

DISCIPLINE DECISION

REVIEWING PANEL: Greg Flude, Public Member
Chris Pinelli, Registrant Member
Paul Repar, 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 :

ONTARIO MOTOR VEHICLE)
INDUSTRY COUNCIL)
- and -)
BLACK PALM AVIARIES OF)
CANADA INC. O/A)
THE LOAN ARRANGER/DEALER)
PARTNERS GROUP)
)

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: December 29, 2025

Findings: **Black Palm Aviaries of Canada Inc. o/a The Loan Arranger/Dealer Partners Group (the “Dealer”) has breached the following:**

- Sections 3(1), 9(1) and 9(3) of the Code of Ethics, O. Reg. 332/08

Order:

1. The Dealer shall pay a fine in the amount of **\$6,500** no later than ninety (90) calendar days from the date of the Discipline Tribunal’s Order.

2. 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 November 24, 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:

Withdrawals

The allegations contained in paragraphs 9 and 10 of the Notice of Referral to Discipline ("NORD") dated October 14, 2025, are withdrawn.

Background

1. The Dealer was first registered as a motor vehicle dealer in and around June 2009.

Direct Correspondence with Dealer

1. During an inspection on or about September 28, 2023, a representative of the Registrar reminded the Dealer to remit warranty payments in accordance with section 47(7)(c)(ii) of O. Reg. 333/08 and the Code of Ethics.
2. As a result, the Registrar issued a caution letter to the Dealer on or about February 20, 2024, advising the Dealer and its staff to adhere to warranty remittance requirements outlined in section 47 of O. Reg. 333/08.

Dealer's Non-Compliance:

3. During an inspection on or about June 3, 2025, a representative of the Registrar (the "Inspector") attended the premises of the Dealer for an inspection of its books and records. The following issues of non-compliance were discovered as part of the inspection, as particularized below.

Failure to remit proceeds of sale of warranties within the prescribed period

4. In or around January 2025 the Dealer facilitated the sale of numerous extended warranty products and was consequently required to remit \$18,899.27 to the warranty provider. The Dealer remitted payment on or about April 4, 2025. As a result, the Dealer failed to remit payment within 30 days.
5. In or around February 2025, the Dealer facilitated the sale of numerous extended warranty products and was consequently required to remit \$11,645.78 to the warranty provider. The Dealer remitted payment on April 22, 2025. As a result, the Dealer failed to remit payment within 30 days.
6. In or around March 2025, the Dealer facilitated the sale of about 20 extended warranty products and was consequently required to remit \$15,888.38 to the warranty provider.

The Dealer remitted payment on or about May 23, 2025. As a result, the Dealer failed to remit payment within 30 days.

7. By failing to remit the proceeds of warranty sales, the Dealer contravened section 47(7) of O. Reg. 333/08, as well as sections 3(1), 9(1), and 9(3) of the Code of Ethics.

Failure to retain documents

8. On or about April 11, 2025, the Dealer sold a 2017 Mazda5 (VIN ***195322). The consumer traded in a vehicle for the purchase of the 2017 Mazda5. The Dealer did not retain any documents regarding the traded-in vehicle.
9. By failing to retain documents regarding the traded-in vehicle, the Dealer contravened section 43(3) of O. Reg. 333/08 and 9(1) and 9(3) of the Code of Ethics.

Code of Ethics Violations

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

Integrity

s. 3(1) A registrant shall be financially responsible in carrying on business.

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.

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.

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 the Dealer breached Sections 3(1), 9(1) and 9(3) of the Code of Ethics, O. Reg. 332/08.

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

Reasons for Decision

1. In reviewing the joint submission on penalty, the Reviewing Panel must determine if the proposed resolution is in the public interest or if it is so unhinged from the circumstances of the impugned behaviour that a reasonable person would believe that the justice system has broken down. In doing this analysis, the Reviewing Panel must bear in mind the aims of levying an administrative penalty: specific deterrence of the offender, general deterrence for the motor vehicle sales industry, and rehabilitation and remediation for these particular offenders. Dealing with the last of these first, there is an education requirement for each of the personal applicants that, it is hoped, will educate and encourage regulatory compliance in the future.

2. In considering the monetary penalty, the Reviewing Panel notes the following:
 - a. For a period of three months the Dealer failed to remit warranty payments to the warranty provider for a total of \$46,433.33.
 - b. The Dealer had been cautioned about timely warranty remittance approximately one year before these events.
 - c. The Dealer accepted a vehicle on trade-in from consumer and failed to retain documents relating to this transaction.
 - d. This is the Dealer's first time before the Discipline Tribunal in sixteen years as a registrant.
3. The Respondents have accepted responsibility for their actions as evidenced by entering into an agreed statement of facts and joint submission on penalty. The proposed penalty is in higher than other penalties imposed by the Discipline Tribunal in similar cases, but those cases do not involve a recent caution specifically regarding warranty remittances. This is an aggravating factor. The amount is sufficient to signal to the industry that breaches of the regulations are serious offences.
4. The Panel is satisfied that the agreed upon penalty satisfies the sentencing principles of specific and general deterrence, maintains public trust, meets the objectives of rehabilitation and remedial action, and that the proposed penalty is in the public interest. The parties are thanked for working towards a resolution short of the need for a hearing.

Ontario Motor Vehicle Industry Council
Discipline Tribunal

Dated: December 29, 2025



Greg Flude, Public Member

On behalf of:
Chris Pinelli, Registrant Member
Paul Repar, Registrant Member