



Citation: Carnance Inc. and Sandy Hum v. Registrar, *Motor Vehicle Dealers Act, 2002*, 2025 ONLAT MVDA 17186 and 17187

Licence Appeal Tribunal File Number: 17186/MVDA and 17187 MVDA

In the matter of two appeals from a Notice of Proposal to Revoke Registration under section 9 of the *Motor Vehicle Dealers Act*.

Between:

Carnance Inc. and Sandy Hum

Appellants

and

Registrar, *Motor Vehicles Dealers Act, 2002*

Respondent

CONSENT ORDER

VICE-CHAIR:

Geneviève Painchaud

APPEARANCES:

For the Appellants:

Justin Jakubiak, Counsel

For the Respondent:

Vlad Bosis, Counsel

Observer:

Rutumi Tank, Counsel (Respondent)

Heard by Teleconference:

July 29, 2025

BACKGROUND

- [1] On May 26, 2025, the Registrar under the *Act*, (the “respondent” or “Registrar”) issued a Notice of Proposal to Revoke Registration (“NOP”) under s. 9 of the *Motor Vehicle Dealers Act, 2002*, (the “*Act*”), to Sandy Hum in respect of his registration as motor vehicle salesperson, and to Carnance Inc. with respect to its registration as a motor vehicle dealer.
- [2] The NOP is based on the grounds that Hum’s past conduct affords reasonable grounds for the belief that he will not carry on business in accordance with law and with integrity and honesty and he is therefore disentitled to registration pursuant to s. 6(1)(a)(ii) of the *Act*.
- [3] Also, the NOP alleges that as director of Carnance Inc., Hum’s past conduct affords reasonable grounds for the belief that Carnance Inc. will not carry on business in accordance with the law and with integrity and honesty. It is therefore disentitled to registration, pursuant to s. 6(1)(d)(iii) of the *Act*.
- [4] On June 3, 2025, the appellants appealed the two NOPs to the Licence Appeal Tribunal (the “Tribunal”).
- [5] On July 9, 2025 the parties participated in a case conference where:
 - a. They advised the Tribunal that they had settled the issues in dispute but required time to prepare and sign settlement documentation;
 - b. The Tribunal combined files 17186/MVDA and 17187/MVDA; and
 - c. The Tribunal ordered a resumption of the case conference for July 29, 2025.
- [6] On July 18, 2025, the parties advised the Tribunal that they had resolved the issues in dispute and both parties consented to the registration of the appellants as a motor vehicle dealer and salesperson under the *Act* on the terms and conditions set out between the parties signed by the appellants on July 16, 2025 and by the Registrar on July 17, 2025. They included the terms and conditions as Schedule A.
- [7] Further, both parties confirmed that pursuant to s. 4.1 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S 2 (the “SPPA”), both parties waive the requirement of a hearing and consent to an order from the Tribunal to confirm the

appellants' registration on the terms and conditions set out in Schedule A. A copy of the agreement signed by all parties is attached as Schedule A to this order.

- [8] The parties submit that the Tribunal issuing consent orders with terms and conditions is required to protect the public as the Registrar publishes these orders in its public registry. If these orders or agreements were private, it would go against the public protection mandate as the consumer would not be aware of the registration issues of the registrant.

ORDER

- [9] Pursuant to s. 4.1 of the SPPA at the request and consent of the parties, I dispose of this proceeding on the terms and conditions set out in the agreement signed by the appellants on July 16, 2025 and by the Registrar on July 17, 2025, a copy of which is attached to this order as Schedule A, which is incorporated and made part of this Order.

OTHER PROCEDURAL ISSUES

- [10] As I have issued a consent order, a further case conference is not required.

Released: August 5, 2025



Geneviève Painchaud

Vice-Chair

SCHEDULE "A"

1. The Notice of Proposal to Revoke the registrations of the Appellants dated May 26, 2025, shall not be carried out.
2. The Appellants' registration shall be subject to the following conditions:

Letter of Credit

- a) Within 120 calendar days of the Consent Order, the Appellants shall provide an irrevocable Letter of Credit in the amount of \$20,000 in favour of the Motor Vehicle Dealers Compensation Fund from a financial institution under the Loan and Trust Corporations Act, which will remain in place for two (2) years from either the date of registration termination or the last retail transaction of the Appellant (the "Closure of Business"), whichever is earlier.
- b) The Letter of Credit shall be in the form set out by the Registrar.
- c) Should the financial institution give notice that the Letter of Credit is to be rescinded, the Appellants shall provide a replacement letter of credit before the expiry of the notice period.
- d) The Appellants understand that the Registrar may release a portion of the funds held by the Letter of Credit before the Closure of Business, subject to the following:
 - a. The request must be made in writing to the Registrar
 - b. The request must be made by all the owners, partners, officers, directors, and shareholders registered with the Dealer
 - c. The request must be made no less than 2 (two) years after the letter of credit was deposited with the Registrar; and
 - d. The Registrar shall hold back the minimum holdback amount of \$ 5000, until the Closure of Business.
- e) The Appellants consent that the Registrar has the discretion to approve or refuse any request for the release of the Letter of Credit based on the Appellants' compliance record and other risk considerations that the Registrar deems appropriate to take into account at the time of the request.

Key Element Course

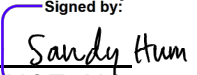
- a) Within 90 days of the issuance of this Consent Order, Hum shall successfully pass the Key Element Course with a grade of at least 80% (proof is to be provided to the Registrar)

Discharge of Encumbrances

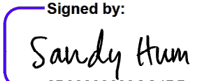
- a) All encumbrances registered to motor vehicles sold by the Appellants shall be discharged forthwith after the sale of a motor vehicle, and confirmation of such shall be placed on the Dealer's records within 21 calendar days and shall be retained for a minimum of three years.

7/16/2025

Signed in the City of Toronto, this day of July, 2025.

Signed by:


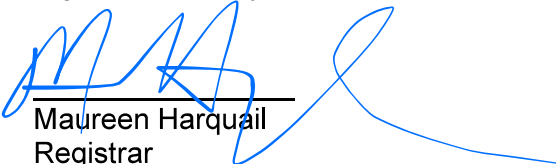
CARNANCE INC. — name of Authorized Representative (signature)

Signed by:


SANDY HUM (signature)

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

Signed in the City of Toronto, this **17** day of July, 2025.



Maureen Harquail
Registrar
Motor Vehicle Dealers Act, 2002