- On March 6, 2026, the ARD completed a business change request form online with BAR to correct their physical address.

Consumer complaints

- Between May 2025 and May 2026, the Bureau received 31 consumer complaints against the ARD.
- Nearly all the complaints focused on allegations of fraudulent and exorbitant fees.
- In most, if not all, of the complaints, the ARD declined to offer any resolution to the consumer, despite BAR's recommendation of a refund.
- BAR's complaint investigation focus is to attempt to resolve the dispute and obtain a resolution acceptable to both parties.
- If BAR is unable to obtain such a resolution to the complaint, it is closed and the information gathered is preserved for a potential future investigation.

Formal investigation (1 of 2)

- Based on the allegations identified during the complaint investigations, BAR opened a formal investigation into the business practices of the ARD.
- BAR's enforcement investigator reviewed the evidence from every complaint available at the time of the investigation.
- The investigator then contacted the consumers to discuss the repair transactions and inquire as to whether they would be willing to sign a declaration detailing their experiences with the ARD.
- The investigator identified five consumers willing to be witnesses and conducted detailed interviews.
- The investigator also conducted detailed interviews with the ARD's management to obtain their version of the "repair transactions."

Formal investigation (2 of 2)

- The investigation confirmed violations of the Automotive Repair Act:
  - Business and Professions Code (BPC) section 9884.7(a)(4), fraud
  - BPC section 9884.7(a)(1), untrue or misleading statements
  - BPC section 9884.7(a)(8), false promises to induce a sale
  - BPC section 9884.7(a)(3), failure to provide the consumer with a copy of a signed document
  - BPC section 9884.7(e)(4), intentional failure to disclose a material fact (i.e., failure to provide tow truck driver information)
  - BPC 9884.8, failure to provide a final invoice

Interim Suspension Order proceeding (1 of 2)

- On May 6, 2026, on BAR's behalf and pursuant to BPC section 494, the Office of the Attorney General filed a petition for an Interim Suspension Order (ISO) with the Los Angeles Office of Administrative Hearings (OAH) against the ARD.
    - ISOs are reserved for the most egregious cases to immediately suspend the registration and/or license of an ARD causing significant harm to the public.
- The matter was heard virtually by an OAH Administrative Law Judge (ALJ) on May 22, 2026.
- The licensee (respondents) failed to appear at the hearing.
- During the hearing, it was determined the Notice of Hearing had been served at the incorrect address provided by the ARD during their initial application for an ARD registration.

Interim Suspension Order proceeding (2 of 2)

- The matter was continued to June 12, 2026, to allow for proper service of the Notice of Hearing and was heard as scheduled.
- The respondents again failed to appear at the hearing.
- On June 19, 2026, the ALJ issued an order granting the Petition for Interim Suspension Order.
- In granting the ISO, the ALJ stated: “Respondents operated a predatory towing and storage scheme to defraud the five consumers and their insurance companies of thousands of dollars.”

Accusation after Interim Suspension Order

- The accusation that is required after issuance of the ISO was timely filed and served upon respondents on June 30, 2026.
- The accusation details the alleged fraudulent business practices demonstrated by the ARD and lists 32 causes for discipline, including fraud, false and misleading statements, unlawful towing practices, and failure to provide records to BAR.
- Respondents had until July 15, 2026, to file a Notice of Defense contesting the accusation.

Questions for BAR stakeholders

- How does BAR address ARDs that appear to be registered for the sole purpose of fraudulent towing and storage practices?
  - SB 1112 (Archuleta)?
  - Licensure of collision repair or inspection facilities?
  - Collision repair equipment requirements?
    - Note: CCR 3351.5(a) and (b) do NOT resolve this challenge because of the verbiage “that performs” in (a) and “that is performing” in (b).
    - These facilities are very clear they do not perform painting or structural repair services as defined in the above regulation.
  - Regulation changes?
  - Other ideas?

Thank you

For comments and questions, please contact:

Bill Thomas
bill.thomas@dca.ca.gov

www.bar.ca.gov