



Citation: 1703339 Ontario Limited and Sattarzadeh v. Registrar, *Motor Vehicle Dealers Act, 2002*, 2023 ONLAT MVDA 15710

Licence Appeal Tribunal File Number: 15710/MVDA

In the matter of an appeal from a Notice of Proposal to Revoke Registration issued by the Registrar under the *Motor Vehicle Dealers Act, 2002*, S.O. 2002, c. 30, Sch. B.

Between:

**1703339 Ontario Limited o/a Cars Unlimited Niagara
and Reza Sattarzadeh**

Appellant

and

Registrar, *Motor Vehicle Dealers Act, 2002*

Respondent

CONSENT ORDER

ADJUDICATOR: Jeffery Campbell, Vice-Chair

Date: May 28, 2024

BACKGROUND

- [1] On February 21, 2024, the Registrar, *Motor Vehicle Dealers Act, 2002*, (the “Registrar”) issued a Notice of Proposal (the “NOP”) revoke the registration of 1703339 Ontario Limited and Reza Sattarzadeh (the “Appellants”) as a motor vehicle dealer and salesperson, respectively, under the *Motor Vehicle Dealers Act, 2002*, S.O. 2002, c. 30, Sched B and the Regulations (the “Act”).
- [2] The NOP is based on the grounds that the Appellants’ past conduct is inconsistent with the intention and objective of the *Act*, and therefore warrants the Appellants’ disentitlement to registration under the *Act*.
- [3] The Notice of Proposal to Revoke the registrations has been appealed to the Tribunal.
- [4] The parties advised the Tribunal that they had resolved the issues in dispute and both parties have consented to the registration of the Appellants as a motor vehicle dealer and salesperson under the *Act* on the terms and conditions set out in Terms and Conditions between the Appellant and the Registrar signed by the Appellants on May 27, 2024 and by the Registrar on May 28, 2024. The Terms and Conditions shall constitute Schedule A.
- [5] Further, both parties confirmed that pursuant to section 4.1 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S 2 (the “SPPA”), both parties waive the requirements of a hearing and consent to an Order of the Tribunal to confirm the appellants’ registration on the Terms and Conditions set out on Schedule A. A copy of the agreements signed by all parties is attached as Schedule A to this Order.

ON CONSENT OF BOTH PARTIES, I ORDER:

- [6] Pursuant to s. 4.1 of the SPPA and on the consent of the parties, I dispose of this proceeding without a hearing on the Terms and Conditions set out in the agreement signed by the Appellants on May 27, 2024 and by the Registrar on May 28, 2024, a copy of which is attached to this order as Schedule A, which Schedule A is incorporated and made part of this Order.

LICENCE APPEAL TRIBUNAL



Jeffery Campbell, Vice-Chair

Released: May 28, 2024

SCHEDULE A



TERMS AND CONDITIONS OF REGISTRATION

TO: Licence Appeal Tribunal
Tribunals Ontario
General Services
15 Grosvenor Street, Ground Floor
Toronto, ON M7A 2G6

FROM: Registrar, *Motor Vehicle Dealers Act, 2002*
Ontario Motor Vehicle Industry Council
#300-65 Overlea Boulevard
Toronto, Ontario M4H 1P1

FROM: 1703339 Ontario Limited
o/a Cars Unlimited Niagara
160 – 162 Church St
St. Catharines, ON L2R 3E5

AND FROM: Reza Sattarzadeh
c/o 1703339 Ontario Limited
o/a Cars Unlimited Niagara
160 – 162 Church St
St. Catharines, ON L2R 3E5

PREAMBLE

In accordance with subsection 6(2) of the *Motor Vehicle Dealers Act, 2002* (the "MVDA"), 1703339 Ontario Limited o/a Cars Unlimited Niagara (the "Dealer") and Reza Sattarzadeh ("Sattarzadeh") (collectively the "Registrants") hereby consent to registration pursuant to Ontario Regulation 333/08 subject to the following Terms and Conditions:

REGISTRATION

1. The Registrants shall comply with all requirements of the MVDA and Ontario Regulation 333/08, the *Code of Ethics* in Ontario Regulation 332/08, the Ontario Motor Vehicle Industry Council ("OMVIC") Standards of Business Practice, 2010 and OMVIC Guidelines, as may be amended from time to time. The Registrants further agree to read all correspondence and bulletins from OMVIC as released.
2. The Registrants shall provide the Registrar with notice in writing, within five days, of any substantive changes to their business plan or information provided in obtaining their registrations, pursuant to section 31 of Ontario Regulation 333/08.

3. The Registrants shall provide the Registrar with notice in writing, within five days, of any change in the officers or directors of the corporation, pursuant to section 24 of the MVDA. The Registrants further agree to notify the Registrar of any change in partners or owner, person(s) in charge, and signing authority for the dealership. The Registrants further agree not to effect such changes without first obtaining the Registrar's prior approval, in writing.
4. The Registrants shall ensure that all personnel, agents, assignees or anyone acting on behalf of the Registrants are informed of the Terms and Conditions contained in this document to the extent necessary to ensure compliance with these Terms and Conditions.
5. The Registrants shall ensure that all employees, personnel, agents, assignees or anyone acting on behalf of the Dealer to trade in motor vehicles will be registered as a salesperson to the Dealer.

TRADING

6. The Registrants acknowledges that "trade" refers to buying, selling, leasing, advertising or exchanging an interest in a motor vehicle or negotiating or inducing or attempting to induce the buying, selling, leasing or exchanging of an interest in a motor vehicle as defined in the MVDA and pursuant to section 36 through to and including section 51 of Ontario Regulation 333/08; and is not limited to the signing of contracts. The Registrant further acknowledges that this includes attendance at auction on behalf of the Registrant and positions commonly referred to as Sales Manager, Finance and Insurance Manager, Branch Manager, Business Manager, General Manager or any individual who has supervisory authority over salespersons.
7. The Registrants shall ensure that the registration will not be used to trade in motor vehicles where the Registrant knows, or ought to know, that trading motor vehicles will facilitate an illegal or unethical practice.
8. The Registrants shall not conduct business with any person/business acting as a motor vehicle dealer and trading in motor vehicles without first confirming that the person/business is registered as a motor vehicle dealer in accordance with the MVDA. The Registrants shall ensure that it takes all reasonable steps to ensure that it does not supply motor vehicles to a person/business that is acting as a motor vehicle dealer without the benefit of registration under the MVDA.
9. The Registrants shall not directly or indirectly trade in any motor vehicles with Hawkar Manmi, Hawkar Export Inc., or AAPEX Recyclers Inc., or any of their associated or related business interests.
10. Sattarzadeh acknowledges that he owned and operated an auto salvage and wrecking company named AAPEX Auto Recyclers Inc. and confirms that its RIN line is closed and will remain inactive and that it will not engage in the trade of motor vehicles. The Registrants shall not engage in the trade of motor vehicles with AAPEX Auto Recyclers Inc and this includes transferring vehicles in and out of its RIN line.
11. Sattarzadeh acknowledges that his business AAPEX Auto Recyclers Inc. is currently the landlord for Hawkar Manmi's business AAPEX Recyclers, and that there is no other business relationship or activities, nor will there be in the future.

12. The Registrants shall ensure that a vehicle is branded as "Irreparable" by the Ministry of Transportation, *before* it is sold by the Dealer for parts or for scrap. The Registrants shall ensure that the branding is disclosed in writing on the bill of sale. The Registrants shall also ensure the statement "sold for parts/scrap only" is also set out in writing on the bill of sale.

PREMISES

13. The Dealer will operate exclusively from the location approved by the Registrar and will not invite the public to trade at a place other than the approved location, pursuant to section 28 of Ontario Regulation 333/08.
14. The Dealer shall maintain a sign at its registered premise that is visible to the public, pursuant to section 30 of Ontario Regulation 333/08.
15. The Dealer shall ensure that all advertisements placed by or on behalf of the Dealer will identify the registered name, address and phone number of the location approved by the Registrar, pursuant to section 36(2) of Ontario Regulation 333/08.
16. The Dealer agrees not to change the location approved by the Registrar without first obtaining the Registrar's approval, in writing, pursuant to section 31 of Ontario Regulation 333/08.

BOOKS AND RECORDS

17. The Registrants shall maintain all books and records at the Registrant's registered premises in accordance with the MVDA and pursuant to section 52 through to and including section 60 of Ontario Regulation 333/08.
18. The Registrants will maintain books and records, which accurately records the true nature of transactions involving the trade of a motor vehicle. The Registrants will not be involved in the creation of books and records, which are false or misleading as to the true nature of a transaction involving the trade of a motor vehicle.
19. The Registrants will provide free access to books and records of the Dealer to an authorized representative of the Registrar in accordance with section 15 of the MVDA.
20. The Dealer will maintain a garage register in accordance with section 60(1) of the *Highway Traffic Act* ("HTA") and pursuant to section 57 of Ontario Regulation 333/08.
21. The Registrants will not purchase a vehicle without first ensuring that the vehicle is registered to the seller in the records of the Ontario Ministry of Transportation ("MTO").
22. The Registrants shall ensure that all vehicles purchased will be registered within 6 days in accordance with section 11 of the *Highway Traffic Act* ("HTA").
23. The Registrants will undertake to ensure that all vehicles sold will be registered in the name of the purchaser in the records of the MTO before releasing the vehicle to the purchaser.
24. The Registrants will undertake that in the event their books and records are lost, stolen or destroyed in whole or in part, the Registrar will be advised, in writing, within 5 days of the

event pursuant to section 55 of Ontario Regulation 333/08; and will include all relevant documentation. The documentation will include, but is not limited to, police reports, insurance claims and affidavits. The Registrants further agrees to make all reasonable efforts to reconstitute the lost, stolen or damaged records.

25. The Registrants will obtain a receipt prior to the removal of any records by a government or professional agency; or any other person or entity, from the registered premise. Such receipt will include the recipient's name, address, telephone number, description of records taken, the time of return and signature of recipient. The Registrants undertake to provide the receipt to OMVIC when requested by the Registrar.

DISCLOSURE

26. The Registrants shall ensure that all trades in motor vehicles are completed in accordance with section 30 of the MVDA and pursuant to sections 39, 40, 41, 42 and 43 of Ontario Regulation 333/08 and section 5 of Ontario Regulation 332/08, where applicable.
27. The Registrants shall disclose all material facts about the motor vehicles for purchase or lease to its customers. The Registrants further agree that notwithstanding whether or not the Registrants consider a fact to be material. The Registrants further agree to disclose all material facts on the Bill of Sale, in writing. The Registrants will ensure compliance with the disclosure obligation notwithstanding whether or not the vehicle has been branded through MTO. For greater certainty, a material fact is one that if disclosed could affect the decision of a reasonable person to purchase or lease the vehicle or affect the purchase price. In the case of damaged vehicles, the Registrants further agree to disclose as much detail as possible regarding the nature and severity of the damage. The Registrants undertake to research the history of all the motor vehicles under trade to ensure all material facts are disclosed.
28. The Registrants agree not to represent any charges or fees on a Bill Sale as being required by law where the charges or fees are not required by law. For greater clarity, this includes charges or fees such as tax, registration fee or certification.
29. Subject to reasonable defences, the Registrants agree to accept full responsibility for the quality of any repairs or alterations to a motor vehicle completed by the Registrants' personnel, agents, assignees, affiliated repair facilities or anyone acting on behalf of the Registrants.

ODOMETER

30. The Registrant will not, directly or indirectly, permit the odometer reading on any motor vehicle for trade to be altered in any way. In case of a repair of a broken odometer, the Registrants will record and maintain the reading in miles or kilometers that was on the odometer, prior to the exchange or repair pursuant to section 33 of Ontario Regulation 333/08.

ADVERTISING

31. The Registrants will ensure that all advertisements placed by or on behalf of the Dealer will comply with section 36 of Ontario Regulation 333/08 as well as the *Code of Ethics* in Ontario Regulation 332/08, OMVIC Standards of Business Practice, 2010 and OMVIC Guidelines,

as may be amended from time to time.

FINANCIAL RESPONSIBILITY

32. The Dealer agrees not to receive any new private sources of financing without the prior approval of the Registrar. This does not apply where the Dealer has applied on his own account and has obtained financing from a corporation registered under the *Loan and Trust Corporations Act*, *The Bank Act* or from a credit union or league to which the *Credit Unions and Caisses Populaires Act*, as may be amended from time to time.
33. The Dealer will maintain bank accounts that are compliant with section 59 of Ontario Regulation 333/08.
34. The Dealer will maintain a trust account, in respect of any deposits made in excess of \$10,000.00 or any funds in relation to motor vehicles sold on consignment on the behalf of a consumer, pursuant to section 58 of Ontario Regulation 333/08. The Registrants agree to provide written confirmation to the Registrar, within five days, that a trust account has been established in the Dealer's business name at its financial/banking institution.
35. The Registrants will ensure that any funds received in the purchase or lease of a motor vehicle prior to delivery; and any funds received in the purchase of a motor vehicle that has been consigned to the Dealer; and any funds received in the purchase of third party warranty or service plan, that the entire amount of funds will be deemed to be trust funds.
36. The Dealer will maintain a ledger account or record listing the names and addresses of all persons that provided the Dealer with trust funds. The Registrants will ensure that the ledger account contains the details of the amounts retained and a record of all disbursements.
37. The Registrants will ensure that bank account transactions relate exclusively to the operation or financing of the business. The Registrants agree to notify the Registrar of any change in any business banking accounts.
38. The Registrants will ensure that any consumer claim made to the Motor Vehicle Dealers Compensation Fund (the "*Fund*") in relation to the Registrants, and the *Fund* determines entitlement to compensation of the claim pursuant to section 42 of Ontario Regulation 338/08; that the Registrants will reimburse the *Fund* for any monies paid in relation to the claim.

INTERESTED PERSON/REAL CONTROLLING MIND

39. The Registrants will not permit the involvement of Hawkar Manmi, Hawkar Export Inc., or AAPEX Recyclers Inc., directly or indirectly in the operation of the Dealer. This includes, but is not limited to any involvement in any administrative, supervisory, management, financing or customer service capacity. Further, the Registrants will not permit the involvement of Hawkar Manmi, Hawkar Export Inc., or AAPEX Recyclers Inc. in the capacity of repair or service of motor vehicles.
40. The Registrants confirms that Hawkar Manmi, Hawkar Export Inc., or AAPEX Recyclers Inc. will not be financing the Dealer, either directly or indirectly. The Registrants will make

reasonable efforts to determine the source of financing received to ensure compliance with these Terms and Conditions.

41. The Registrants will not trade in motor vehicles with a salesperson, without first confirming with the Registrar (or OMVIC's website) that the individual is registered as a salesperson under the MVDA and is authorized to act on behalf of a dealer who is registered under the MVDA.

COURSE REQUIREMENTS

42. Sattarzadeh shall successfully complete the MVDA Key Elements Course (the "Course") within 120 days of the date of the Tribunal's Order.
43. The Dealer shall offer to all current and future salespersons, employed by the Dealer, to fund their completion of the Course, no later than 120 days from the date of the Tribunal's Order.

EFFECTIVE PERIOD

44. These Terms and Conditions shall remain in effect for a period of **two (2) years** from the date of the Tribunal's Order.

ACKNOWLEDGMENT AND UNDERTAKING:

45. The Registrar is relying on the accuracy and completeness of all documents, statements or information provided by the Registrants.
46. The documents, information or statements provided to the Registrar are true to the best of the Registrants' knowledge, and belief; and that full answer to all questions, inquiries and requests made by the Registrar in connection with the Registrants registrations have been given.
47. The Registrar may take further administrative action, including a proposal to suspend or revoke registration, arising from any matters that have occurred or may occur related to honesty and integrity, financial responsibility or compliance with these Terms and Conditions.
48. Independent legal advice has been obtained or the Registrants have had the opportunity to obtain independent legal advice respecting consent to the Terms and Conditions contained in this document.

ST CATHARINES Niagara 5/27/2024

Signed in the City of this day of 2024

Reza SATTARZADEH

Name of Individual (print) – I have authority to bind the Dealer

DocuSigned by:
Reza SATTARZADEH
8D32631A3706483

Signature of Individual – I have authority to bind the Dealer

Niagara

5/27/2024

Signed in the City of _____ this _____ day of _____ 2024

DocuSigned by:
Reza SATTARZADEH
8D32631A3706483

Reza Sattarzadeh

These Terms and Conditions are accepted on behalf of the Registrar, *Motor Vehicle Dealers Act, 2002*.

Date: May 28 2024



Maureen Harquail
Registrar
Motor Vehicle Dealers Act, 2002