BEFORE THE DIRECTOR OF THE

DEPARTMENT OF CONSUMER AFFAIRS

BUREAU OF AUTOMOTIVE REPAIR

STATE OF CALIFORNIA

In the Matter of the Accusation Against:

CLEAR SKY ASSOCIATES III, LLC, dba 101 EXPRESS SMOG

5320 Old Redwood Highway, #D

Petaluma, CA 94954

Mailing Address:

2708 Wilshire Blvd. Unit 225

Santa Monica, CA 90403

Automotive Repair Dealer Registration No. ARD 295886

Smog Check Test Only Station License No. TC 295886

JORGE ARMANDO SANCHEZ

7835 Burton Ave.

Rohnert Park, CA 94928

Smog Check Inspector No. EO 639930

Respondents.

Case No. 79/20-15198

OAH No. 2021050431

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 Novamore 18, 2021

DATED: Oct. 13,202/

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

1	Rob Bonta	
- 2	Attorney General of California CHAR SACHSON Supervising Deputy Attorney General GREGORY TUSS Deputy Attorney General State Bar No. 200659 455 Golden Gate Avenue, Suite 11000 San Francisco, CA 94102-7004 Telephone: (415) 510-3435 Facsimile: (415) 703-5480	
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7	Attorneys for Complainant	
8	BEFORE THE DEPARTMENT OF CONSUMER AFFAIRS FOR THE BUREAU OF AUTOMOTIVE REPAIR STATE OF CALIFORNIA	
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13	In the Matter of the Accusation Against:	Case No. 79/20-15198
14	CLEAR SKY ASSOCIATES III, LLC dba 101 EXPRESS SMOG	OAH No. 2021050431
15	5320 Old Redwood Highway, #D Petaluma, CA 94954	STIPULATED SETTLEMENT AND DISCIPLINARY ORDER
16	Mailing Address:	
17	2708 Wilshire Blvd., Unit 225 Santa Monica, CA 90403	
18	Automotive Repair Dealer Registration No.	
19 20	ARD 295886 Smog Check, Test Only, Station No. TC 295886	
21	JORGE ARMANDO SANCHEZ	
22	7835 Burton Ave. Rohnert Park, CA 94928	
23	Smog Check Inspector License No. EO 639930,	
24	,	
25	Respondents.	
26		
27	IT IS STIPULATED AND AGREED by and between the parties to these proceedings that	
28	the following matters are true:	
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PARTIES

- 1. Patrick Dorais (Complainant) is the Chief of the Bureau of Automotive Repair (Bureau), Department of Consumer Affairs. He brought this action solely in his official capacity and is represented in this matter by Rob Bonta, Attorney General of the State of California, and Gregory Tuss, deputy attorney general.
- 2. Respondents Clear Sky Associates III, LLC dba 101 Express Smog (Respondent 101 Express Smog); and Jorge Armando Sanchez (Respondent Sanchez) are represented in this proceeding by attorney William D. Ferreira, whose address is 580 California Street, Suite 1200, San Francisco, California 94104.
- 3. On November 18, 2019, the Bureau issued Automotive Repair Dealer Registration No. ARD 295886 to Respondent 101 Express Smog. This automotive repair dealer registration was in full force and effect at all times relevant to the charges brought in this accusation and will expire on November 30, 2021, unless renewed.
- 4. On December 5, 2019, the Bureau issued Smog Check, Test Only, Station No. TC 295886 Respondent 101 Express Smog. This smog check station license was in full force and effect at all times relevant to the charges brought in Accusation No. 79/20-15198 and will expire on November 30, 2021, unless renewed.
- 5. Respondent 101 Express Smog has STAR Station certification. The Bureau issued this STAR Station certification on January 14, 2020. This STAR Station certification will remain active unless or until Respondent 101 Express Smog's automotive repair dealer registration or smog check station license is revoked, canceled, becomes delinquent, or the STAR Station certification is invalidated.
- 6. On January 11, 2017, the Bureau issued Smog Check Inspector License No. EO 639930 to Respondent Sanchez. This smog check inspector license was in full force and effect at all times relevant to the charges brought in Accusation No. 79/20-15198 and will expire on November 30, 2022, unless renewed.

JURISDICTION

- 7. Accusation No. 79/20-15198 was filed before the Director of the Department of Consumer Affairs (Director) and is currently pending against Respondents. The accusation and all other statutorily required documents were properly served on Respondents on March 5, 2021. Respondents timely filed their notices of defense contesting the accusation.
- 8. A copy of Accusation No. 79/20-15198 is attached as exhibit 1 and incorporated by reference.

ADVISEMENT AND WAIVERS

- 9. Respondents have carefully read, fully discussed with counsel, and understand the charges and allegations in Accusation No. 79/20-15198. Respondents have also carefully read, fully discussed with counsel, and understand the effects of this Stipulated Settlement and Disciplinary Order.
- 10. Respondents are fully aware of their 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 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.
- 11. Respondents voluntarily, knowingly, and intelligently waive and give up each and every right set forth above.

CULPABILITY

12. Respondent 101 Express Smog admits the truth of each and every charge and allegation in Accusation No. 79/20-15198. However, evidence uncovered during the Bureau's investigation revealed that members Darren Xu, Bryan Ross Kurnoff, and Maxwell Cary Ellis were not involved in the conduct alleged in Accusation No. 79/20-15198. Under Corporations Code section 17703.04, Darren Xu, Bryan Ross Kurnoff, and Maxwell Cary Ellis are not personally liable for the acts of Respondent 101 Express Smog solely by virtue of their status as

members of this limited liability company.

- 13. Respondent Sanchez understands and agrees that the charges and allegations in Accusation No. 79/20-15198, if proven at a hearing, constitute cause for imposing discipline upon his smog check inspector license. For the purpose of resolving the accusation without the expense and uncertainty of further proceedings, Respondent Sanchez agrees that, at a hearing, Complainant could establish a factual basis for the charges in the accusation and that Respondent Sanchez gives up his right to contest those charges.
- 14. Respondents agree that their automotive repair dealer registration, smog check station license, and smog check inspector license are subject to discipline and they agree to be bound by the Director's probationary terms as set forth in the Disciplinary Orders below.

AMENDMENTS TO ACCUSATION

- 15. Complainant agrees and stipulates to amend Accusation No. 79/20-15198 by moving the limited liability company name "Clear Sky Associates III, LLC dba 101 Express Smog" above the members' names in the caption.
- 16. Complainant also agrees and stipulates to amend Accusation No. 79/20-15198 by removing/dropping/dismissing the following counts:
 - a. Second Cause for Discipline, paragraph 46
 - b. Third Cause for Discipline, paragraph 47, subsection a
 - c. Fourth Cause for Discipline, paragraph 48
 - d. Fifth Cause for Discipline, paragraph 49, subsection c
- 17. Complainant also agrees and stipulates to amend Accusation No. 79/20-15198 by removing the words "and fraudulent" from the Third Cause for Discipline, paragraph 47, subsections f. and g., and from the Fifth Cause for Discipline, paragraph 49, subsection f.
- 18. Complainant shall serve, and file a first amended accusation with the amendments in paragraphs 15-17 above within 30 days of approval of this stipulation.

NEW LICENSE APPLICATIONS

19. Complainant agrees and stipulates that the allegations in Accusation No. 79/20-15198 shall not be used as a basis for denial of any future registration or license

 applications by Respondents or Respondent Clear Sky Associates III, LLC's members to the Bureau. Any registration or license approved by the Bureau to Respondents Clear Sky Associates III, LLC or Jorge Armando Sanchez during the period of probation shall be a probationary registration or license for a period equal to the remaining period of probation and subject to the same probationary terms and conditions. Complainant does NOT stipulate to the outcome of any future registration or license applications by Respondents.

CONTINGENCY

- 20. This stipulation shall be subject to approval by the Director or the Director's designee. Respondents understand and agree that counsel for Complainant and the staff of the Bureau may communicate directly with 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 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.
- 21. The parties understand and agree that portable document format (PDF) and facsimile copies of this Stipulated Settlement and Disciplinary Order, including PDF and facsimile signatures, shall have the same force and effect as the originals.
- 22. 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.
- 23. In consideration of these admissions and stipulations, the parties agree that the Director may, without further notice or formal proceeding, issue and enter the following

 Disciplinary Orders:

DISCIPLINARY ORDER AS TO RESPONDENT 101 EXPRESS SMOG

IT IS ORDERED that Automotive Repair Dealer Registration No. ARD 295886 and Smog Check, Test Only, Station No. TC 295886 issued to Respondent 101 Express Smog are revoked. However, the revocations are stayed and Respondent 101 Express Smog's registration and license are placed on probation for four years on the following terms and conditions:

- 1. **Obey All Laws.** During the period of probation, Respondent 101 Express Smog shall comply with all federal and state statutes, regulations and rules governing all Bureau registrations and licenses held by Respondent 101 Express Smog.
- 2. **Posting of Sign.** During the period in which Respondent 101 Express Smog's STAR Station certification is temporarily invalidated, Respondent 101 Express Smog shall prominently post a sign or signs provided by the Bureau indicating the beginning and ending dates of the temporary invalidation and indicating the reason for the temporary invalidation. The sign or signs shall be conspicuously displayed in a location or locations open to and frequented by customers. The location(s) of the sign(s) shall be approved by the Bureau and shall remain posted during the entire period of actual temporary invalidation.
- 3. Quarterly Reporting. During the period of probation, Respondent 101 Express Smog shall report either by personal appearance or in writing as determined by the Bureau on a schedule set by the Bureau, but no more frequently than once each calendar quarter, on the methods used and success achieved in maintaining compliance with the terms and conditions of probation.
- 4. **Report Financial Interests.** Respondent 101 Express Smog shall, within 30 days of the effective date of the decision and within 30 days from the date of any request by the Bureau during the period of probation, report any financial interest which Respondent 101 Express Smog or any of its partners, officers, or owners may have in any other business required to be registered under section 9884.6 of the Business and Professions Code.
- 5. Access to Examine Vehicles and Records. Respondent 101 Express Smog shall provide Bureau representatives unrestricted access to examine all vehicles (including parts)

undergoing service, inspection, or repairs, up to and including the point of completion.

Respondent 101 Express Smog shall also provide Bureau representatives unrestricted access under Bureau laws and regulations to all records.

- the jurisdiction of California to reside or do business elsewhere, or otherwise ceases to do business in the jurisdiction of California, Respondent 101 Express Smog shall notify the Bureau in writing within 10 days of the dates of departure and return, and of the dates of cessation and resumption of business in California. All provisions of probation other than cost reimbursement requirements, restitution requirements, training requirements, and that Respondent 101 Express Smog obey all laws shall be held in abeyance during any period of time of 30 days or more in which Respondent 101 Express Smog is not residing or engaging in business within the jurisdiction of California. All provisions of probation shall recommence on the effective date of resumption of business in California. Any period of time of 30 days or more in which Respondent 101 Express Smog is not residing or engaging in business within the jurisdiction of California shall not apply to the reduction of this probationary period or to any period of actual suspension not previously completed. Tolling is not available if business or work relevant to the probationary license or registration is conducted or performed during the tolling period.
- 7. Violation of Probation. If Respondent 101 Express Smog violates or fails to comply with the terms and conditions of probation in any respect, the Director, after giving notice and opportunity to be heard may set aside the stay order and carry out the disciplinary order provided in the decision. Once Respondent 101 Express Smog is served notice of the Bureau'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.
- 8. Maintain Valid License. Respondent 101 Express Smog shall, at all times while on probation, maintain a current and active registration and/or license(s) with the Bureau, including any period during which suspension or probation is tolled. If Respondent 101 Express Smog's registration or license is expired at the time the decision becomes effective, the registration or license must be renewed by Respondent 101 Express Smog within 30 days of that

date. If Respondent 101 Express Smog's registration or license expires during a term of probation by operation of law or otherwise, then upon renewal Respondent 101 Express Smog'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.

- 9. Cost Recovery. Respondent 101 Express Smog shall pay the Bureau \$2,470.44 for the reasonable costs of the investigation and enforcement of Accusation No. 79/20-15198. Respondent 101 Express Smog shall make such payment as directed by the Bureau. Any agreement for a scheduled payment plan shall require full payment to be completed no later than six months before probation terminates. Respondent 101 Express Smog shall make payment by check or money order payable to the Bureau and shall indicate on the check or money order that it is for cost recovery payment for Accusation No. 79/20-15198. 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. The Bureau 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.
- 10. Completion of Probation. Upon successful completion of probation, Respondent 101 Express Smog's affected registration and/or license will be fully restored or issued without restriction if Respondent 101 Express Smog meets all current requirements for registration or licensure and has paid all outstanding fees, monetary penalties, or cost recovery owed to the Bureau.
- 11. License Surrender. Following the effective date of a decision that orders a stay of invalidation or revocation, if Respondent 101 Express Smog ceases business operations or is otherwise unable to satisfy the terms and conditions of probation, Respondent 101 Express Smog may request that the stay be vacated. Such request shall be made in writing to the Bureau. The Director and the Bureau Chief reserve the right to evaluate Respondent 101 Express Smog'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 101 Express Smog 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 the Bureau at any time before the date of the originally scheduled completion of probation. If Respondent 101 Express Smog applies to the Bureau for a registration or license at any time after that date, Respondent 101 Express Smog must meet all current requirements for registration or licensure and pay all outstanding fees or cost recovery owed to the Bureau and left outstanding at the time of surrender.

12. **Actual Temporary STAR Invalidation.** The STAR Station certification issued to Respondent 101 Express Smog is temporarily invalidated for 60 consecutive days beginning on the effective date of the Decision and Order.

DISCIPLINARY ORDER AS TO RESPONDENT SANCHEZ

IT IS ORDERED that Smog Check Inspector License No. EO 639930 issued to Respondent Sanchez is revoked. However, the revocation is stayed and Respondent Sanchez's license is placed on probation for four years on the following terms and conditions:

- 1. **Obey All Laws.** During the period of probation, Respondent Sanchez shall comply with all federal and state statutes, regulations and rules governing all Bureau licenses held by Respondent Sanchez.
- 2. Quarterly Reporting. During the period of probation, Respondent Sanchez shall report either by personal appearance or in writing as determined by the Bureau on a schedule set by the Bureau, but no more frequently than once each calendar quarter, on the methods used and success achieved in maintaining compliance with the terms and conditions of probation.
- 3. **Report Financial Interests.** Respondent Sanchez shall, within 30 days of the effective date of the decision and within 30 days from the date of any request by the Bureau during the period of probation, report any financial interest which Respondent Sanchez or any of its partners, officers, or owners may have in any other business required to be registered under section 9884.6 of the Business and Professions Code.
 - 4. Access to Examine Vehicles and Records. Respondent Sanchez shall provide

Bureau representatives unrestricted access to examine all vehicles (including parts) undergoing service, inspection, or repairs, up to and including the point of completion. Respondent Sanchez shall also provide Bureau representatives unrestricted access under Bureau laws and regulations to all records.

- 5. Tolling of Probation. If, during probation, Respondent Sanchez leaves the jurisdiction of California to reside or do business elsewhere, or otherwise ceases to do business in the jurisdiction of California, Respondent Sanchez shall notify the Bureau in writing within 10 days of the dates of departure and return, and of the dates of cessation and resumption of business in California. All provisions of probation other than cost reimbursement requirements, restitution requirements, training requirements, and that Respondent Sanchez obey all laws shall be held in abeyance during any period of time of 30 days or more in which Respondent Sanchez is not residing or engaging in business within the jurisdiction of California. All provisions of probation shall recommence on the effective date of resumption of business in California. Any period of time of 30 days or more in which Respondent Sanchez is not residing or engaging in business within the jurisdiction of California shall not apply to the reduction of this probationary period or to any period of actual suspension not previously completed. Tolling is not available if business or work relevant to the probationary license or registration is conducted or performed during the tolling period.
- 6. Violation of Probation. If Respondent Sanchez violates or fails to comply with the terms and conditions of probation in any respect, the Director, after giving notice and opportunity to be heard may set aside the stay order and carry out the disciplinary order provided in the decision. Once Respondent Sanchez is served notice of the Bureau'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 Sanchez shall, at all times while on probation, maintain a current and active registration and/or license(s) with the Bureau, including any period during which suspension or probation is tolled. If Respondent Sanchez registration or license is expired at the time the decision becomes effective, the registration or license must be

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 renewed by Respondent Sanchez within 30 days of that date. If Respondent Sanchez's registration or license expires during a term of probation by operation of law or otherwise, then upon renewal Respondent Sanchez'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 Sanchez shall pay the Bureau \$823.48 for the reasonable costs of the investigation and enforcement of Accusation No. 79/20-15198. Respondent Sanchez shall make such payment as directed by the Bureau. Any agreement for a scheduled payment plan shall require full payment to be completed no later than six months before probation terminates. Respondent Sanchez shall make payment by check or money order payable to the Bureau and shall indicate on the check or money order that it is for cost recovery payment for Accusation No. 79/20-15198. 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. The Bureau 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 Sanchez's affected license will be fully restored or issued without restriction if Respondent Sanchez meets all current requirements for licensure and has paid all outstanding fees, monetary penalties, or cost recovery owed to the Bureau.
- 10. License Surrender. Following the effective date of a decision that orders a stay of invalidation or revocation, if Respondent Sanchez ceases business operations or is otherwise unable to satisfy the terms and conditions of probation, Respondent Sanchez may request that the stay be vacated. Such request shall be made in writing to the Bureau. The Director and the Bureau Chief reserve the right to evaluate Respondent Sanchez'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

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 Sanchez may not petition the Director for reinstatement of the surrendered license, or apply for a new registration or license under the jurisdiction of the Bureau at any time before the date of the originally scheduled completion of probation. If Respondent Sanchez applies to the Bureau for a registration or license at any time after that date, Respondent Sanchez must meet all current requirements for registration or licensure and pay all outstanding fees or cost recovery owed to the Bureau and left outstanding at the time of surrender.

ACCEPTANCE

I am authorized to sign this stipulation on behalf of Respondent 101 Express Smog. I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, William D. Ferreira. I understand the stipulation and the effect it will have on Automotive Repair Dealer Registration No. ARD 295886 and Smog Check, Test Only, Station No. TC 295886 issued to Respondent 101 Express Smog. 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.

9/24/21 DATED:

CLEAR SKY ASSOCIATES III, LLC DBA 101 EXPRESS

Respondent 101 Express Smog

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I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, William D. Ferreira. I understand the stipulation and the effect it will have on my Smog Check Inspector License No. EO 639930. 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.

Respondent Sanchez

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

DATED:

9/24/21

William D. Ferreira Attorney for Respondents

ENDORSEMENT This Stipulated Settlement and Disciplinary Order is submitted for consideration by the Director of the Department of Consumer Affairs. 9-24-21 DATED: Respectfully submitted, ROB BONTA Attorney General of California CHAR SACHSON Supervising Deputy Attorney General GREGORY TUSS Deputy Attorney General Attorneys for Complainant SF2021400142 42707445.docx