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Attorneys for Complainant

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

In the Matter of the Accusations and Statement of Issues Against: **RICHARD J. KELLEJIAN, INC.,** **dba CALIBER COLLISION CENTERS** **Matthew Ohrnstein, President** AH 096676 (Fresno) **D. R. LONG, LTD.,** **dba CALIBER COLLISION CENTERS** **Matthew Ohrnstein, President** AK 218603 (Chino) AK 218609 (Walnut) AK218612 (Pomona) **SAN MARCOS AUTO BODY, INC.,** **dba CALIBER COLLISION CENTERS** **Matthew Ohrnstein, President** AK 218625 (San Marcos) **CALIBER BODYWORKS, INC.,** **dba CALIBER COLLISION CENTERS** **Matthew Ohrnstein, President** AL 192067 (Los Angeles - Wilcox) AH 217715 (Hesperia) AK 218599 (Oceanside) AK 218606 (El Cajon - Johnson) AK 218608 (San Bernardino) AK 218610 (Yucaipa) AK 218611(Cathedral City) AK218613(Murrieta) AK 218614 (Norco) AK 218615 (Palm Springs)	**Case Nos.** 77/03-123, 77/03-105, 77/03-130, 77/03-124, 77/03-121, 77/03-122, 77/03-107, 77/04-14, 77/04-50, 77/04-26, 77/04-48, 77/04-07, 77/04-06, 77/04-20, 77/04-61; 77/04-103 and 77/04-06-S **OAH Nos.** **STIPULATED SETTLEMENT AND DISCIPLINARY ORDER**

AK 218616 (Redlands)
AK 218617 (Costa Mesa)
AK 218618 (Gardena)
AK 218619 (La Habra)
AK 218620 (Los Angeles - La Cienega)
AK218621(Rialto)
AK 218624 (Riverside)
AK 218626 (Indio)
AL 219097 (San Diego - Kettner)
AM 219323 (Fountain Valley)
AD 221166 (Anaheim)
AK 224081 (Rancho Cucamonga)
AE 227694 (San Marcos - provisional registration)

CHAPPARONE AUTO BODY OF MIRAMAR,
dba CALIBER COLLISION CENTERS
Matthew Ohrnstein, President

AK 218597 (San Diego - Garnet)
AK 218598 (National City)
AK 218600 (San Diego - Miramar)
AK 218601 (San Diego - Daggett)
AK 218602 (San Diego - Balboa)
AK 218604 (Escondido)
AK 218605 (El Cajon - Second St.)
AK 218607 (Carlsbad)
AM 219454 (La Mesa)

CORWIN INDUSTRIES CORP.
dba CALIBER COLLISION CENTERS
Matthew Ohrnstein, President

AK 218623 (San Juan Capistrano)

F & R VENTURES, Inc.
dba CALIBER COLLISION CENTERS
Matthew Ohrnstein, President

AK218622 (Mission Viejo)

Respondents.

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

PARTIES, JURISDICTION AND OTHER RECITALS

1. Patrick Dorais (Complainant) was the Chief of the Bureau of Automotive

Repair (Bureau). He brought this action solely in his official capacity. James Goldstene is currently Interim Chief of the Bureau and is represented in this matter by Bill Lockyer, Attorney General of the State of California, by Stephen S. Handin, Supervising Deputy Attorney General.

2. Respondents, doing business as "Caliber Collision Centers" and the respective owning entities thereof are represented in this proceeding by attorneys Julia Strickland and Stephen Newman, whose address is STROOCK & STROOCK & LAVAN LLP, 2029 Century Park East, Suite 1800, Los Angeles, CA 90067-3086.

3. On the indicated dates, the Bureau issued the following Automotive Repair Dealer registration Nos: AH 096676 (8/2/82); AL 192067 (11/25/96); AH 217715 (2/15/02); AK218597 (2/15/02); AK 218598 (2/15/02); AK 218599 (2/15/02); AK 218600 (2/15/02); AK 218601 (2/15/02); AK 218602 (2/15/02); AK 218603 (2/15/02); AK 218604 (2/15/02); AK 218605 (2/15/02); AK 218606 (2/15/02); AK 218607 (2/15/02); AK 218608 (2/15/02); AK 218609 (2/15/02); AK 218610 (2/15/02); AK 218611 (2/15/02); AK 218612 (2/15/02); AK 218613 (2/15/02); AK 218614 (2/15/02); AK 218615 (2/15/02); AK 218616 (2/15/02); AK 218617 (2/15/02); AK 218618 (2/15/02); AK 218619 (2/15/02); AK 218620 (2/15/02); AK 218621 (2/15/02); AK 218622 (2/15/02); AK 218623 (2/15/02); AK 218624 (2/15/02); AK 218625 (2/15/02); AK 218626 (2/15/02); AL 219097 (2/15/02); AM 219323 (2/15/02); AM 219454 (2/15/02); AD 221166 (4/2/02); AK 224081 (10/7/02); AE 227694 (7/7/03) to one of the following owning entities (hereinafter referred to collectively as "Respondents"): RICHARD J. KELLEJIAN, INC., dba CALIBER COLLISION CENTERS, Matthew Ohrnstein, President; D. R. LONG, LTD., dba CALIBER COLLISION CENTERS, Matthew Ohrnstein, President; SAN MARCOS AUTO BODY, INC., dba CALIBER COLLISION CENTERS, Matthew Ohrnstein, President; CALIBER BODYWORKS, INC., dba CALIBER COLLISION CENTERS, Matthew Ohrnstein, President; CHAPPARONE AUTO BODY OF MIRAMAR, dba CALIBER COLLISION CENTERS, Matthew Ohrnstein, President; CORWIN INDUSTRIES CORP., dba CALIBER COLLISION CENTERS, Matthew Ohrnstein, President; and F & R VENTURES, Inc., dba CALIBER COLLISION CENTERS, Matthew Ohrnstein, President.

4. On March 21, 2002, pursuant to the Stipulated Settlement adopted by the Director in the disciplinary action entitled *In the Matter of the Accusation Against Caliber Holdings Corp. dba Caliber Collision Center,* Case Number 77/02/160, Automotive Repair Dealer Registration Number AM 197487 issued to Respondent Caliber Holdings Corporation, doing business as Caliber Collision Center (with Matthew Ohrnstein, President), was revoked effective April 29, 2002. The revocation was stayed and said respondent was placed on probation for three (3) years subject to terms and conditions. The registration was also suspended for five (5) days.

Condition 2, "Probation Carry Over", provided that the disciplinary order shall carry over, and be applicable in full, to any different Bureau license or registration issued for a facility at the address of 1622 Pomona Avenue, Costa Mesa, California, and that *any such new licensee or registrant shall have the same obligations and duties to comply with all probationary terms and conditions herein at such time as a different license or registration issues.*

Condition 3, provides that "Respondent shall comply with all statutes, regulations and rules governing automotive inspections, estimates and repairs."

5. Automotive Repair Dealer Registration Number AK218625 (San Marcos) was invalidated on June 26, 2003, due to a change of ownership. Following litigation in San Diego County Superior Court, Complainant issued provisional Registration Number AE227694 for the same location that previously operated under Registration Number AK218625. Subject to adoption of this Stipulated Settlement and Disciplinary Order, and upon the effective date thereof, Registration Number AE227694 shall be deemed to be a registration issued in the normal course of business by the Bureau, and renewable thereafter on the same basis as any other Registration in good standing.

6. Accusation Nos. 77/03-123, 77/03-105, 77/03-130, 77/03-124, 77/03-121, 77/03-122, 77/03-107, 77/04-14, 77/04-50, 77/04-26, 77/04-48, 77/04-07, 77/04-06, 77/04-20, 77/04-61, 77/04-103 and Statement of Issues No. 77/04-06-S (hereinafter the "Accusatory Pleadings") were filed before the Director of Consumer Affairs (Director) for the Bureau, and are

currently pending against Respondents. The Accusatory Pleadings were properly served, Respondents timely filed their Notices of Defense contesting the Accusatory Pleadings, and Discovery proceeded pursuant to the California Administrative Procedures Act. The Accusatory Pleadings are incorporated herein by reference.

ADVISEMENT AND WAIVERS

7. Respondents have carefully read, fully discussed with counsel, and understand the charges and allegations in the Accusatory Pleadings. Respondents have also carefully read, fully discussed with counsel, and understand the effects of this Stipulated Settlement and Disciplinary Order. Respondents are fully aware of their legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusatory Pleadings; the right to be represented by counsel at their own expense; the right to confront and cross-examine the witnesses against them; the right to present evidence and to testify on their 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. Respondents voluntarily, knowingly, and intelligently waive and give up each and every right set forth in this paragraph as to the Accusatory Pleadings.

RESOLUTION OF CHARGES AND ALLEGATIONS

8. Respondents understand and agree that the charges and allegations in the Accusatory Pleadings, if proven at a hearing, would constitute cause for imposing discipline upon their Automotive Repair Dealer Registrations and would constitute cause for denying the pending application for registration (77/04-06-S). Respondents agree that their Automotive Repair Dealer Registrations are subject to discipline and that Statement of Issues No. 77/04-06-S can be sustained. For the purpose of resolving the Accusatory Pleadings without the expense and uncertainty of further proceedings, Respondents agree to be bound by the Director's imposition of discipline, as set forth in the Disciplinary Order below. Respondents acknowledge that they have not complied with all provisions of the Automotive Repair Act and its implementing regulations, but they neither admit nor deny that they willfully or negligently failed to comply.

RESERVATION

9. This Stipulated Settlement and Disciplinary Order and the statements made by Respondents herein are only for the purposes of this proceeding, or any other proceedings relating to automotive repair before the Director or the Bureau, and it is the intention of the parties that they shall not be admissible in any other proceedings of any kind, including but not limited to criminal, civil, administrative and/or arbitral proceedings.

CONTINGENCY

10. This stipulation shall be subject to approval by the Director or her designee. Respondents understand and agree that counsel for Complainant and the staff of the Bureau may communicate directly with the Director, any designee of the Director, and staff of the Department of Consumer Affairs regarding this stipulation and settlement, without notice to or participation by Respondents or their counsel. By signing the stipulation, Respondents understand and agree that they may not withdraw their agreement or seek to rescind the stipulation prior to the time the Director considers and acts upon it. If the Director fails to adopt this stipulation as the Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force or effect and, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Director shall not be disqualified from further action by having considered this matter.

11. The parties understand and agree that facsimile copies of this Stipulated Settlement and Disciplinary Order, including facsimile signatures thereto, shall have the same force and effect as the originals.

12. 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:

Automotive Repair Dealer Registration Numbers AH 096676; AL 192067; AH 217715; AK 218597; AK 218598; AK 218599; AK 218600; AK 218601; AK 218602; AK 218603; AK

218604; AK 218605; AK 218606; AK 218607; AK 218608; AK 218609; AK 2186010; AK 2186011; AK 218612; AK 218613; AK 218614; AK 218615; AK 218616; AK 218618; AK 218619; AK 218620; AK 218621; AK 218622; AK 218623; AK 218624; AK 218626; AL 219097; AM 219323; AM 219454; AD 221166; AK 224081; AE 227694 issued to Respondents are invalidated. However, the invalidations are stayed and Respondents are placed on probation for three (3) years on the following terms and conditions:

In addition, the stay of the revocation in Bureau Case No 77/02/160 is vacated and Automotive Repair Dealer Registration No. AK 218617 is invalidated. However, the invalidation is stayed, and said Registration is placed on probation for three additional years from April 29, 2005, on the following terms and conditions:

1. **Actual Suspension.**

Automotive Repair Dealer registration Numbers AK 218599 (Oceanside); AK 218600 (San Diego - Miramar); AK 218623 (San Juan Capistrano); and AK 218622 (Mission Viejo) are actually suspended for one day beginning on the effective date of the Decision.

Automotive Repair Dealer registration Numbers AH 096676 (Fresno); AK 218603 (Chino); AK 218609 (Walnut); AL 192067 (Los Angeles - Wilcox); AK 218606 (El Cajon - Johnson); AK 218608 (San Bernardino); AK218613 (Murrieta); AK 218616 (Redlands); AK 218620 (Los Angeles - La Cienega); AK218621 (Rialto); AK 218624 (Riverside); AE 227694 (San Marcos); AK 218601 (San Diego - Daggett) and AK 218604 (Escondido) are actually suspended for two (2) consecutive days beginning on the effective date of the Decision.

Automotive Repair Dealer registration Number AK 218617 (Costa Mesa) is actually suspended for five (5) consecutive days beginning on the effective date of the Decision. Respondents shall provide twenty-four (24) hours of training, during the period of actual suspension, for its employees at the Costa Mesa location, which will include distribution to its employees of the Bureau of Automotive Repair's "Write it Right" publication.

Respondents agree to pay their employees during the suspension periods at all locations.

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2. **Obey All Laws.** Respondents shall comply with all statutes, regulations and rules governing automotive inspections, estimates and repairs.

3. **Post Sign**. Respondents shall post a prominent sign, provided by the Bureau, at each place of business referenced herein, indicating the beginning and ending dates of the suspension and indicating the reasons for the suspension. The signs shall be conspicuously displayed in locations designated by the Bureau of Automotive Repair and shall remain posted during the entire period of the actual suspensions.

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

5. **Report Financial Interest.** Within 30 days of the effective date of decision in this action, Respondents shall report any financial interest which any partners, officers, or owners of the Respondents' facilities may have in any other business required to be registered pursuant to Section 9884.6 of the Business and Professions Code.

6. **Random Inspections.** Respondents shall provide Bureau representatives unrestricted access to inspect all vehicles (including parts) undergoing repairs, up to and including the point of completion.

7. **Jurisdiction.** If an Accusation and/or a Petition to Revoke Probation is filed against Respondents during the term of probation, or the Office of the Attorney General is requested to prepare an Accusation and/or a Petition to Revoke Probation during the term of probation, the Director shall have continuing jurisdiction over this matter until the effective date of the decision on the Accusation and/or a Petition to Revoke Probation and the period of probation shall be extended until such decision becomes effective.

8. **Violation of Probation.** Should the Director determine that Respondents have failed to comply with the terms and conditions of probation, the Director may, after giving notice and opportunity to be heard, vacate the stay(s) and permanently invalidate the registration(s).

9. **Violation of Injunction.** Should Respondents violate the terms of the Final Judgment and Permanent Injunction, Superior Court, County of Orange, Case No. 04CC04374, the Director may, after giving notice and opportunity to be heard, vacate the stay(s) and permanently invalidate the registration(s).

10. **Cost Recovery.** Respondents shall make payment to the Bureau of cost recovery in the amount of $500,000.00 which shall be received no later than thirty (30) days from the effective date of the Decision. Failure to complete payment of cost recovery within this time frame shall constitute a violation of probation which subjects Respondents' registrations to further disciplinary action, which may include permanent invalidations.

ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorneys, Julia Strickland and Stephen Newman. I understand the stipulation and the effect it will have on the Automotive Repair Dealer registrations issued to Respondents. 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 Consumer Affairs.

DATED: _____

_____
RICHARD J. KELLEJIAN, INC.,
dba CALIBER COLLISION CENTERS
Matthew Ohrnstein, President

DATED: _____

_____
D. R. LONG, LTD.,
dba CALIBER COLLISION CENTERS
Matthew Ohrnstein, President

DATED: _____

_____
SAN MARCOS AUTO BODY, INC.,
dba CALIBER COLLISION CENTERS
Matthew Ohrnstein, President

FROM : FAX NO. :949 809 7079 Aug. 11 2004 04:59PM P6

DATED: _____

_____
CALIBER BODYWORKS, INC.,
dba CALIBER COLLISION CENTERS
Matthew Ohrnstein, President

DATED: _____

_____
CHAPPARONE AUTO BODY OF MIRAMAR,
dba CALIBER COLLISION CENTERS
Matthew Ohrnstein, President

DATED: _____

_____
CORWIN INDUSTRIES CORP.
dba CALIBER COLLISION CENTERS
Matthew Ohrnstein, President

DATED: _____

_____
F & R VENTURES, Inc.
dba CALIBER COLLISION CENTERS
Matthew Ohrnstein, President

I have read and fully discussed with Respondents terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED: _____

_____
JULIA STRICKLAND
STEPHEN NEWMAN
Attorneys for Respondents

FROM : FAX NO. :949 809 7079 Aug. 11 2004 04:59PM P7

ENDORSEMENT

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

DATED: _____.

BILL LOCKYER, Attorney General
of the State of California

_____
STEPHEN S. HANDIN
Supervising Deputy Attorney General
Attorneys for Complainant

DOJ Docket/Matter ID Number: 03548110-LA2003500274
Revised-stipulatedsettlement#7.wpd

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

In the Matter of the Accusations and Statement of Issues Against: **RICHARD J. KELLEJIAN, INC.,** **dba CALIBER COLLISION CENTERS** **Matthew Ohrnstein, President** **D. R. LONG, LTD.,** **dba CALIBER COLLISION CENTERS** **Matthew Ohrnstein, President** **SAN MARCOS AUTO BODY, INC.,** **dba CALIBER COLLISION CENTERS** **Matthew Ohrnstein, President** **CALIBER BODYWORKS, INC.,** **dba CALIBER COLLISION CENTERS** **Matthew Ohrnstein, President** **CHAPPARONE AUTO BODY OF MIRAMAR,** **dba CALIBER COLLISION CENTERS** **Matthew Ohrnstein, President** **CORWIN INDUSTRIES CORP.** **dba CALIBER COLLISION CENTERS** **Matthew Ohrnstein, President** **F & R VENTURES, Inc.** **dba CALIBER COLLISION CENTERS** **Matthew Ohrnstein, President** Respondents	Case Nos. 77/03-123, 77/03-105, 77/03-130, 77/03-124, 77/03-121, 77/03-122, 77/03-107, 77/04-14, 77/04-50, 77/04-26, 77/04-48, 77/04-07, 77/04-06, 77/04-20, 77/04-50, 77/04-61; 77/04-103 and 77/04-06-S **OAH Nos.** _____ _____

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the Director of Consumer Affairs and the Bureau of Automotive Repair as the Decision and Order in the above entitled matter.

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This Decision shall become effective on _____.

It is so ORDERED _____.

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CHARLENE ZETTEL
Director
Department of Consumer Affairs