

DISCIPLINE DECISION

REVIEWING PANEL: Sherry Darvish, Discipline Tribunal Chair, Public Member
Mike Ball, Registrant
Chris Pinelli, Registrant

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

BETWEEN:

**ONTARIO MOTOR VEHICLE
INDUSTRY COUNCIL**

- and -

**2076831 ONTARIO LTD. o/a
REDLINE AUTO SALES**

- and -

SERGEY BARANDICH

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: March 13, 2025

Findings: 2076831 Ontario Ltd. o/a Redline Auto Sales (the “Dealer”) has breached the following:

- Sections 9(1) and 9(2) of the Code of Ethics, O. Reg. 332/08

Sergey Barandich has breached the following:

- Sections 6(2) and 9(1) of the Code of Ethics, O. Reg. 332/08

Order:

1. 2076831 Ontario Ltd. o/a Redline Auto Sales (the “Dealer”) shall pay a fine in the amount of **\$2,000** no later than ninety (90) calendar days from the date of the Discipline Tribunal’s Order.
2. Sergey Barandich 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 MVDA Key Elements 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 February 26, 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:

1. The allegations contained in paragraphs 3 - 7 and 8 - 11 of the Notice of Referral to Discipline dated June 7, 2024, are hereby withdrawn.

Background:

2. 2076831 Ontario Ltd. o/a Redline Auto Sales (the “Dealer”) was first registered as a motor vehicle dealer in or around September 2011.
3. Sergey Barandich (“Barandich”) was first registered as a salesperson in or around December 1996. At all material times, Barandich was registered as a salesperson with the Dealer. He served as the General Manager and the Person in Charge of the day-to-day activities of the Dealer. As the Person in Charge, Barandich was assigned primary responsibility for, and agreed to be accountable for compliance with the Act and Regulations thereunder.

Dealer’s Non-Compliance:***2014 Mercedes Benz B250: VIN WDDMH4EB5EJ187884***

4. On or before June 6, 2023, a consumer visited the premises of the Dealer shopping for a motor vehicle. The consumer was interested in the 2014 Mercedes Benz B250 (VIN ***87884) and provided a \$1,000 deposit towards the purchase of the vehicle. At that time, the consumer signed a loan application, but no bill of sale was signed.

5. On or about June 14, 2023, the consumer contacted the Dealer indicating that he was no longer interested in purchasing the vehicle. As a result, the consumer requested the return of the \$1,000 deposit. The Dealer refused to refund the deposit.
6. On or about August 3, 2023, a representative of the Registrar contacted the Dealer and spoke to Barandich about the consumer's deposit. In response, the Dealer indicated that the refund would be provided to the consumer. On or about August 4, 2023, the consumer received the refund for the \$1,000 deposit.
7. The Dealer's conduct was contrary to section 38(b) of Ontario Regulation 333/08, which requires a registrant who receives a consumer request to return the deposit before entering into a contract, to immediately return it. Therefore, the Dealer also breached ss. 9(1) and 9(2) of the Code of Ethics.

Barandich's Non-Compliance:

8. Barandich failed to ensure that the Dealer conducted its business in compliance with the Act, its Regulations, and the Code of Ethics and thus personally violated ss. 6(2) and 9(1) of the Code of Ethics.
9. As particularized above, the Dealer has violated the following section of the Code of Ethics:

Professionalism

s. 9 (2) In carrying on a business, a registrant shall act with honesty, integrity and fairness.

10. As particularized above, the Dealer and Barandich have violated the following section of the Code of Ethics:

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.

11. As particularized above, Barandich have 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 subsections 9(1) and 9(2) of the OMVIC Code of Ethics; (2) Baradich has breached subsections 6(2) and 9(1) of the OMVIC Code of Ethics.

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

Reasons for Decision

The Reviewing Panel received and considered comprehensive written materials from the parties and was left satisfied that the proposed resolution has no risk of being contrary to the public interest. The outcome is clearly connected to the admitted breaches of the Code of Ethics and consistent with other outcomes ordered in this Tribunal in similar cases. In such circumstances, disposition under Rule 1.07 is appropriate and ordered accordingly.

Dated: March 13, 2025

Ontario Motor Vehicle Industry Council
Discipline Tribunal

S. Darvish

Sherry Darvish, Discipline Tribunal Chair,
Public member
On behalf of:

Chris Pinelli, Registrant
Mike Ball, Registrant

