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(Revised)

NEWS RELEASE

FOR IMMEDIATE RELEASE

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GLAD'S RESPONSE TO AUTOMOTIVE REPAIR SUIT

Midas franchisee Mike Glad will aggressively defend against the civil complaint filed in Alameda County. According to Bill Gagen, an attorney for the Glad organization: "This lawsuit rehashes the same causes of action that have been the subject of administrative proceedings in Sacramento for the last year. The prosecutors' action stems from the same investigation by the Bureau of Automotive Repair. Midas franchisee Mike Glad and his 22 shops in northern California are victims of an inconsistent and destructive enforcement process undertaken by the BAR to take advantage of hard working mechanics in repair shops."

In 1989 Mr. Glad and his businesses were parties to an agreement with the Bureau of Automotive Repair which led to the creation of a strong working relationship between the BAR and his shops. Mr. Glad became one of the organizing members of the California Midas Dealers Association which was established to work cooperatively and constructively with the BAR. Not once in

20 years did the BAR bring to the attention of Mr. Glad any violation of the terms of the 1989 settlement. In the late 1990's the BAR dismantled the centralized program for handling consumer complaints. The BAR eliminated the Notice of Violation process which alerted auto repair businesses to violations discovered. As time went on, Gagen commented, "The BAR abandoned its statutory mandate to protect the consumers of California and substituted it with clandestine enforcement mechanisms."

According to Gagen, "Mr. Glad now knows that from March of 2005, and thereafter for nearly three years, the BAR resorted to a "gotcha" enforcement technique designed to deceive auto mechanics. This pattern of deception included BAR investigators lying to mechanics about symptoms consistent with excessive brake wear. The BAR spent thousands of dollars to cosmetically age rotors and grind down brake pads to 1/32 of an inch, a dangerously inadequate level. There is no evidence that any consumer would cosmetically alter his brake rotor, grind down his brake pad, and then lie to a mechanic about the response of the car to the application of brake pressure. The BAR allowed this conduct to continue unabated for over 2 1/2 years before filing the Accusation last year."

While the Bureau claims that unnecessary repairs were made on 28 cars, in fact, 24 of those cars were altered undercover vehicles.

"The Midas braking system advertising was not misleading," said Gagen. "In the ad that is a subject of the complaint was transmitted to the BAR in October, 2004, at which time it was deemed to comply with price advertisement

regulations. Five months later, the BAR launched its deceptive undercover operation.” Gagen posed the question, “Why, if the BAR felt that a Glad mechanic in 2005 was violating consumer protection laws, did the regulatory agency take absolutely no action for over 2 1/2 years to prevent similar conduct?”

The 22 Glad shops serve a total of 100,000 customers yearly, averaging fewer than two customer complaints per store. Mr. Glad and his representatives will vigorously fight to maintain the reputation of the organization and its 130 loyal employees.

In the investigation leading to this case, Gagen claims “The BAR has proven itself to be driven by deception and game-playing, not public protection. In the zeal to ensnare otherwise honest and conscientious business people, the BAR has completely undercut its mission of consumer protection. Over the 2 1/2 year investigation of Mike Glad’s Midas stores, BAR agents tricked employees, artificially modifying decoy cars that were expertly engineered to fool the most experienced mechanic. Simply stated, this was a setup.”