

STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF COMMERCIAL LICENSING
1511 PONTIAC AVE.
CRANSTON, RI 02920

IN THE MATTER OF:

IMAD MELHEM and GNI
WEST WARWICK, INC. d/b/a
LAKEWOOD AUTO
BODY, INC.,

Respondents.

DBR No. 24AB027
DBR No. 25AB010

CONSENT AGREEMENT

The Department of Business Regulation ("Department"), by and through the Division of Commercial Licensing ("Division") and Imad Melhem and GNI West Warwick, Inc. d/b/a Lakewood Auto Body, Inc. ("Respondents")(collectively, the "Parties") hereby enter into this Consent Agreement ("Agreement") based on the following:

1. Respondent Lakewood Auto Body, Inc. ("Lakewood") possesses Auto Body License No. AB.0002056-B and Auto Salvage Rebuilder License No. AS.0000230 (collectively, "Licenses"), and currently operates its business at 665 Warwick Ave., Warwick, RI 02888.
2. Respondent Lakewood Auto Body, Inc. is not a registered as an entity with the Rhode Island Secretary of State ("SOS").
3. An entity with the name of "lakewood autobody corp," is registered with the SOS as a domestic for profit corporation with previous fictitious names of: LAKEWOODRENTALS, LAKEWOODAUTOSALES, LakewoodAutoSales&Rentals, and STOP&GO GAS II. The Registered Agent is Georges Melhem, 110 Main Ave., Warwick, RI 02886. The President is Georges Melhem, and the Treasurer and Vice-President is Imad Melhem, according to the entity's SOS Entity Summary.
4. Respondent GNI West Warwick, Inc. is registered with the Rhode Island Secretary of State as a domestic for profit corporation, which was previously registered under the fictitious name of Stop and Go Gas II (filed on March 11, 2024), La[k]ewood Auto Body (filed on March 7, 2024), Stop and Gas (filed on August 16, 2023), and Stop&Go (also on August 16, 2023).

5. According to the Secretary of State Entity Summary, Respondent GNI West Warwick, Inc. has a principal place of business of 2672 We[r]st Shore Rd., Warwick, RI 02889, the Registered Agent is Imad Melhem, and the Director is Georges Melhem, both with an address of 2672 West Shore Rd., Warwick, RI 02889.
6. The address of 2672 West Shore Rd., Warwick, RI 02889 is occupied by a business named Sandy Lane Auto Sales, which is registered with the Rhode Island Secretary of State as Sandy Lane Auto, LLC and is a domestic limited liability company, the mailing address of which is 2672 W Shore Rd., Warwick, RI 02889. The principal office of Sandy Lane Auto, LLC is 110 Main Ave., Warwick, RI 02886, according to the Sandy Lane Auto, LLC Entity Summary, and the Resident Agent is Imad E. Melhem.

COMPLAINT NO. 24AB027

7. On November 1, 2024, the Department received a complaint ("Complaint 1") regarding a vehicle that was in an accident and towed to Lakewood for repairs.
8. Complainant 1 stated that on or about March 15, 2024, his vehicle, a 2016 Highlander XLE AWD, Vin No. 5TDJKRFH4GS305881 ("Vehicle 1"), was damaged in an accident; Complainant 1 contacted an individual Complainant 1 believed worked at High Tech Auto Body with whom he'd done business before, and to his surprise Vehicle 1 was towed to Lakewood.
9. On or about March 15, 2024, Lakewood brought a rental vehicle to Complainant 1. Complainant 1 possessed the rental vehicle for approximately five days, as the rental car was picked up from Complainant 1 on March 20, 2024.
10. The Lakewood rental invoice form for Complainant 1 states that Complainant 1 had the vehicle rental for thirty-one (31) days, for which Lakewood charged sixty-nine dollars and ninety-nine cents (\$69.99) per day, plus fees, for a total of two thousand four hundred and ninety-five dollars and forty-five cents (\$2,495.45).
11. When at Lakewood, Complainant 1 signed a document entitled "Authorization to Repair," which included a direction to pay Lakewood directly from the insurer. Complainant 1 was informed that the insurance check was received by Lakewood on or about April 4, 2024.
12. Complainant 1's automobile insurance carrier, Liberty Mutual, performed a repair estimate, which was dated March 21, 2024, and provided for seventeen thousand one hundred and ninety-one dollars and thirty-eight cents (\$17,191.38) worth of repairs.
13. Between March 15, 2024 and October 26, 2024, Complainant 1 communicated with both Lakewood and his automobile insurance estimator assigned to his claim regarding the completion of the repairs to Vehicle 1, which took about seven months to complete. Complainant 1 visited Lakewood on several occasions, during one of which Complainant

I saw that the engine had been removed from Vehicle 1 and parts were on the floor, which was documented in a photograph.

14. Following Complainant 1's eventual receipt of Vehicle 1 from Lakewood, Complainant 1 noticed that the running boards were missing, the horn sounded weak and some of the driver's side window buttons were not operational.
15. On or about October 28, 2024, Complainant 1 returned Vehicle 1 to Lakewood, as instructed by Jacob Melhem at Lakewood, for the replacement of the running boards, and repair of the horn and the window buttons.
16. On or about October 29, 2024, Complainant 1 returned to Lakewood to recover Vehicle 1; the running boards were re-installed, but the horn and driver's side window buttons were not repaired.
17. On November 11, 2024, Complainant 1 brought Vehicle 1 to Balise Toyota at 1400 Post Rd., Warwick, RI 02888 ("Balise Toyota") for an inspection of the vehicle. Balise Toyota found that there were 15 repairs¹ made on Vehicle 1 where the notation for each was "Requires immediate attention," and said repairs included but were not limited to: "Bondo found on frame rails frame is bent and repaired poorly," "clip for front passenger axle not installed correctly with bolt missing and axle no[t] installed all the way in," "Front passenger axle boot held on by zip tie," and "Suspension on front driver side bent sway bar is straight when passenger side is not," among others. Balise Toyota recommended that Complainant 1 not drive Vehicle 1.
18. On March 18, 2025, Complainant 1 took Vehicle 1 for an additional inspection, this time to Nucar Tarbox Toyota, 3671 Quaker Lane North, Kinston, RI 02852 ("Nucar"). Among the service repair recommendations were the following notations: "Passenger side axle improperly installed missing retainer bolt and c clip," "Exhaust bolt was cross threaded replace stud and nut missing 02 sensor bracket," "Drivers unibody rail is poorly reconstructed held together with small tacks and a fabricated bracket," "vacuum line is improperly routed," "Horns are missing," among others.
19. Lakewood thereafter responded to the Complaint by sending several documents to the Division of Commercial Licensing ("Division"). Among Lakewood's documents was a purported scan of Vehicle 1, dated March 15, 2024 and entitled "Vehicle System Report," and indicated that the scan was performed at "stop@ gas auto repair 929 providence st west warwick, ri 02893 lakewoodautobody.ri@gmail.com."

¹ Of note and in relation to the horn, the Balise Toyota report stated: "Both the low horn and the security horn [are] missing."

20. According to googlemaps.com, 929 Providence St., West Warwick, RI 02893 is the location of a former business entity named "Stop & Gas" ("Stop & Gas"), which is no longer in operation.
21. According to a publicly available picture of Stop & Gas on googlemaps.com that google reports as being uploaded "over a year ago," there is a large sign above the garage plainly visible on the Stop & Gas building structure, which states the following: "Stop & Gas Auto Repair & Towing has moved to Lakewood Auto Body 665 Warwick Ave., Warwick, RI 02888 401-615-8782."
22. Complainant 1 and Lakewood have resolved their disagreement over Vehicle 1's repair, whereby Complainant 1 received remuneration for Vehicle 1.

COMPLAINT NO. 25AB0010

23. On July 17, 2025, the Division received a complaint regarding Lakewood from Farmers Insurance ("Complaint 2"), reporting its concerns that Lakewood was submitting a variety of incorrect paperwork in reference to Claim No. 5037488908-1 ("Claim 2").
24. Complaint 2 concerns the repair of a 2015 Nissan Altima, Vin No. 1N4AL3AP5FC186902 ("Vehicle 2") by Lakewood on or about June 25, 2025.
25. Complaint 2 included several forms submitted by Lakewood on Claim 2, including: Vehicle 2's pre-scan, tow slips of Vehicle 2 from Lakewood to Stop & Gas and back, and purported calibrations performed on Vehicle 2 at a third location, Smith Street Auto Repair.
26. The pre-scan submitted by Lakewood is purported to have taken place at Stop & Gas on July 6, 2025, as indicated on the pre-scan paperwork, which states that it is located at 929 Providence St., West Warwick, RI 02893.
27. One tow slip submitted by Lakewood was on an Invoice with a "GNI West Warwick Inc. DBA STOP & GAS" letterhead and states that Vehicle 2 was towed from "665 Warwick Ave., Warwick 02888" to "929 Providence St., West Warwick 02893" for a total cost of four hundred and sixteen dollars and twenty-two cents (\$416.22); the invoice is not dated.
28. The other tow slip submitted by Lakewood was on an Invoice with a "GNI West Warwick Inc. DBA STOP & GAS" letterhead and states that Vehicle 2 was towed from "929 Providence St., West Warwick 02893" to "665 Warwick Ave., Warwick 02888" for a total cost of four hundred and sixteen dollars and twenty-two cents (\$416.22); the invoice is again not dated.

29. The calibration invoice submitted by Lakewood on Claim 2 contains the letterhead of "Smith St. Auto Repair, 1524 Smith St., North Providence, RI 02911," and indicates that the invoice number is 2863, the work was completed on July 8, 2025, and that the following labor descriptions were charged therefor: ADAS front radar calibration, ADAS front sensor calibration, and ADAS front camera calibration. Each calibration was charged at a rate of five hundred and ninety-nine dollars (\$599.00), a fee of four hundred and forty-nine (\$449.00) was added, for a total bill of two thousand two hundred and forty-six dollars (\$2,246.00).
30. Alldata² reference information for Vehicle 2 reveals that front and rear radar, front and rear sonar sensor, and the lane departure and parking assistance (front camera) need no calibrations on this vehicle because the features do not exist on that model vehicle.
31. Pictures of Vehicle 2 submitted with Complaint 2 show the front bumper/radar grille of Vehicle 2 removed from the rest of the vehicle, and show the vehicle separate from the front bumper/radar grille; there are no parking sensors present on the front/bumper/radar grille and there is no upper radar or wiring harness present on the vehicle itself as seen without the front bumper/radar grille.
32. According to the Secretary of State's Entity Summary for Smith Street Auto Repair, Inc. ("Smith Street"), it is a domestic for profit corporation registered under the fictitious name of Smith Street Auto Sales and Repair, Inc., the principal office location of which is designated as 2672 Westshore Rd., Warwick, RI 02889, which is the same principal office location as GNI West Warwick and Sandy Lane Auto Sales. The Smith Street Auto Repair, Inc. SOS Entity Summary also states its Registered Agent is Imad E. Melhem, 1524 Smith St., North Providence, RI 02911, its President is Imad E. Melhem, and its Vice President is Yaacoub Melhem, 110 Main Ave., Warwick, RI 02886 (the principal address of Sandy Lane Auto, LLC).
33. On September 25, 2025, the Department sent a subpoena to Smith Street, requesting information relative to the service of Vehicle 2 ("Subpoena"). Smith Street responded to the Subpoena on October 2nd with documents and a typed reply, illegibly signed by what's stated as "Management," stating that:

"Pertaining to the ADAS invoice that was provided to Lakewood Autobody, due to an error we provided an invoice for calibrations that was not for that specific vehicle. Information is entered manually. The 2015 Nissan Altima arrived at Smith St. Auto Repair on the same day as 2 other Nissan (A 2019 and 2022) The supervising mechanic, Imad Melhem, input the wrong information which generated incorrect scans. Once Imad realized the error he called Lakewood to inform the office that the invoice was incorrect and needed to be voided."

² Provider of original equipment manufacturer ("OEM") mechanical and collision repair information.

34. Smith Street's Subpoena response documents include an invoice for the calibrations of Vehicle 2, now stamped with the notation: "VOIDED Incorrect Vehicle" in red type, and updated scans of Vehicle 2, which appear to be the same scans as previously submitted as a part of Complaint 2, except now with the following highlighted in yellow: "UPDATED ADDRESS 1524 Smith St., North Providence, RI 02911." The no longer operational address of Stop & Gas, with Lakewood's email and phone number, is still present on the scans.
35. Farmer's Insurance has not received any notice of any error or correction in paperwork in Smith St. and/or Lakewood's insurance submissions for Claim 2 on Vehicle 2.

APPLICABLE LAW

36. Pursuant to R.I. Gen. Laws § 5-38-10, "The department of business regulation may deny an application for a license or suspend or revoke a license after it has been granted, for the following reasons: ...
- (4) For defrauding any customer;...
 - (7) For having indulged in any unconscionable practice relating to the business of an automobile body repair shop;...
 - (9) For failure to comply with the safety standards of the industry.

CONDITIONS

37. In order to amicably resolve the matters raised herein without an administrative hearing, the Parties enter into this Agreement solely for the purposes of avoiding the burdens and expenses of litigation, and pursuant to the following terms, conditions and representations:
- a. Respondents acknowledge and agree that they violated R.I. Gen. Laws § 5-38-10(4) and (9), in that they submitted inaccurate tow slips and/or pre-scans of Vehicle 1 on Claim 1 and they submitted inaccurate tow, pre-scans and calibrations of Vehicle 2 on Claim 2;
 - b. Respondents shall cause to be delivered to the Division an administrative penalty for the violations of law detailed in paragraph 37(a) in the total amount of ten thousand dollars (\$10,000.00) made payable to the Rhode Island General Treasurer via bank or certified checks, which may be paid in three equal installments of three thousand three hundred and thirty-three dollars and thirty-three cents (\$3,333.33) due October 1, 2026, November 1, 2026 and December 1, 2026;
 - c. Respondents consent and agree that the Licenses shall be suspended for a period of forty (40) total business days, which may be divided into two (2) equal suspension periods of twenty (20) business days each of Mondays through Fridays, the first spanning 9/21/26 – 10/16/26, and the second spanning 11/02/26-11/27/26, 2026. During the period(s) of suspension, no auto body

work for which the Licenses are required pursuant to R.I. Gen. Laws § 5-38-4(b), shall be accepted or performed.

38. *Completeness.* The parties agree that this Consent Agreement and its terms represent the final determination of this matter.
39. *Waiver of Hearing and Appeal.* By agreeing to resolve this matter through the execution of this Consent Agreement, Respondent knowingly and voluntarily waives any right to an administrative hearing and waives any right to pursue an appeal to the Superior Court under the Rhode Island Administrative Procedures Act, R.I. Gen. Laws § 42-35-1, *et seq.*
40. *Enforcement.* If Respondent fails to comply with any term or condition of this Consent Agreement within any applicable time period set forth herein, unless there is an express written modification approved by the Department including, but not limited to, extensions of any deadlines set forth hereunder the Respondent will be in violation hereunder and the Department shall be entitled to immediately take enforcement or other action in accordance with applicable law.
41. *Compliance; Laws.* Compliance with the terms of this Consent Agreement does not relieve Respondent of any obligation to comply with other applicable laws or regulations administered by or through the Department of any other governmental agency.
42. *Public Record.* Once executed, this Consent Agreement shall be a public record under the Access to Public Records Act, R.I. Gen. Laws Chapter 38-2, and it shall also be posted to the Enforcements Page of the Division's site.

[SIGNATURE PAGE TO FOLLOW]

SIGNATURE PAGE

For the Division:



Signature

Donald DeFedele
Associate Director

Date:

8/28/26

Respondent:



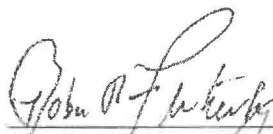
Signature

By: Mr. Imad Melhem
Authorized Person for
GNI West Warwick Inc. d/b/a
Lakewood Auto Body, Inc.

Date:

8/28/26

Counsel for Respondent:



Signature

By: Robert Flaherty, Esq.

Date:

8/28/26