



BEAR Advisory Council Meeting Minutes

Thursday, November 20, 2008

ATTENDANCE:

Advisory Council Members:

John H. Andrew, Consumer, *Public Member*
Robert A. Browne, Courtesy TV
Jeff Dooley, *Public Member*
Bert R. Miles, Coast Appliance Parts & Supply
James E. Rushton, Service Power Inc.
Mona Vyas, Better Business Bureau, *Public Member*
James Webb, Reliable Parts
Fay Wood, Vice Chair, *Public Member*

BEAR Staff Members:

Rick Fong, Bureau Chief
Rick Diamond, Field Operations Manager
Sean Faro, Staff Services Analyst
Shalom Rojas, Assistant to the Chief
Karen Skelton, Licensing Manager

Other DCA Staff Members:

Richard Bigelow, Manager, DCA Complaint Resolution Program
Patricia Harris, DCA Deputy Director of Bureau Relations
Susan Lancara, Manager, DCA Legislative & Policy Review Division
James Maynard, Staff Counsel, DCA Legal Affairs

Public/Other Meeting Attendees:

Carlos Ariola, General Electronics of San Diego
Leo Cloutier, NESDA Regional V Director and Treasurer, and President of L.A. Alignment Club
Eloy Fierro, Vice President, Professional Servicers Organization of California (PSOC)
Don Erwin, Auditor – Tech Specialist, Service Power Inc.

Agenda Items:

- I. Opening Remarks and Introductions
 - Chief Rick Fong opened meeting at 9:05 A.M., requesting that all public comment be held until the end of the meeting
 - Chief noted that the Summit was well represented by DCA staff from a wide variety of Boards and Bureaus
 - Chief introduced himself and spoke about his background with BSIS, BAR, and experience as a private business owner
 - Chief commented that he wants to set the stage for better communication, moving forward in the future
 - Advisory Council members and DCA staff introduced themselves, following comments from the Chief

II. Bureau Overview

- Chief provided an overview of BEAR laws and regulations, and discussed licensing population and enforcement activity
- Chief noted that the focus of the Bureau is changing and that he is proud to continue the legacy of former Bureau Chiefs that have accomplished great things for the Bureau, as well as create some new ideas in support of consumer protection and enhanced education
- Chief discussed need to find creative ways to become more efficient, especially in light of the budget situation facing the State
- Chief commented on his desire to be accessible and his belief in ensuring that BEAR maintains transparency
- Chief commented that the Bureau is presently fully staffed

III. Advisory Council Function and Purpose

- Chief discussed the Bureau's Advisory Council Bylaws, outlining the Council's function and purpose as a voluntary Council dedicated to assisting the Bureau by providing perspective information and insight into the electronic, appliance, and service contract markets in California

IV. DCA's 2008-2010 Strategic Plan

- Chief discussed DCA's Strategic Plan for 2008-2010, which outlines the over 40 Boards and Bureaus and what their missions are

V. Bureau Updates

- Licensing Update:
 - The Licensing Manager, Karen Skelton, commented on positions filled by the Bureau, improvements to the application screening process, the loss of certain key licensees such as Blockbuster Video, population changes in various BEAR industries, concerns over who will honor service contracts for retailers going out of business, and the work being done to make online licensure available by 2011
 - Chief indicated that it is important that all licensees meet a high standard, and the Bureau is denying more applications now, as more issues are being caught as a result of increased scrutiny
 - Vice Chair and Council Member Fay Wood commented that it is important to note that the service contract seller is sometimes different from the actual service contract administrator and/or policy underwriter/insurance company
- Enforcement Update:
 - Field Operations Manager, Rick Diamond, spoke about coordination between Field Operations and Licensing when applicants are denied licenses, BEAR's efforts to increase field presence and deal with unlicensed activity, statistical data kept by the Bureau, anticipated increases in citations for FY 08-09, the use of infractions, and issues surrounding advertising and registration
 - Rick Diamond, Karen Skelton, and Council Members Robert Browne, James Rushton, and Fay Wood discussed issues pertaining to subcontractor licensing and payroll taxes
 - The Chief, Rick Diamond, and Council Members Mona Vyas, Robert Browne, and Fay Wood discussed licensee complaints and statistics kept related to complaints
 - Chief commented on consumer trust issues related to BEAR licensees, getting the most efficient use out of Bureau staff and resources, outreach efforts, consumer protection, efforts by the Bureau to ensure due process via citation appeal hearings, and thanked Rick Diamond for progress and improvements made in Enforcement

- Website Updates:
 - Chief spoke about updates to BEAR website, including the posting of new BEAR logo, updated industry information, newer articles, and removal of various outdated materials

VI. Outreach/Public Education

- Chief stated that DCA's Office of Publications will be working to update BEAR brochures, and that the Bureau will be working with the DCA Outreach Unit to reach out to underserved communities in California
- Vice Chair and Advisory Council Member Fay Wood asked the other Advisory Council Members what it would take for them to reach consumers through their businesses and ongoing community activities
- The Chief, Rick Diamond, and Council Members Fay Wood, Bert Miles, James Rushton, Robert Browne, and Mona Vyas, exchanged ideas on how to improve outreach efforts, including topics such as "Leave Behinds," e-mail blasts, partnerships between the Bureau and service dealer organizations, as well as consumer education efforts

VII. Roundtable Discussion

- Advisory Council Members commented on the value of the PACT Summit, as well as various industry topics, such as the Song-Beverly Act, usefulness of outreach program offered by CSU Sacramento, concerns over educating licensees due to perceived lack of knowledge of new servicers entering the industry, consumer misinformation/lack of information, insurance requirements of Third Party Administrators (TPA's), and revisited parts availability issues

VIII. Public Comment

- PSOC Vice President, Eloy Fierro, recommended the Bureau develop education materials for new licensees to be provided with registration materials, raised concerns over invoicing issues, noted BEAR's role in consumer protection over the years, and asked that any efforts the Bureau makes serve the interest of California first
- Service Power Inc. Auditor – Tech Specialist, Don Erwin, voiced concerns over changes in Bureau Chiefs over the years causing delays in updating Song-Beverly Act legislation, noting that Assemblymember Joel Anderson (77th Assembly District) may be willing to introduce legislation, and asked for Bureau support
- Carlos Ariola of San Diego based General Electronics recommended that new licensees be provided with a CD containing data on industry guidelines, and argued that all manufacturers hold back on parts
- Leo Cloutier of NESDA and the Los Angeles Alignment Club commented on having DCA links placed in licensee advertisements, HDTV conversion costs, the change in Bureau Chiefs, and provided information on "NESDAnet," a website servicers can use to find parts location information
- Council Member Robert Browne followed public comments by discussing concerns over nondisclosure of used parts on invoices

*Closing Remarks:

- Chief Rick Fong commented on his relationships with prior Bureau Chiefs and stated that the Bureau would inform all interested parties of a date and time for the next Advisory Council Meeting, once one could be set up, noting that budget woes make for difficulty in planning future meetings, however considerations for phone meetings will be considered wherever possible to help with the budget issues
- Chief commented that more information would be forthcoming at a later time, regarding the volunteer sheet
- Meeting adjourned at 11:45 A.M.