

## DISCIPLINE DECISION

REVIEWING PANEL: Deb Mattina, Public Member  
Mike Ball, Registrant Member  
Joe Malfara, Registrant Member

IN THE MATTER OF A DISCIPLINE HEARING HELD PURSUANT TO THE MOTOR  
VEHICLE DEALERS ACT, 2002, S.O. 2002, c.30, Sch. B

B E T W E E N :

<b>ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL</b>	)	
	)	
- and -	)	
	)	
<b>CAR EMPIRE AUTO SALES INC. o/a CAR EMPIRE AUTO SALES</b>	)	
	)	
- and -	)	
	)	
<b>SUNNY KAPOOR</b>	)	
	)	

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This matter proceeded by way of Rule 1.07 of the Rules of Practice before the Discipline Tribunal and the Appeals Tribunal. This Reviewing Panel has reviewed and considered written materials from the Parties together with a waiver of the requirement for an oral hearing and hereby makes the following Order:

**Date of Decision:** November 25, 2025

**Findings:**

**Car Empire Auto Sales Inc. o/a Car Empire Auto Sales (the “Dealer”) has breached the following:**

- Sections 4(2), 5(5)(i), (16), (19), 7(1), and 9(1) and (3) of the Code of Ethics, O. Reg. 332/08

**Sunny Kapoor (“Kapoor”) has breached the following:**

- Sections 6(2) and 9(3) of the Code of Ethics, O. Reg. 332/08

## **Order:**

1. Car Empire Auto Sales Inc. o/a Car Empire Auto Sales (the “Dealer”) shall pay a fine in the amount of **\$12,000**, to be paid as follows:
  - a. **\$3,000** is to be paid no later than ninety (90) calendar days from the date of the Discipline Tribunal’s Order;
  - b. **\$3,000** is to be paid no later than one hundred and eighty (180) calendar days from the date of the Discipline Tribunal’s Order;
  - c. **\$3,000** is to be paid no later than two hundred and seventy (270) calendar days from the date of the Discipline Tribunal’s Order; and
  - d. **\$3,000** is to be paid no later than three hundred and sixty-five (365) calendar days from the date of the Discipline Tribunal’s Order.
2. Sunny Kapoor (“Kapoor”) shall successfully complete the MVDA Key Elements Course no later than ninety (90) calendar days from the date of the Discipline Tribunal’s Order.
3. The Dealer shall **offer** to all current and future salespersons, employed by the Dealer, to **fund** their completion of the Automotive Certification Course, no later than ninety (90) calendar days from the date of the Discipline Tribunal’s Order.

## **Overview**

This matter proceeded on the basis of an Agreed Statement of Facts, dated September 18, 2025, a jointly proposed disposition and a waiver of oral hearing, pursuant to Rule 1.07 of the Rules of Practice before the Discipline Tribunal and the Appeals Tribunal. The Agreed Statement of Facts states in relevant part as follows:

## **Withdrawal**

The allegations contained in paragraphs 11-14, 25-30, 34-36, 37(b), (c), (d), and (e), and 41-47 of the Notice of Referral to Discipline (“NORD”) dated January 26, 2025 are withdrawn.

## **Background**

1. The Dealer was first registered as a motor vehicle dealer in and around November 2023.
2. Kapoor was first registered as a motor vehicle salesperson in and around August 2023. At all material times, Kapoor has been the Business Manager and Person in Charge of the day-to-day activities of the Dealer.
3. Kapoor has also been the General Manager and Person in Charge of the day-to-day activities of 8341818 Canada Inc. o/a Elegant Car Rental (“Elegant Car Rental”). Elegant Car Rental was first registered as a motor vehicle dealer in and around August 2023.
4. On or about November 27, 2023, Kapoor, on behalf of the Dealer, signed a Terms and Conditions of Registration (the “Terms and Conditions”), among which are these relevant paragraphs:
  11. The Registrant will 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.

12. The Registrant will provide free access to books and records of the Registrant to an authorized representative of the Registrar in accordance with section 15 of the MVDA.

14. The Registrant will ensure that all vehicles purchased will be registered within 6 days in accordance with section 11 of the *Highway Traffic Act* (“HTA”).

### **Dealer’s Non-Compliance**

5. On or about August 21, 2024, a representative of the Registrar (the “Inspector”) attended the Dealer’s premises for a scheduled books and records inspection. Kapoor was not present at the premises and the inspection was rescheduled.
6. On or about September 6, 2024, the Inspector attended the Dealer’s premises for the scheduled books and records inspection. Kapoor, acting on behalf of the Dealer, provided the Inspector with incomplete books and records of transactions conducted by the Dealer. The Inspector reminded the Dealer that it must keep its records on its premises and make them available for inspection. A further inspection was scheduled for October 2, 2024.
7. On or about October 2, 2024, the Inspector attended the Dealer’s premises for the scheduled books and records inspection. Kapoor, acting on behalf of the Dealer, again failed to provide the Inspector with complete books and records of transactions conducted by the Dealer. The Inspector provided the Dealer with the VINs of 10 vehicles sold by the Dealer and requested the Dealer to obtain all documents for these 10 transactions for inspection as well as other documents related to the business. A final inspection was scheduled for November 4, 2024.
8. On or about November 4, 2024, the Inspector attended the Dealer’s premises for the scheduled books and records inspection. A salesperson, acting on behalf of the Dealer, failed to provide the Inspector with complete books and records of the 10 transactions requested by the Inspector as well as other documents related to the business, such as deposit receipts, bank statements with copies of cheques, payroll, finance contracts, and consignment contracts.
9. As such, the Dealer has contravened section 15(4) and (5) of the Act, paragraphs 11 and 12 of its Terms and Conditions, along with section 9(1) of the Code of Ethics.
10. During these inspections, it was also found that the Dealer engaged in the trade of 6 motor vehicles that contravened the Act and/or its Regulations, as particularized below:

#### **A. 2021 Dodge Charger**

13. On or about July 16, 2024, the Dealer sold a 2021 Dodge Charger (VIN# \*506532) to another dealer. The Dealer failed to disclose on the WBOS that the vehicle was previously used as a daily rental, contrary to section 5(5)(i) of the Code of Ethics. In addition, the WBOS failed to disclose that the vehicle was previously registered in New Brunswick, contrary to section 5(19) of the Code of Ethics.
14. As such, the Dealer has contravened sections 5(5)(i), (19), 7(1), and 9(1) and (3) of the Code of Ethics.

**B. 2005 Honda Accord**

15. On or about September 18, 2024, an individual transferred the registration of a 2005 Honda Accord (VIN# \*803650) to the Dealer's name. The Dealer, however, failed to maintain a bill of sale for this transaction in its records, contrary to section 53(1)(h) and (4) of O. Reg. 333/08 and Paragraph 11 of the Terms and Conditions.
16. On or about October 1, 2024, the Dealer sold the vehicle to a consumer. The Dealer failed to disclose on the RBOS the total driven distance of the vehicle, contrary to sections 40(2)(1) and 42(3) of O. Reg. 333/08.
17. As such, the Dealer has contravened sections 7(1) and 9(1) and (3) of the Code of Ethics.

**C. 2014 BMW 4-Series**

18. On or about July 12, 2024, an individual transferred the registration of a 2014 BMW 4-Series (VIN# \*715915) to the Dealer's name. The Dealer, however, failed to maintain a bill of sale for this transaction in its records, contrary to section 53(1)(h) and (4) of O. Reg. 333/08 and paragraph 11 of the Terms and Conditions.
11. On or about July 11, 2024, the Dealer sold the vehicle to another dealer. The WBOS failed to disclose the fact that the vehicle was previously registered in Quebec, contrary to section 5(19) of the Code of Ethics. In addition, the WBOS indicated that the Dealer had previously received a down payment of \$3,000. However, the Dealer failed to maintain a record of the deposit receipt, contrary to section 53(j) of O. Reg. 333/08 and paragraph 11 of the Terms and Conditions.
19. As such, the Dealer has contravened sections 5(19), 7(1), and 9(1) and (3) of the Code of Ethics.

**D. 2022 Dodge Charger**

20. On or about April 8, 2024, the Dealer purchased a 2022 Dodge Charger (VIN# \*125798) from a daily rental company. The Dealer registered the vehicle under its name with the Ontario Ministry of Transportation ("MTO") on or about May 21, 2024 (more than 6 days after the purchase of the vehicle), contrary to section 11(2) of the *Highway Traffic Act* and paragraph 14 of its Terms and Conditions.
21. On or about May 29, 2024, the Dealer sold the vehicle to another dealer. The Dealer failed to disclose on the WBOS that the vehicle was previously registered in Quebec, contrary to section 5(19) of the Code of Ethics. In addition, the WBOS failed to disclose an accident damage claim of \$7,500, contrary to section 5(16) of the Code of Ethics.
22. As such, the Dealer has contravened sections 5(16), (19), 7(1), and 9(1) and (3) of the Code of Ethics.

**E. 2021 Kia Forte**

23. On or about October 11, 2024, the Dealer purchased a 2021 Kia Forte (VIN# \*319180) from a daily rental company. The Dealer registered the vehicle under its name with the MTO on or about October 23, 2024 (more than 6 days after the purchase of the vehicle), contrary to section 11(2) of the *Highway Traffic Act* and paragraph 14 of its Terms and Conditions.

24. On or about October 16, 2024, the Dealer sold the vehicle to another dealer. The Dealer failed to disclose on the WBOS that the vehicle was previously used as a daily rental, contrary to section 5(5)(i) of the Code of Ethics. In addition, the WBOS failed to disclose an accident damage claim of \$5,500, contrary to section 5(16) of the Code of Ethics.
25. As such, the Dealer has contravened sections 5(5)(i), (16), 7(1), and 9(1) and (3) of the Code of Ethics.

**F. 2020 Toyota Camry**

26. On or before November 6, 2024, the Dealer published an advertisement on its website for a 2020 Toyota Camry (VIN# \*862890).
27. As of around November 4, 2024, the vehicle has been registered with the MTO under the name of Elegant Car Rental.
28. The Dealer failed to disclose in the advertisement that the vehicle was being sold on a consignment basis and that it was a previous daily rental, contrary to sections 36(5)(a) and 45(7) of O. Reg. 333/08. Furthermore, the Dealer failed to maintain a record of the consignment contract, contrary to section 53(1)(a) and (4) of O. Reg. 333/08 and Paragraph 11 of the Terms and Conditions.
29. As such, the Dealer has contravened sections 4(2) and 9(1) and (3) of the Code of Ethics.

**Kapoor's Non-Compliance**

30. Kapoor failed to ensure that the Dealer conducted its business in compliance with the Act, its regulations, and the Code of Ethics and thus personally contravened sections 6(2) and 9(3) of the Code of Ethics.

**Violations of the Code of Ethics**

31. As particularized above, the Dealer has violated the following section of the Code of Ethics:

***Disclosure and marketing***

s. 4(2) A registrant shall ensure that all representations, including advertising, made by or on behalf of the registrant in connection with trading in motor vehicles, are legal, decent, ethical and truthful.

***Disclosure of information in contracts of sale and lease***

s. 5 A registered motor vehicle dealer who enters into a contract to sell or lease a motor vehicle to a person who is also a registered motor vehicle dealer shall ensure that the following information is disclosed in the contract:

5. If any of the following is true of the vehicle, a statement to the effect that the vehicle was previously,

i. leased on a daily basis, unless the vehicle was subsequently owned by a person who was not registered as a motor vehicle dealer under the Motor Vehicle Dealers Act or the Motor Vehicle Dealers Act, 2002,

...

16. If the total costs of repairs to fix the damage caused to the vehicle by an accident exceed \$3,000, a statement to that effect and if the dealer knew the total costs, a statement of the total costs.

19. If the vehicle previously received treatment in a jurisdiction other than Ontario that was equivalent to having had a permit issued under section 7 of the Highway Traffic Act or having been traded in Ontario, a statement to that effect and a statement of which jurisdictions, except if one or more permits have been issued for the vehicle under section 7 of that Act to cover at least the seven previous consecutive years.

### ***Compliance***

s. 7(1) A registrant shall ensure that all documents used by the registrant in the course of a trade in a motor vehicle are current and comply with the law.

### ***Professionalism***

s. 9(1) In carrying on business, a registrant shall not engage in any act or omission that, having regard to all of the circumstances, would reasonably be regarded as disgraceful, dishonourable, unprofessional or unbecoming of a registrant.

32. As particularized above, the Dealer and Kapoor have violated the following sections of the Code of Ethics:

### ***Professionalism***

s. 9(3) A registrant shall use the registrant's best efforts to prevent error, misrepresentation, fraud or any unethical practice in respect of a trade in a motor vehicle.

33. As particularized above, Kapoor has violated the following section of the Code of Ethics:

### ***Accountability***

s. 6(2) A registered salesperson shall not do or omit to do anything that causes the registered motor vehicle dealer who employs or retains the salesperson to contravene this Regulation or any applicable law with respect to trading in motor vehicles.

## **Decision of the Reviewing Panel**

Having reviewed and considered the Agreed Statement of Facts and written submissions provided by the Parties, the Reviewing Panel is satisfied that the evidence contained in the Agreed Statement of Facts substantiates the allegations that (1) the Dealer has breached sections 4(2), 5(5)(i), (16), (19), 7(1), and 9(1) and (3) of the Code of Ethics and (2) that Kapoor has breached sections 6(2) and 9(3) of the Code of Ethics.

The Reviewing Panel accepted the parties' proposed resolution for the reasons below.

## **Reasons for Decision**

The present case involves a failure to produce certain books and records for inspection, along with six transactions involving non-disclosure of material facts. Among these six transactions,

two of them involved missing records, two involved late registrations with the Ontario Ministry of Transportation, and one involved additional issues by virtue of being a consignment deal (failure to disclose in advertisement that the vehicle was being sold on a consignment basis, and failure to maintain a record of the consignment contract).

The Panel in its deliberations regarding this proposed settlement expressed a number of concerns. Chief among them is that the Respondents have only been registered for approximately 2 years and should have been aware of their obligations under the regulations to keep full and accurate records. The Panel noted that resources are available to Respondents, and that if there are issues for which they require advice, OMVIC could have provided guidance.

The Panel accepts that the proposed penalty takes into account the specific circumstances of the case and is in line with comparable jurisprudence, including as set out in the following previous decisions of this Discipline Tribunal, as submitted by the Parties: *Registrar, Motor Vehicle Dealers Act, 2002 v. VPRO Auto Group Inc. et al*, (2024) and *OMVIC v. Shephard, Gary o/a Shephard Auto Sales* (2025).

In *Registrar, Motor Vehicle Dealers Act, 2002 v. VPRO Auto Group Inc. et al*, (2024) (“VPRO”), an inspection revealed that the dealer had failed to disclose accident claims exceeding \$3,000 on bills of sale in two transactions. In addition, the inspection also revealed that the dealer had received new financing from five separate sources without obtaining prior approval from the Registrar. The conduct mentioned here also resulted in breaches of the dealer’s Terms and Conditions of Registration.

The Discipline Tribunal accepted a Joint Submission on Penalty made by the parties and ordered the dealer to pay a fine of \$10,000 and the Person in Charge to pay a fine of \$1,500. The combined fine amount of \$11,500 ordered in VPRO is comparable to the fine amount of \$12,000 being proposed for the Dealer in the present case at hand.

Similar to VPRO, the present case at hand involved non-disclosure of material facts in multiple transactions as well as breaches of Terms and Conditions of Registration.

Likewise, similar to *OMVIC v. Shephard, Gary o/a Shephard Auto Sales* (2025) (“Shephard”), the present case involved non-disclosure of material facts in multiple transactions. However, considering that Shephard did not involve a breach of Terms and Conditions of Registration and involved only a total of four transactions (fewer than the six in the present case at hand), an appropriate fine amount for the Dealer in the present case should be somewhat greater than the \$10,000 ordered by the Discipline Tribunal in Shephard. A fine of \$12,000 adequately reflects the greater severity of the breach of the Code of Ethics in the case at hand.

The Panel acknowledges that in considering whether to accept or reject a joint submission, the test to adopt is whether the penalty is in the public interest. The public interest test is set out in the Supreme Court’s ruling in *Anthony-Cook*<sup>1</sup>. This test was adopted by the Divisional Court in the context of professional regulation in *Bradley*.<sup>2</sup>

The Panel accepts that in this case the Reviewing Panel should not reject this settlement as it does not “bring the administration of justice into disrepute” nor is it “so unhinged from the circumstances of the offence and the offender.”<sup>3</sup> The Panel further accepts that the proposed penalty and fine amount of \$12,000 for the Dealer, plus course requirements for remedial effect,

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<sup>1</sup> *R. v. Anthony-Cook*, 2016 SCC 43

<sup>2</sup> *Bradley v. Ontario College of Teachers*, 2021 ONSC 2303

<sup>3</sup> *R. v. Anthony-Cook*, 2016 SCC 43 at para. 32

would be in the public interest. The failure of this Dealer to produce proper documentation warrants further education.

The Panel acknowledges that as mitigating factors, the Dealer has taken responsibility for their misconduct and has admitted to having violated the Code of Ethics. They have acknowledged their responsibility to take care to avoid noncompliance in the future. The Dealer has also worked diligently to arrive at a settlement which has saved the Tribunal the time and expense involved in a contested hearing.

In accepting this agreement, the Panel also considered the sentencing principles of specific and general deterrence, maintaining public trust, and the objectives of rehabilitation and remedial action. The Panel is satisfied that this agreement meets all these objectives. This is a first time Disciplinary action. The Penalty is significant for a first-time offence and correctly acknowledges the number of infractions in the amount calculation. While the documentary failures of the Dealer are quite notable, there is no direct evidence of harm to consumers. Previous decisions from the Discipline Tribunal lend support for a fine of \$12,000 for the Dealer in this case.

The Panel particularly acknowledges that the training component of this agreement is imperative to make the Dealer aware of all the resources at his disposal should he need guidance on any of the regulatory requirements of the *Motor Vehicle Dealers Act*.

The Panel is satisfied that the proposed penalty and fine amount of \$12,000 for the Dealer, plus course requirements for remedial effect, are in the public interest.

Ontario Motor Vehicle Industry Council  
Discipline Tribunal

Dated: November 25, 2025



Deb Mattina, Public Member

On behalf of:  
Mike Ball, Registrant Member  
Joe Malfara, Registrant Member