

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-

PAUL, NEIL o/a PRECISION AUTO SERVICES

AGREED STATEMENT OF FACTS AND PENALTY

Paul, Neil o/a Precision Auto Services 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 reasons for this notice are:

1. Paul, Neil o/a Precision Auto Services (the "Dealer") was first registered as a motor vehicle dealer in about May 2001. At all material times Neil Paul ("Paul") was the sole proprietor.

OMVIC publications:

2. In the winter of 2008, OMVIC issued a Dealer Standard publication which highlighted some of the upcoming changes which would take place when the *Motor Vehicle Dealers Act, 2002* (the "Act") came into effect. This included the obligation for dealers to provide purchasers with written disclosure of a vehicle's history and condition, such as accident repair histories and previous out of province registrations ("disclosure obligations").
3. OMVIC further issued the following Dealer Standard publications reminding dealers of their disclosure obligations:
 - a. Summer 2011
 - b. Summer 2012
 - c. Summer 2013
 - d. Issue #4 2014
 - e. Issue #4 2016



Registrant's Initials

4. Furthermore, OMVIC issued the following dealer bulletins which also reminded dealers of their disclosure obligations:
 - a. January 2010
 - b. December 2013

Direct correspondence with Dealer:

5. During an inspection on about September 24, 2010, a representative of the Registrar reviewed with the Dealer, the Dealer's disclosure obligations.
6. During an inspection which commenced on about February 9, 2016 and was completed on about March 2, 2016, a representative of the Registrar reviewed with the Dealer, the Dealer's disclosure obligations. Specifically, the Dealer was advised of his obligation to provide, in writing on the bill of sale, all required disclosures, including but not limited to, the dollar amount of accident damage a vehicle has sustained.
7. By letter dated April 5, 2016, the Dealer was again reminded of his disclosure obligations. Specifically, the Dealer was advised of his obligation to disclose to purchasers the dollar amount of accident damage their vehicle had sustained, as well as whether or not their vehicle had been declared by an insurer to be a total loss.
8. During an inspection of the Dealer on about October 31, 2018, the following non-compliance issues were revealed:

Non-compliant vehicle trades:

9. On about June 20, 2018 the Dealer purchased a 2008 Pontiac Wave, (VIN KL2TD55628B268854) 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: \$4,356
 - d. Total distance driven is unknown, but as of 6/12/2018 it was believed to be 173,472 km. The total distance driven is believed to be higher than the distance indicated. *Odometer is: Good

On or about August 23, 2018, the Dealer, sold this vehicle without disclosing a, c, or d, above. This is contrary to sections 42(4), 42(19), 42(21), and 42(25) of Regulation 333/08, as well as sections 7 and 9 of the Code of Ethics.

The Dealer has since attempted to reach out to the purchaser to advise them of their vehicle's history.

10. As of April 4, 2019 the Dealer provided confirmation that they successfully completed the MVDA Key Elements course offered by the Automotive Business School of Canada (ABSC) and OMVIC.



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By failing to comply with the following sections of the Act:

Additional Information in contracts of sale and leases

42 (4) If a 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.

42 (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.

42 (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.

42 (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 has breached the following sections of the Code of Ethics:

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.

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 PENALTY:

1. The Dealer agrees to pay a total fine amount of \$1000.00 in two separate installments of \$500.00. The first installment to be paid no later than **September 30, 2019** and the remaining balance to be paid no later than **December 30, 2019**.

2. 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 **September 30, 2019**. Future sales staff will be offered the Course within 90 days of being retained in this capacity by the Dealer. 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.

3. The Dealer agrees to comply with the Act and Standards of Business Practice, as may be amended from time to time.



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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 Cambridge THIS 21 DAY OF August, 2019

Neil Paul

(please print)

Neil Paul

Neil Paul

(signature)

DATED AT Cambridge THIS 21 DAY OF August, 2019

NEIL PAUL

(please print)

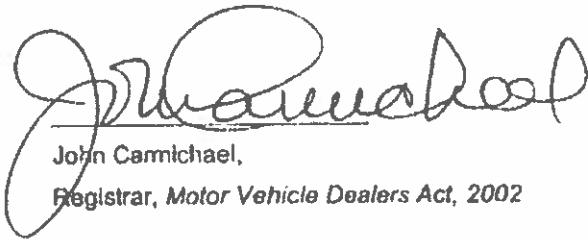
Neil Paul

I have the authority to bind the corporation:
Paul, Neil o/a Precision Auto Services

NP
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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 26 DAY OF August, 2019


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 Amster THIS 29th DAY OF August, 2019


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


Registrant's initials