

BEFORE THE ARKANSAS MOTOR VEHICLE COMMISSION

**IN THE MATTER OF:
PEP BOYS AUTO**

Hearing # 10-005

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

The Arkansas Motor Vehicle Commission (hereinafter “Commission”) held a hearing on June 21, 2010, to determine whether Pep Boys Auto violated the Arkansas Motor Vehicle Commission Act, Ark. §23-112-101 et seq. The charges before the Commission concerned whether Pep Boys Auto violated Commission statutes by not providing the required service and warranty work on product it currently sales at its North Little Rock location.

The Respondent, Pep Boys Auto, was represented by Kevin Lewis the North Little Rock location’s General Manager.

After hearing testimony from the Commission’s Executive Director, Greg Kirkpatrick, Commission Investigator Otis Hogan, and reviewing documents received in evidence, the Commission makes the following Findings of Fact, Conclusions of Law and Order:

FINDINGS OF FACT

- F1. On December 11, 2008, the Commission received a notarized complaint from Allen Shaver/Hometown ATV & More, Inc.
- F2. According to the complaint filed with the Commission, Pep Boys has failed to offer diagnostic work, as well as warranty repair, service, and labor on vehicles sold at their North Little Rock location. According to the complaint this allows Pep Boys to sell the vehicles at a lower price than other local competitors.

- F3. On February 17, 2009 after repeated request the Commission received a response from Erica Curbelo, Customer Relations Coordinator, stating that Pep Boys was doing nothing wrong and provided a copy of the current Transportation Warranty Sheet for review.
- F4. The Transportation Warranty Sheet provided definitive proof to the Commission that Pep Boys was in fact in violation of Commission statutes and rules by not providing diagnostic work, as well as warranty repair, service, and labor at their licensed location.
- F5. On February 18, 2009 the Commission Ad Hoc Committed determined that Pep Boys was not currently compliant with Arkansas statutes. A request was sent to Pep Boys prove that diagnostic work, as well as warranty repair, service, and labor were being provided to consumers as required by law.
- F6. The Commission was give a copy of Project Plan-Transportation by Kim Brathwaite of Pep Boys Legal Department, which was to be implemented by June 15, 2009 and was assured this would bring Pep Boys into compliance.
- F7. Based upon Pep Boys initiative to begin this project to become compliant the complaint from Allen Shaver was withdrawn.
- F8. The Commission received a call from Mr. Shaver stating that according to Pep Boys customers, they have been told to take vehicles to an offsite location for service.
- F9. On Wednesday, December 9, 2009, Investigator Hogan visited Pep Boys and found that all consumers were directed to take their vehicles to All City

Mechanical, with whom Pep Boys has contracted to provide the required diagnostic work, as well as warranty repair, service, and labor.

CONCLUSION OF LAW

Based on the foregoing Findings of Fact, the Commission makes the following Conclusion of Law:

- C1. Pep Boys Violated Commission statutes by not providing required diagnostic work, as well as warranty repair, service, and labor at its licensed location on the product it currently displays and offers for sale.

ORDER

The Commission finds the violations of Commission statutes by Pep Boys Auto warrants the suspension of their new motor vehicle dealer’s license. Pep Boys license will be suspended until they are able to demonstrate to the Commission that they are offering and providing diagnostic work, warranty repair, service and labor at Pep Boys Auto# 0191 located at 4228 E. McCain Boulevard, North Little Rock, Arkansas, in accordance with Arkansas Motor Vehicle Commission statutes and rules.

This is a final Order of the Commission and as such is subject to judicial review pursuant to Ark. Code Ann. §25-15-212.

ARKANSAS MOTOR VEHICLE COMMISSION

By: _____
Joe Morgan, Chairman

Date: _____