

DISCIPLINE COMMITTEE OF THE ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL

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

BETWEEN:

REGISTRAR, MOTOR VEHICLE DEALERS ACT, 2002

- and -

AAA CHEEMA AUTO SALES LTD

- and -

IRMANDEEP CHEEMA

AGREED STATEMENT OF FACTS AND PENALTY

AAA Cheema Auto Sales Ltd and Irmandeep Cheema have breached the following:

Section 7 of the Code of Ethics, Regulation 332/08

Section 9 of the Code of Ethics, Regulation 332/08

SUMMARY OF AGREEMENT

The parties to this proceeding agree that:

1. AAA Cheema Auto Sales Ltd (the "Dealer") was first registered as a motor vehicle dealer in or around October 2015. Irmandeep Cheema ("Cheema") was first registered as a motor vehicle salesperson in or around October 2015. At all material times, Cheema was the sole Director, as well as the Person in Charge, of the Dealer.
2. On or about June 10, 2014, Cheema successfully completed the Automotive Certification course.
3. On or about September 25, 2015, Cheema executed terms and conditions of registration on behalf of the Dealer.

I.C

initials

4. As per condition 1 of the above referenced terms and conditions, the Dealer agreed to comply the Code of Ethics and Standards of Business Practice, as may be amended from time to time.
5. As per condition 17 of the above referenced terms and conditions, the Dealer agreed it will ensure all trades in motor vehicles are completed in accordance with *inter alia*, section 42 of Regulation 333/08.
6. As per condition 18 of the above referenced terms and conditions, the Dealer agreed it is under a positive obligation to provide purchasers with written disclosure on the bill of sale of all material facts about the vehicles it sells.
7. On or before October 22, 2015, Cheema successfully completed the Automotive Record Keeping Course.

OMVIC publications:

8. In the winter of 2016, OMVIC issued a Dealer Standard Publication reminding dealers of their requirement to disclose to purchasers all material facts about the vehicles they sell ("disclosure obligations").

Direct correspondence with Dealer:

9. During an inspection on or about January 21, 2016, a representative of the Registrar reviewed with Cheema, on behalf of the Dealer, the Dealer's obligations with respect to material fact disclosure, as well as the Dealer's obligation ensure all motor vehicle trades are reflected in the Dealer's business bank account. The remainder of the Dealer's terms and conditions of registration were also reviewed with Cheema at this time.
10. During an inspection on or about October 21, 2016, a representative of the Registrar reviewed with Cheema, on behalf of the Dealer, the Dealer's obligations with respect to material fact disclosure.
11. By letter dated April 21, 2017, Cheema, on behalf of the Dealer, was further reminded of the Dealer's obligations with respect to material fact disclosure.

I.C

initials

Non-compliant vehicle trades:

12. During an OMVIC inspection of the Dealer on or about February 16, 2018, the following non-compliance vehicle trades were found:
13. On or about April 14, 2016, the Dealer, purchased a 2014 Toyota Matrix, (VIN 2T1KU4EE9EC133376) with the following declarations:
- a. This vehicle has been declared a total loss by the insurer
 - b. The manufacturer's warranty may have been cancelled
 - c. Repair Estimate: \$25,300.08
 - d. Total distance driven is unknown, but as of 4/1//2016 it was believed to be 24957km. The total distance driven is believed to be higher than the distance indicated. Odometer is: Good
 - e. MTO Brand: Salvage

On or about October 30, 2016, Cheema, on behalf of the Dealer, sold this vehicle without disclosing a, b, c, or d, above. This is contrary to sections 42(4), 42(19), 42(20), 42(21), and 42(25) of Regulation 333/08, the Dealer's terms and conditions of registration, as well as sections 7 and 9 of the Code of Ethics. The Dealer has since provided OMVIC with confirmation from the purchaser that they were aware of their vehicle history at the time of purchase.

14. On or about August 4, 2016, the Dealer purchased a 2015 Toyota Camry, (VIN 4T1BF1FK9FU901323) with the following declarations:
- a. Vehicle has been declared a total loss by the insurer
 - b. The manufacturer's warranty has been cancelled
 - c. Repair Estimate: \$35352.38
 - d. Total distance driven is unknown, but as of 6/23//2016 it was believed to be 71933km. The total distance driven is believed to be higher than the distance indicated. Odometer is: Good

On or about May 25, 2017, Cheema, on behalf the Dealer, sold this vehicle without disclosing a, b, c, or d, above. This is contrary to sections 42(4), 42(19), 42(20), 42(21), and 42(25) of Regulation 333/08, the Dealer's terms and conditions of registration, as well as sections 7 and 9 of the Code of Ethics. The Dealer has since provided OMVIC with confirmation from the purchaser that they were aware of their vehicle history at the time of purchase.

I.C

initials

15. On or about March 14, 2017, the Dealer purchased a 2015 Toyota Corolla, (VIN 2T1BURHE0FC263945) with the following declarations:

- a. Vehicle has been declared a total loss by the insurer
- b. The manufacturer's warranty has been cancelled
- c. Repair Estimate: \$18483.49
- d. Total distance driven is unknown, but as of 2/23/2017 it was believed to be 94087km. The total distance driven is believed to be higher than the distance indicated. Odometer is: Good
- e. MTO Brand: Salvage

On or about September 5, 2017, Cheema, on behalf of the Dealer, sold this vehicle without disclosing a, b, c, or d, above. This is contrary to sections 42(4), 42(19), 42(20), 42(21), and 42(25) of Regulation 333/08, the Dealer's terms and conditions of registration, as well as sections 7 and 9 of the Code of Ethics. The Dealer has since provided OMVIC with confirmation from the purchaser that they were aware of their vehicle history at the time of purchase.

By failing to comply with the Dealer's terms and conditions of registration, as well as the following sections of the Act:

Regulation 333/08:

42. Additional information in contracts of sale and leases:

4. If the motor vehicle is a used motor vehicle and the registered motor vehicle dealer cannot determine the total distance that the vehicle has been driven but can determine the distance that the vehicle has been driven as of some past date, a statement of that distance and date, together with a statement that the total distance that the vehicle has been driven is believed to be higher than that distance.

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

20. If the manufacturer's warranty on the motor vehicle was cancelled, a statement to that effect.

21. If the motor vehicle was declared by an insurer to be a total loss, regardless of whether the vehicle was classified as irreparable or as salvage under section 199.1 of the Highway Traffic Act, a statement to that effect.

25. Any other fact about the motor vehicle that, if disclosed, could reasonably be expected to influence the decision of a reasonable purchaser or lessee to buy or lease the vehicle on the terms of the purchase or lease.

It is thereby agreed that the Dealer and Cheema have breached sections 7 and 9 of the Code of Ethics, as set out in regulation 332/08:

I.C

initials

Compliance

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

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.

JOINT SUBMISSION ON PENATY:

1. The Dealer agrees to pay a fine in the amount of \$3,600 no later than **March 5, 2019**
2. Cheema agrees to successfully complete the Automotive Certification Course (the "course") no later than **March 5, 2019**
3. The Dealer agrees to offer all current and future sales staff the opportunity to complete the course. Current sales staff will be offered the course no later than **December 10, 2018**. Future sales staff will be offered the course within 90 days of being retained in this capacity. The Dealer will incur all costs associated with this. It is understood between the parties this clause does not apply to sales staff who have completed the course after January 1, 2009, or who are otherwise required to do so pursuant to the Act.
4. The Dealer and Cheema agree to comply with the Act and Standards of Business Practice, as may be amended from time to time.

I.C

initials

By signature below, I acknowledge that I have read and understand the penalty outlined herein and agree to the said terms and/or conditions and that I exercised my right to be represented by Counsel or agent in this matter. I understand, acknowledge and consent to waive the requirement for a hearing and to request an Order from the Chair of the Discipline Committee that includes this Agreed Statement of Facts and Penalty as a final settlement of this matter.

DATED AT 12:00AM THIS 11 DAY OF September, 2018

Irmandeep Cheema

(please print)



(signature)

I have authority to bind the corporation:
AAA Cheema Auto Sales Ltd

By signature below, I acknowledge that I have read and understand the penalty outlined herein and agree to the said terms and/or conditions and that I exercised my right to be represented by Counsel or agent in this matter. I understand, acknowledge and consent to waive the requirement for a hearing and to request an Order from the Chair of the Discipline Committee that includes this Agreed Statement of Facts and Penalty as a final settlement of this matter.

DATED AT 12:00AM THIS 11 DAY OF September, 2018

Irmandeep Cheema

(please print)



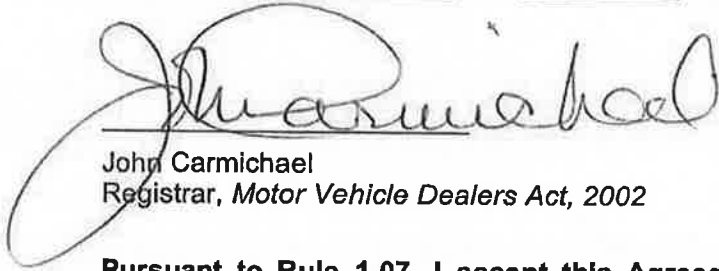
(signature)
Irmandeep Cheema

I.C

Initials

By signature below the Registrar agrees, acknowledges, understands and consents to the final settlement of this matter by way of this Agreed Statement of Facts and Penalty.

DATED AT Toronto THIS 12 DAY OF September, 2018



John Carmichael
Registrar, *Motor Vehicle Dealers Act*, 2002

Pursuant to Rule 1.07, I accept this Agreed Statement of Facts and Penalty from the Parties identified above:

DATED AT Ancaster THIS 14 DAY OF September, 2018



Paul Burroughs
Chair, Discipline Committee of the
Ontario Motor Vehicle Industry Council

I.C

initials