



Texas Department of Licensing and Regulation
920 Colorado St.
Austin, Texas 78701
Phone: (800) 803-9202

FOR IMMEDIATE RELEASE

July 22, 2019

Tela Mange

Public Information Officer

Texas Department of Licensing and Regulation

512.463.3208

Houston company's vehicle storage license revoked for flipping scheme

AUSTIN – At their July 15 public meeting, the Texas Commission of Licensing and Regulation voted to revoke a Houston company's vehicle storage facility (VSF) license because of its dishonest and fraudulent conduct. Commissioners also assessed a \$5,000 administrative penalty - the maximum allowed by law - reflecting an upward enhancement from the standard penalty due to the nature of the violation.

The Commission's action came after an administrative law judge at the State Office of Administrative Hearings found that Subhi H. Abuhadra, who held a VSF license for South West Carzone Auto Storage, had engaged in a "flipping" scheme.

"Flipping" is deceptive and illegal conduct by towing companies and vehicle storage facilities aiming to convince vehicle owners to waive their rights and have their vehicles taken to, or transferred to, unregulated body shops after automobile accidents. Texas law generally requires that vehicles must be taken to, and remain at, licensed vehicle storage facilities where fees and costs are regulated.

In the incident involved in the TDLR case, a wrecked vehicle was taken to Abuhadra's VSF after an accident. An employee at the VSF deceived the vehicle owner into signing documents that would transfer the vehicle – which was totaled – to Abuhadra's unregulated body shop, where he collected more than \$1,600 in fees, despite the fact that no work was done to the vehicle.

Without a VSF license, Abuhadra is no longer allowed to operate South West Carzone Auto Storage as a vehicle storage facility.

Consumers who have been involved in an auto accident – especially those in Harris County and the surrounding area – are urged not to sign any documents relating to their vehicle until speaking to their insurance company. This includes documents that may be presented by a tow operator responsible for removing their vehicle from the accident scene.

Anyone who has additional information on cases within the city of Houston limits, or who may be a victim of flipping, is urged to contact the HPD Auto Dealers Detail at 832-394-4800 or 832-394-4969 (after-hours) or send an email to: hpd.autodealers@houstonpolice.org.

Contact: Tela Mange | Public Information Officer | Texas Department of Licensing & Regulation
512-463-3208 | tela.mange@tdlr.texas.gov | media.inquiries@tdlr.texas.gov | www.tdlr.texas.gov
TDLR Customer Service | (512) 463-6599 | Toll-Free (in Texas) | (800) 803-9202 | Relay Texas-TDD: (800) 735-2989

Follow us on [Facebook](#), [Twitter](#) and [LinkedIn](#)



Texas Department of Licensing and Regulation
920 Colorado St.
Austin, Texas 78701
Phone: (800) 803-9202

For incidents outside the city of Houston limits, but within Harris County, individuals can contact the Harris County District Attorney's Office, Consumer Fraud Division, at 713-274-555 or file their complaint on-line at: <https://www.harriscountyda.com/complaint-form>.

Additionally, consumers may file a complaint online through the TDLR website against a tow company, tow operator, or a vehicle storage facility at: <https://www.tdlr.texas.gov/Complaints/>

About TDLR

TDLR provides regulatory oversight for a broad range of occupations, businesses, facilities, and equipment in Texas. The agency protects the health and safety of Texans by ensuring they are served by qualified, licensed professionals. Inspections of individuals, businesses, and equipment are done on a regular basis to safeguard the public. Currently, the agency regulates 39 business and occupational licensing programs with more than 800,000 licensees across the state.

Visit TDLR's [website](#) for more information and resources. You can search the [TDLR licensee database](#), and also find [past violations](#) in which a final order was issued against companies or individuals. TDLR's Customer Service line is available anytime between 7 a.m. until 6 p.m., Monday through Friday, at 1-800-803-9202. TDLR representatives are fluent in English, Spanish, Vietnamese, Korean and Chinese.

##