

NEWS RELEASE

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Department of Consumer Affairs' Bureau of Automotive Repair takes disciplinary action against EZ Lube, Inc.

Southern California Shops Charged With Consumer Fraud

(SACRAMENTO) – The California Department of Consumer Affairs/Bureau of Automotive Repair (DCA/BAR) has taken disciplinary action against 76 EZ Lube shops in Southern California.

In a settlement with EZ Lube, Inc., DCA/BAR has revoked all California EZ Lube Automotive Repair Dealership (ARD) registrations, stayed the revocation and put EZ Lube on probation for five years. In addition, 30 of the 76 EZ Lube shops will have their ARD registrations suspended for five days. During that time, the suspended shops may only do oil changes and chassis lubrications. The suspended shops must also post a prominent sign showing the dates of suspension, indicating the reasons for suspension, and the limited services allowed during the suspension. EZ Lube is also required to reimburse \$671,900 to DCA/BAR to cover the cost of the investigation.

In September, 2006 DCA/BAR filed a 176-page accusation charging EZ Lube shops with numerous violations of the Automotive Repair Act. The violations included charging for parts and services that were not needed and in some cases not provided, making false or misleading statements, and departure from accepted trade standards. The accusation was the result of a two-year investigation in which DCA/BAR used 51 undercover vehicles to gather evidence of 640 alleged violations. The investigation was prompted by a number of consumer complaints, including information from a local television news report.

DCA/BAR's investigation led the Orange County District Attorney's Office, in cooperation with DCA/BAR, to pursue a civil action against EZ Lube. Under the settlement with DCA/BAR, EZ Lube is also required to enter into a settlement with the Orange County District Attorney to resolve the civil action. EZ Lube will be required to pay \$5 million in civil penalties and costs, and establish a restitution account for injured consumers.

"EZ Lube violated the trust of thousands of consumers who came to its shops for service," said DCA Director Carrie Lopez. "This settlement will make whole defrauded victims, and ensure EZ Lube reforms its business practices and serves all customers honestly and fairly."

"Maintenance services have become an increasingly important market for the automotive repair industry," says BAR Chief Sherry Mehl. "Unfortunately, it has also become an area in which consumers can easily fall prey to deceptive business practices."

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The Department of Consumer Affairs promotes and protects the interests of California Consumers. Consumers who have a problem with an auto repair facility can file a complaint with the Department of Consumer Affairs/Bureau of Automotive Repair by calling 1-800-952-5210. Consumers can also file complaints online at BAR's Web site at www.autorepair.ca.gov.