



ical condition of a dental patient which would more properly be treated by a licensed physician.

## ■ FUTURE MEETINGS

September 9-10 in Los Angeles.  
November 18-19 in San Francisco.

## BUREAU OF ELECTRONIC AND APPLIANCE REPAIR

Chief: K. Martin Keller  
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The Bureau of Electronic and Appliance Repair (BEAR) was created by legislative act in 1963. It registers service dealers who repair major home appliances, electronic equipment, cellular telephones, photocopiers, facsimile machines, and equipment used or sold for home office use. BEAR is authorized under Business and Professions Code section 9800 *et seq.*; its regulations are located in Division 27, Title 16 of the California Code of Regulations (CCR).

The Electronic and Appliance Repair Dealer Registration Law requires service dealers to provide an accurate written estimate for parts and labor, provide a claim receipt when accepting equipment for repair, return replaced parts, and furnish an itemized invoice describing all labor performed and parts installed.

The Bureau inspects service dealer locations to ensure compliance with BEAR's enabling act and regulations. It also receives, investigates, and resolves consumer complaints. If an investigation reveals an unregistered person engaged in activity for which BEAR registration is required, the Bureau is authorized to impose a fine not less than \$250 and not more than \$1,000. Grounds for revocation or denial of registration include false or misleading advertising, false promises likely to induce a customer to authorize repair, fraudulent or dishonest dealings, any willful departure from or disregard of accepted trade standards for good and workmanlike repair, and negligent or incompetent repair.

## ■ MAJOR PROJECTS

**BEAR Introduces Service Contract Legislation.** After soliciting, receiving, and reviewing extensive input from representatives of businesses involved in the administration, sale, or servicing of service contracts, professional associations, and public interest groups, BEAR has introduced legislation which seeks to protect consumers from losing the value of

their service contracts when the responsible party is unable to perform its agreement to provide promised service during the life of the service contract. [13:1 CRLR 34] Service contracts are generally purchased at the time of sale of a product and become effective immediately upon their purchase. However, the product may be already covered, to some extent, for the same service by a manufacturer's or seller's warranty. In addition, consumers who have purchased service contracts from appliance and electronic retailers who subsequently go bankrupt often have no protection or recourse in identifying the party who is financially responsible for performing under the purchased service contract. According to BEAR, only 50% of consumers who purchase service contracts currently have recourse for addressing complaints arising from violations of the Song-Beverly Act, and nothing requires service contractors to disclose to consumers the party who is financially responsible for the performance of the contracts.

In response to these problems, BEAR conducted a number of meetings in an effort to develop legislative language that adequately addresses the problems without unduly burdening the industry. [13:1 CRLR 34; 12:4 CRLR 77] BEAR's efforts culminated in the introduction of SB 798 (Rosenthal), which would require service contractors to register with BEAR and prohibit a service contract administrator from issuing, making, underwriting, or managing a service contract unless he/she is insured under a service contract reimbursement insurance policy. SB 798 would also require service contracts to disclose to consumers the party financially responsible for the performance of the contract. This bill would provide that a service dealer or service contractor who does not operate a place of business in this state, but who engages in the electronic repair industry or the appliance industry or who sells or issues service contracts in this state is subject to the registration requirement and shall pay the required fees as if he/she had a place of business in this state (*see* LEGISLATION).

**LAO Proposes To Eliminate BEAR.** In its *Analysis of the 1993-94 Budget Bill*, one of the recommendations made by the Legislative Analyst's Office (LAO) for streamlining state government proposed that the legislature eliminate the state's regulatory role in thirteen currently-regulated areas. Particularly relevant to BEAR is LAO's recommendation that the state stop regulating several consumer-related business activities. In determining whether the state should continue to regulate a particular area, LAO rec-

ommended that the state consider whether the board or bureau protects the public from a potential health or safety risk that could result in death or serious injury; whether the board or bureau protects the consumer from severe financial harm; and whether there are federal mandates that require the state to regulate certain activities. Based on these criteria, LAO recommended that the state remove its regulatory authority over activities currently regulated by BEAR, among other bureaus and agencies. At this writing, LAO's recommendation has not been amended into any pending legislation.

**BEAR Revokes Licenses of Three Service Dealers.** On April 1, Department of Consumer Affairs (DCA) Director Jim Conran announced that BEAR had revoked the registration of Allen Mac Wolff, owner of Compufix Computer Repair Depot #2 of Huntington Beach; Wolff was found to have violated the terms of his pre-existing probationary status by accepting consumers' goods for repair despite a court-ordered ban on such work. In addition to losing the ability to practice his trade in California, Wolff was ordered to pay restitution in the amount of \$4,000 to DCA and \$1,000 to the City of Long Beach.

On April 13, Conran announced that the owner of a Santa Rosa electronic repair service had similarly lost his privilege to do business in California after being found guilty of operating with an expired license. Paul Meeh, owner of Home TV Service, was also found to be in violation of twelve counts of the Business and Professions Code, including incompetence, improper invoicing, failure to provide written estimates, and failure to return parts. Conran noted that BEAR investigators worked closely with the Sonoma County District Attorney to effectuate this successful prosecution.

Finally, on April 22, Conran announced that the registration of Studio City electronic repairman Uzoma Godfrey Ojogho was revoked for grand theft and unlawful diversion of funds convictions substantially related to his business. In addition to losing his ability to practice his trade in California, Ojogho was found guilty of and sentenced to jail for six years on seven counts of grand theft, five counts of unlawful diversion of funds, four counts of making false financial statements, and one count of perjury.

**BEAR Continues Active Role in SB 2044 Implementation.** Along with the Bureau of Home Furnishings and Thermal Insulation and the Tax Preparer Program, BEAR is participating in a pilot project to implement the infraction authority



granted to DCA's boards and bureaus by SB 2044 (Boatwright) (Chapter 1135, Statutes of 1992). [13:1 CRLR 35] The three bureaus created an Unregistered Activity Unit to monitor yellow pages and other sources of public information in an effort to uncover possible unregistered activity and cite those guilty of infraction. Though unable to provide the exact number of citations that have been issued since the program's inception, BEAR Chief Marty Keller has called the program a "success" and stated that BEAR has been the most assertive bureau of the three chosen to participate in the pilot project.

Another enforcement development which emanated from SB 2044 is BEAR's new jurisdiction over those who perform camcorder repairs. According to Chief Keller, BEAR's threshold task is to determine precisely how many businesses presently perform such repair work; once this information is ascertained, BEAR can more efficiently facilitate industry compliance with applicable regulatory standards.

Due to administrative delay, however, one important enforcement provision of SB 2044 has yet to be implemented. Specifically, SB 2044 states that if, upon investigation, BEAR has probable cause to believe that a person is advertising in a telephone directory with respect to the offering or performance of services without being properly licensed by the Bureau to offer or perform those services, the Bureau may issue a citation containing an order of correction which requires the violator to cease the unlawful advertising; if the person fails to comply with the order of correction after that order is final, BEAR shall notify the Public Utilities Commission (PUC), which will require the telephone corporation furnishing services to that person to disconnect the telephone service to any number contained in the unlawful advertising. At this writing, BEAR is working out the details of this procedure with the PUC.

## ■ LEGISLATION

**SB 798 (Rosenthal)**, as amended May 3, would require service contractors, as defined, to register with BEAR, and would prohibit a service contract administrator, as defined, from issuing, making, underwriting, or managing a service contract unless he/she is insured under a service contract reimbursement insurance policy, as defined. Among other things, this bill would require the filing of the form of a service contract issued by a service contractor prior to its use and would authorize DCA to invalidate the registration of a service contractor for

specified reasons and to investigate complaints against a service contractor. The bill would require a service contractor to pay various registration and renewal fees. This bill would require a service dealer or a service contractor who does not operate a place of business in this state, but who engages in the electronic repair industry, the appliance repair industry, or sells or issues service contracts in this state to hold a valid registration and to pay required registration fees.

Existing law permits the sale of a service contract to a buyer, except as specified, in addition to or in lieu of an express warranty if the contract fully discloses the terms, conditions, and exclusions of the contract and the contract contains specified information. This bill would additionally require the contract to include a statement identifying the person who is financially and legally obligated to perform the services specified in the service contract, including the name and address of that person. The bill would also set forth grounds for various citations and administrative fines. (See MAJOR PROJECTS for more information.) [S. Appr]

**SB 574 (Boatwright)**, as amended May 17, would—with respect to BEAR's jurisdiction—consolidate the list of electronic items under the terms "electronic set" and "appliance" or "major home appliance." The term "electronic set" would include, but not be limited to, any television, radio, audio or video record or playback equipment, video camera, video monitor, computer system, photocopier, facsimile machine, or cellular telephone normally used or sold for personal, family, household, or home office use. The terms "appliance" or "major home appliance" would include, but not be limited to, any refrigerator, freezer, range, microwave oven, washer, dryer, dishwasher, trash compactor, or room air conditioner normally used or sold for personal, family, household, or home office use. [A. CPGE & ED]

**AB 1807 (Bronshvag)**, as amended May 3, would provide that, for purposes of implementing the distribution of the renewal of registrations throughout the year, the DCA Director may extend by not more than six months the date fixed by law for renewal of a registration, except that in that event any renewal fee which may be involved shall be prorated in such a manner that no person shall be required to pay a greater or lesser fee than would have been required had the change in renewal dates not occurred. [A. W&M]

**SB 842 (Presley)**, as amended April 13, would permit BEAR to issue interim orders of suspension and other license re-

strictions, as specified, against its licensees. [A. CPGE&ED]

## BOARD OF FUNERAL DIRECTORS AND EMBALMERS

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**T**he Board of Funeral Directors and Embalmers licenses funeral establishments and embalmers. It registers apprentice embalmers and approves funeral establishments for apprenticeship training. The Board annually accredits embalming schools and administers licensing examinations. The Board inspects the physical and sanitary conditions in funeral establishments, enforces price disclosure laws, and approves changes in business name or location. The Board also audits preneed funeral trust accounts maintained by its licensees, which is statutorily mandated prior to transfer or cancellation of a license. Finally, the Board investigates, mediates, and resolves consumer complaints.

The Board is authorized under Business and Professions Code section 7600 *et seq.* The Board consists of five members: two Board licensees and three public members. In carrying out its primary responsibilities, the Board is empowered to adopt and enforce reasonably necessary rules and regulations; these regulations are codified in Division 12, Title 16 of the California Code of Regulations (CCR).

## ■ MAJOR PROJECTS

**DCA Releases Internal Audit of Board Activities.** In late May, the Department of Consumer Affairs' (DCA) Internal Audit Office (IAO) released its final report in response to an inquiry made by Assemblymember Jackie Speier regarding the Board's audit of four funeral homes. Specifically, Speier inquired about the status of the People's Funeral Home Trust Reserve Fund, which may be missing as much as \$154,000. Speier also questioned whether audit reports prepared by the Board on three other funeral homes (Mission Chapel, Fowler-Anderson Funeral Directors, and the Jesse Cooley Funeral Home) were accurate and, if so, whether any disciplinary action was taken by the Board against licensees responsible for inappropriate or illegal use of funds held in trust.

IAO reported that it found "several serious deficiencies" in the audits performed by the Board; for example, the Board failed to adhere to professional