



**Citation: Shahnematollah-Yazde and Premium Cars Wholesale Ltd. v. Registrar,
Motor Vehicle Dealers Act, 2002, 2025 ONLAT MVDA 16112**

Licence Appeal Tribunal File Number: 16112/MVDA

In the matter of an appeal from a Notice of Proposal to Revoke registrations under the
Motor Vehicle Dealers Act, 2002.

Between:

**Hussein Shahnematollah-Yazde and
Premium Cars Wholesale Ltd.**

Appellants

and

Registrar, *Motor Vehicle Dealers Act, 2002*

Respondent

DECISION

VICE-CHAIR: Robert Maich

APPEARANCES:

For the Appellant: Symon Zucker, Counsel
Mandie Parson, Counsel

For the Respondent: Rishi Nageshar, Counsel

HEARD: March 31, April 1, 2, 3, 4, 7, 8, 9, 10 and 11, 2025

OVERVIEW

- [1] Pursuant to a Notice of Proposal dated July 10, 2024 (“NOP”), the Registrar, *Motor Vehicle Dealers Act, 2002* (“Registrar”) proposes to revoke the registration of Premium Cars Wholesale Ltd. (“Premium”) as a motor vehicle dealer and the registration of Hussein Shahnematollah-Yazde (“Hussein”) as a motor vehicle salesperson under Section 9 of the *Motor Vehicle Dealers Act, 2002*, S.O. 2002, c. 20, Sched. B (the “Act”).
- [2] The Registrar alleges that Hussein’s past conduct affords reasonable grounds for belief that he and Premium (collectively, the “appellants”) will not carry on business in accordance with law and with integrity and honesty and are not entitled to registration pursuant to s. 6(1)(a)(ii) and s. 6(1)(d)(iii) of the *Act*.
- [3] The Registrar also alleges that the appellants breached conditions of their registrations and consent orders of July 29, 2009, and January 23, 2014, and are not entitled to registration pursuant to s. 6(1)(f) of the *Act*.
- [4] The appellants appeal the NOP to the Tribunal. They deny some of the allegations made against them and have mitigating explanations for others. The appellants submit the conduct alleged in all the circumstances does not warrant revocation of their registrations.

ISSUES

- [5] The issues in dispute are:
 - i. Does the past conduct of Hussein afford reasonable grounds for belief that he will not carry on business in accordance with law and with integrity and honesty according to s. 6(1)(a)(ii) of the *Act*?
 - ii. Does the past conduct of Hussein afford reasonable grounds for belief that Premium will not carry on business in accordance with law and with integrity and honesty according to s. 6(1)(d)(iii) of the *Act*?
 - iii. Does the conduct of Hussein and Premium breach the conditions of their registrations and are therefore disentitle them to registration pursuant to s. 6(1)(f) of the *Act*?

- iv. Can the public interest be adequately protected through granting registration with conditions if any of the above are answered in the affirmative?

RESULT

- [6] I find that the Registrar has satisfied its burden of proof that the past conduct of Hussein affords reasonable grounds for belief that he and Premium will not carry on business in accordance with law and with integrity and honesty.
- [7] I find that the Registrar has satisfied its burden of proving that Hussein and Premium breached conditions of their registrations.
- [8] I find that the public interest can be adequately protected by attaching conditions to registration.
- [9] I direct the Registrar not to carry out its proposal to revoke the registrations of Hussein as a motor vehicle salesperson and Premium as a motor vehicle dealer.
- [10] I direct the Registrar to attach the following conditions to the registration of Premium in addition to the existing conditions to registration:
 - i. No liens may be registered for a period of two years from the date of this order on any vehicle in any province within Canada;
 - ii. No out of province vehicles may be registered for a period of two years from the date of this order unless located within the province of Ontario at the time of registration.
- [11] I direct the Registrar to attach the following conditions to the registration of Hussein in addition to the existing conditions to registration:
 - i. Hussein must complete remedial coursework as directed by the Registrar.
- [12] I direct the Registrar to suspend the registration of Hussein for a period of eight months from the date of this order.

PRELIMINARY ISSUES

Appellants' motion for adjournment

- [13] At the commencement of the hearing, counsel for the appellants motioned for an adjournment on the basis a provincial offences trial had been completed involving the appellants on the same facts, and that the parties were awaiting a decision of

the provincial offences prosecution which may impact these proceedings. The motion for adjournment is denied.

- [14] The respondent submits that the provincial offences proceedings, while addressing some of the facts herein are of another nature. The respondent submits that this proceeding is a hearing regarding the licencing of the appellants and the outcome of the provincial offences proceeding has no bearing on the matter before the Tribunal. The respondent further submits that the legal tests involved under the *Act* are of a different nature than the provincial offences proceeding and have no bearing on the legal tests in this proceeding.
- [15] I note that criminal proceedings are for the purpose of punishing a person for their criminal behaviour while tribunal hearings are generally about protecting the public and encouraging regulatory compliance (see *Goodwin v. B.C. Superintendent of Motor Vehicles*, 2015 SCC 46 starting at para. 40).
- [16] I find the respondent's submissions to be persuasive, the provincial offences proceeding which may involve similar facts and involve the appellants has no bearing on this hearing as the legal test involved under the *Act* is a wholly separate matter in law. I find no reason to adjourn the hearing.

Abuse of Process

- [17] I find, given all the circumstances, including the need to ensure that the appeal is procedurally fair, and considering the purpose of the legislation of consumer protection and the public interest, the appropriate remedy is to proceed with the hearing. The Tribunal can address any allegation of abuse of process within this proceeding, and the parties are permitted to make submissions during the proceeding. Further, I am not satisfied that there has been an abuse of process in this proceeding, and the appellants' motion for a stay of proceedings is denied.

Legal Test

- [18] Pursuant to s. 23 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22 ("*SPPA*"), a tribunal may make such orders or give such directions in proceedings before it as it considers proper to prevent abuse of its processes.
- [19] Abuse of process in the administrative context is a question of procedural fairness. In *Blencoe v. British Columbia (Human Rights Commission)*, 2000 SCC 44 ("*Blencoe*") the Supreme Court of Canada held that the fairness of a hearing may be compromised where a party's ability to answer the complaint against them is

impaired or if significant prejudice has come about, or in some other way brings the administration of justice into disrepute.

- [20] However, the Supreme Court stated that only in the clearest of circumstances should a stay be granted and, for there to be an abuse of process, the proceedings must be unfair to the point that they are contrary to the interest of justice. Cases of this nature will be extremely rare: See *Blencoe* at paragraph 120.

Application to the Facts

- [21] The appellants objected to proceeding in this matter on the basis that an abuse of process had occurred by the respondent relying on materials that included a sworn information which set forth allegations the respondent knew to be false. The appellants submit that this matter be adjourned while a separate proceeding take place to determine the issue of abuse of process and whether this proceeding should be stayed if an abuse of process was found to have occurred.
- [22] The appellants submit that an OMVIC investigator giving evidence in this proceeding, knowingly swore a false information in the aforementioned provincial offences matter under the direction of OMVIC counsel in order to accommodate a plea bargain.
- [23] The appellants submit specifically that the OMVIC investigator knew the appellants had a bill of sale in their file respecting the transfer of a 2014 Dodge Ram 1500 truck as required by the *Act*. Appellants' counsel submits that the appellants knowingly plead guilty to a false accusation based upon a false information to accommodate a plea bargain for a provincial offence, specifically failure to maintain records including a copy of the bill of sale.
- [24] The respondent submits that there was no abuse of process in this proceeding, and in the alternative, if an abuse of process occurred it was in the context of a provincial offences matter and the plea bargain has no bearing on this hearing. The respondent further submits that the jurisdiction of this Tribunal does not extend to an alleged abuse of process in a separate proceeding in the Ontario Court of Justice.
- [25] The respondent further submits that the appellants were not estopped from denying the allegation regarding failure to maintain a file for the 2014 Dodge Ram truck in this proceeding, despite the guilty plea entered in the provincial offences proceeding on similar facts.

- [26] In reply, the appellants submit this proceeding was tainted by the OMVIC investigator testifying in this proceeding who had previously knowingly sworn a false affidavit to an information (“information”), specifically that the appellant did not have a bill of sale for the 2014 Dodge Ram truck in their file as required, when the OMVIC investigator knew full well the appellants were in compliance with the *Act* and had seized a copy of the aforementioned bill of sale during the course of her investigation.
- [27] I find, given all the circumstances, including the need to ensure that the appeal is procedurally fair, and considering the purpose of the legislation of consumer protection and the public interest, the appropriate remedy is to proceed with the hearing.
- [28] The Tribunal can address any allegation of abuse of process within this proceeding, and the parties are permitted to make submissions during the proceeding.
- [29] Upon the consideration of the submission of the parties in respect to the allegation of abuse of process, I am not satisfied that abuse of process has occurred. I note that while the OMVIC investigator did have knowledge and possession of a document purported to be a copy of the bill of sale for the 2014 Dodge Ram truck, there is a question of fact and law if the bill of sale was a *bona fide* document of legal effect. The *Act* requires a *bona fide* bill of sale or copy of a *bona fide* bill of sale be kept in the appellants’ file pertaining to the sale in question. Accordingly, the OMVIC investigator cannot be said to have knowingly sworn a false information if she believed the purported bill of sale in the file was not a *bona fide* document and believed it to be a false bill of sale.
- [30] I am not satisfied that there has been an abuse of process in this proceeding, and the appellants’ motion for a stay of proceedings is denied.

ANALYSIS

Reasonable grounds for belief

- [31] Pursuant to s. 6(1)(a)(ii) of the *Act*, if the past conduct of Hussein affords reasonable grounds for belief that he will not carry on business in accordance with law and with integrity and honesty, Hussein is not entitled to registration.
- [32] Pursuant to s. 6(1)(d)(iii) of the *Act*, given that Hussein is an officer and director of Premium, and was so at all material times, if the past conduct of Hussein affords reasonable grounds for belief that Premium’s business will not be carried on in

accordance with the law and with integrity and honesty, Premium is not entitled to registration.

- [33] The Ontario Court of Appeal in *Ontario (Alcohol and Gaming Commission of Ontario) v. 751809 Ontario Inc. (Famous Flesh Gordon's)*, 2013 ONCA 157 at paras. 18-19, held that the standard of proof with respect to reasonable grounds for belief does not require the Registrar to go so far as to show that the conduct makes it more likely than not that he will not carry on business as required.
- [34] According to the Supreme Court of Canada in *Mugesera v. Canada (Minister of Citizenship and Immigration)*, 2005 SCC 40 at para.114, the reasonable grounds for belief must be more than mere suspicion and will be found to exist where there is an objective basis for the belief which is based on compelling and credible information.
- [35] Further, there must be a nexus between the person's past conduct and the registrant's ability to conduct business as required, considering the interests of the public: See *CS v. Registrar, Real Estate and Business Brokers Act, 2002*, 2019 ONSC 1652 (Div. Ct.) at para. 32.
- [36] The Registrar presented evidence of the following alleged acts of misconduct which it submits afford reasonable grounds for belief that Hussein and Premium will not carry on business as required.
- [37] The appellants deny some of the allegations made against them and have mitigating explanations for others. The appellants submit the conduct alleged in all of the circumstances does not warrant revocation of their registrations.

1. 2014 Dodge Ram Truck

- [38] The Registrar alleges that Premium improperly and without legal authority filed liens on a vehicle located in Alberta, and fraudulently transferred registration of a vehicle in Ontario. Premium and Hussein deny the Registrar's allegation.
- [39] The Registrar alleges that Premium purchased a 2014 Dodge Ram truck ("truck") through Jason Hetland ("Hetland") acting as agent for his incapacitated brother Bjorn Hetland, also known as Lars Hetland ("Lars"), as directed by his spouse Fitz Rojas-Hetland ("Fitz") in May 2022, for the purchase price of \$19,500.00.
- [40] In my view, it was not established with certainty whether Hetland had the legal authority to sell the truck on behalf of his brother Lars, although the Registrar and the appellants acted all times with the belief that Hetland had legal authority to sell the truck. Both Hetland and Fitz agreed that Hetland was asked by Fitz to sell the

truck for Lars, however, the truck was solely registered under Lars' name, and it was not established whether Fitz had power of attorney to liquidate Lars' property while he was incapacitated.

- [41] All parties agreed that the appellants transferred approximately \$15,000.00 to Hetland's TD account, specifically \$500 and subsequently \$4,500 on May 11, 2022, and an additional \$10,000 on May 12, 2022. The reasoning for the transferred amounts was never clarified during these proceedings, except for the initial payment of \$500 as a deposit for the purchase of the truck.
- [42] I find that, from the moment these sums were transferred, the appellants held a legitimate financial interest in the truck.
- [43] Hetland testified that the appellants were trying to scam him and his brother Lars by transferring unsolicited funds of \$15,000 into his account, except for the initially requested \$500 deposit. Hetland was unable to articulate throughout his testimony how this alleged scam operated by the appellants transferring \$15,000 into his account. I find Hetland's allegation of a "scam" by the appellants is of no merit because a scam in the normal course involves depriving a party of valuable consideration not conveying valuable consideration gratuitously.
- [44] The appellants' counsel asserted that it was the appellants that were being "scammed" by Hetland, however, Hussein did not testify to establish this allegation. The Tribunal has no evidence to consider this allegation and I make no finding of fact in this regard.
- [45] The respondent's counsel submitted that the Tribunal draw an adverse inference by the appellants election not to testify. I decline to do so.
- [46] The Tribunal finds that there are a number of possible reasons why a party may choose not to testify and no adverse inference is drawn by the Hussein's decision not to testify in this proceeding.
- [47] The appellants' counsel submitted text messages between Hetland and Hussein to support the submission of a scam perpetrated by Hetland. Specifically, a series of text messages after May 12, 2022, in which Hussein expressed his growing concern that something was wrong as the truck had not been delivered as allegedly agreed, culminating in a text from Hussein to Hetland stating: "Your just an idiot" followed by "You are on auto deposit your information is available to everyone how stupid can you be".

- [48] Hetland testified he discontinued communication with the appellants at the end of May 2022 on the advice of an unidentified TD bank representative, an unidentified RCMP constable and the legal advice of numerous unidentified lawyers.
- [49] Hetland testified he retained the funds from the time of the transfer; however, he did remove the funds from TD bank to another financial institution and later returned the funds to his TD account for reasons that remain unclear.
- [50] It is agreed by all parties that the truck was never delivered into the appellants' possession, and the bulk of the funds transferred by the appellants remained in the possession of Hetland at the commencement of this proceeding. Further, it is the evidence of Hetland and Fitz that the transferred funds were never delivered to Fitz or the truck's registered owner, Lars. Fitz stated during her OMVIC interview she was frustrated and did not understand why Hetland did not return the transferred funds to the appellants since the vehicle had not been delivered to the appellants.
- [51] It is Hetland's testimony supported by his text message to Hussein on September 22, 2022, that he was holding onto the funds because he might be charged with fraud. Hetland did not clearly articulate why he developed this concern, whether reasonably held or not.
- [52] Neither Lars nor Fitz accused Hetland of fraud or filed a police complaint against Hetland. However, the appellants did accuse Hetland of fraud and filed a police report in Ontario detailing the occurrence. A text message from Hussein to Hetland dated September 26, 2022, also shows that Hussein intended to report Hetland and file a court claim against him.
- [53] It was also at around this time that Hetland filed a complaint against the appellants with OMVIC.
- [54] There are serious points of contention between the parties regarding a document purporting to be a bill of sale conveying ownership of the truck to Premium, and whether Hetland agreed to deliver the truck into the possession of the appellants.
- [55] The appellants allege that Hetland met with their Alberta agent, Amil Gader ("Gader"), in Grand Prairie on May 12, 2022. Gader testified that a masked man driving the described truck met him and his partner at a Canadian Tire lot in Grand Prairie. Gader testified he positively identified the truck as the correct subject matter of the transaction, and further testified an unidentified masked man purporting to be Hetland signed a bill of sale for same. Gader testified he did not take delivery of the truck at that time as he was advised by the appellants the truck

was currently being used in a move by Hetland that day. Gader also testified he was advised by Hussein that the truck would be delivered by Hetland to Go Dispatch for transport to Ontario. Michelle Murcell ("Murcell"), office manager for Premium, testified that she arranged for Go Dispatch to expect delivery of the truck by Hetland and for subsequent transport to Ontario.

- [56] Hetland testified he did not meet with Gader in Grand Prairie at the Canadian Tire or at any other time or place. Hetland further testified that he did not sign a bill of sale for the truck conveying it to the appellants at any time.
- [57] The appellants submit there was a *bona fide* sale for value and relies upon the evidence of Gader and Murcell. I find their direct testimony supports the appellants' assertion there was an agreement between Hetland and the appellants that the truck be delivered and dropped off by Hetland to Go Dispatch, but I do not find this evidence to be conclusive because of the conflicting testimony of Hetland.
- [58] The respondent submits no such meeting took place and relies upon Hetland's testimony and the investigation of Michelle Sharpe ("Sharpe") to support the denial. Upon the Tribunal's questioning of investigator Sharpe, I find it unsatisfactory that the OMVIC investigation did not make any attempt to access the GPS locator of the truck to determine its location on the alleged date and of the alleged meeting between Hetland and Gader.
- [59] I do not find it necessary to determine and make a finding whether the alleged meeting between Gader and Hetland occurred, nor do I find it necessary to determine whether Hetland signed the alleged bill of sale for the truck conveying ownership to Premium because I find that it was not established Hetland had the legal authority to convey the truck.
- [60] I find that should the Tribunal accept the appellants' alleged facts in their entirety, there is no question the appellants knew that the bill of sale was not executed by the owner of the truck, and the appellants had no evidence in their possession to reasonably accept any representation from Hetland that he had the legal authority to execute the bill of sale on his brother's behalf because the appellants were not provided with any evidence Hetland had the legal authority to do so.
- [61] I find that the appellants knowingly and improperly registered a bill of sale in Ontario that they knew or ought to have known to be invalid.
- [62] I am satisfied that there is reason to believe the appellants will not conduct business in compliance with the *Act*, for the above stated reasons.

- [63] In determining the appropriate sanction, it is important to recognize that the appellants breached consumer protection legislation. But it is also equally important to consider the overall conduct of the appellants. I note that this is not a case of consumer aimed corrupt business practices such as bait and switch, predatory financing practices or sale of substandard vehicles that pose a risk of public safety.
- [64] I find the unrefuted testimony of investigator Carmelo Zambrie (“Zambrie”) to be helpful in this respect. Zambrie testified that when confronting Hussein about the liens registered on the truck, Hussein maintained that he had a legitimate interest in the truck and that he was out \$15,000. Zambrie further testified that when he turned to address the transfer and registration of the truck, Hussein responded in part: “... okay I went too far there ... keep the money, its my mistake...”
- [65] I find this unrefuted statement by Hussein as recounted by Zambrie to be both an admission against interest and a statement of contrition. It is more likely than not that Hussein out of anger, and from an honestly held belief that he had been scammed, acted in an improper manner by registering the invalid bill of sale for the truck.
- [66] Given the circumstances, the respondent has established that Hussein’s past conduct affords reasonable grounds for belief that the appellants will not carry on business in accordance with the law and with integrity and honesty per s. 6(1)(a)(ii) and s. 6(1)(d)(iii). However, the facts herein raise the question of whether conditions to registration is appropriate that will be considered further at conclusion of this decision.

2. 2021 CADILLAC ESCALADE (“SUV”)

The bona fide Purchaser for Value

- [67] The parties agree on November 30, 2021, an individual using the false alias of Hicham El Souky (“Souky”) became involved in a transaction to purchase the SUV on behalf of Justin Mandair (“Mandair”) as agent from the dealership, Wolfe Cadillac of Edmonton (“Wolfe”).
- [68] The parties agree Mandair is the owner of Platinum Motor Group (“Platinum”) in British Columbia. Mandair made an agreement with Souky and Wolfe to purchase the SUV. Mandair then paid Wolfe the amount of \$145,246.76 directly for the SUV on December 8, 2021. A commission of \$11,494.24 was paid by Mandair to Souky.

- [69] The parties agree Mandair took possession of the SUV directly from Souky after it was released by Wolfe. Mandair and Platinum then sold the vehicle to a customer in British Columbia by the name of Elder.

The False Sale

- [70] The parties agree on December 3, 2021, Souky posted an online advertisement for the sale of the SUV. Souky did not have legal ownership or possession of the SUV knowing that it was recently purchased by Mandair from Wolfe. Souky intended to sell the SUV recently sold by Wolfe to defraud an innocent purchaser.
- [71] The appellants submit that shortly after the online advertisement, a consumer Mohammed Sepid ("Sepid") contacted Souky to purchase the SUV. Sepid testified he intended to purchase the vehicle with financing from a registered motor vehicle dealer in Ontario, Faraz Auto Sales ("Faraz"). In effect Sepid testified, Faraz would purchase the SUV and Sepid would make payments towards it.
- [72] Sepid testified Faraz then directly transferred \$145,000.00 to Souky's company NSEYA House of Wellness ("NSEYA") for the purchase of the SUV. Faraz and Sepid were unaware that the SUV had recently been sold by Wolfe to Mandair who eventually sold it to Elder. Souky could not legitimately sell the SUV to Faraz and/or Sepid because the SUV was already purchased and in the possession of Mandair and Platinum. This sequence of events is supported by the report of constable Zinchenko created between December 29, 2021 and April 12, 2022.
- [73] Sepid testified that he and Faraz reported the fraud to law enforcement and Souky was eventually charged with a number of offences in regard to his actions. However, the investigation concluded that Sepid and Faraz were not the rightful owners of the SUV.
- [74] Sepid further testified during the course of these events he came to the belief that the SUV had been stolen and was in the possession of law enforcement. Sepid testified that law enforcement informed him that the SUV would be released to the party or dealership with proof of registration. I find Sepid genuinely held this belief and that he acted in a manner consistent with his belief.

The False Liens and Registration

- [75] The parties agree on January 5, 2022, the SUV was registered in Ontario to Premium while also being registered in British Columbia. On January 10, 2022, the SUV was transferred to Faraz from Premium. Faraz subsequently registered

several liens on the SUV causing Mandair and Platinum to retain counsel to assist with removing the liens.

How did the False Registration Occur?

- [76] Sepid testified he brought the potential purchase of the SUV to the appellants' attention. The appellants reviewed the SUV deal and prepared paperwork for a potential transfer as confirmed by the testimony of Murcell. Further, Murcell testified she was not instructed to do anything further with the potential deal as Hussein had not made a decision on the purchase.
- [77] Sepid testified he subsequently stole the SUV paperwork from Hussein's office as he noticed it on Hussein's desk when he attended the Premium location to visit Hussein. Sepid testified he then proceeded to a Service Ontario office where he was known through his previous automotive sales work.
- [78] Sepid testified he attended the Service Ontario office and joined the dealer line, despite no longer working in the industry. Sepid was served by Alex Becevello ("Becevello") whom Sepid recognized from previous transactions. Sepid testified that Becevello appeared to recognize him, based on the familiarity with which he was greeted. Sepid also testified that Becevello accepted his registration of the SUV. I note that Sepid expressed a perverse sense of pride in his ability to successfully execute his deception, and note that he took protection under the *Canada Evidence Act* (R.S.C., 1985, c. C-5) at the commencement of his testimony.
- [79] Becevello testified in this proceeding that he would not register a vehicle that was presented by a party not on a Dealers' Authorization list. Becevello testified that he had no memory of the transaction, but he did recognize Sepid from his photograph. Becevello also confirmed it was his handwriting on the paperwork registering the SUV, and that he apparently had processed the transaction.
- [80] I note that although Becevello testified he would not register a vehicle from someone not on a Dealer's Authorization list, he had no independent recollection of the transaction with Sepid. Sepid was specific in his testimony about how he used his knowledge of the registration process to gain improper advantage. Further, Sepid admitted to knowingly perpetrating the fraudulent registration of the SUV and took statutory protection for his evidence.

- [81] I find it was Sepid who fraudulently registered title of the SUV into the name of Premium without the knowledge or consent of the appellants. It appears more likely than not that Sepid acted on his own accord and not at the direction, knowledge or consent of the appellants.
- [82] I find that the respondent has not met its burden with regards to this allegation. Based upon the evidence presented, I find that the appellants have not violated the *Act* regarding the SUV transaction.

Breaches of Conditions

- [83] I find that Premium and Hussein breached some of the conditions of their registration, specifically items 1 and 6 and 7 below. The breaches of items 4 and 7 are duplicative of item 1 and 6.
- [84] I note that certain terms and conditions were agreed upon in the May 21, 2023, conditions of registration. I note as part of a settlement agreement between Premium, Hussein and the Registrar related to a previous appeal of a Notice of Proposal, the registration of the appellants was subject to a number of conditions pursuant to a consent order of July 29, 2009. I note an additional consent order of January 23, 2014, also attached certain terms and conditions to the registration of the appellants.
- [85] The Registrar takes the position that Premium and Hussein breached a total of seven of the conditions of registration and consent orders.
- [86] Premium and Hussein submit that there were no substantive breaches of the conditions of registration or the consent orders; however, if any were breached, it was not serious enough to warrant disentitlement to registration.

1. Condition c of Registration of May 21, 2023 requiring that Hussein and Premium maintain books and records as required by the *Act*

- [87] Condition number c in the conditions of registration provides that Hussein and Premium shall maintain all books and records as required by the *Act*. I find the respondent has established that the appellants were in breach of this condition of registration.
- [88] The parties agree that Hussein and Premium kept a copy of a document in the truck's file, which is purported to be a bill of sale. The appellants submit this is sufficient. The Respondent submits there was no *bona fide* bill of sale in the file. I find there was no evidence to demonstrate the vendor signature on the bill of sale

was of legal authority. Further, I find there is cause for a reasonable belief that it was executed by a party without legal authority to convey the truck.

- [89] I find there was sufficient evidence to determine the bill of sale was not of legal force. I find the respondent has established that the appellants were in breach of this condition of registration.

2. Condition f of Registration of May 21, 2023, that Hussein and Premium operate exclusively from the location approved by the Registrar

- [90] Condition f provides that the appellants shall operate exclusively from the location approved by the Registrar under the *Act*. The respondent led no evidence in this regard. I find that the respondent has not met its burden of proof in establishing that the appellants did not operate business exclusively from the approved location.

3. Condition 7 of the consent order of July 29, 2009

- [91] Condition 7 of the consent order of July 29, 2009, requires that the appellants comply with OMVIC's Code of Ethics and Standards of Business Practices as may be amended from time to time. The respondent made no specific submissions as to which portions of the Code of Ethics was violated. There were no particulars provided by the respondent and no evidence was presented. I find that the respondent has not met its burden of proof that the appellants breach any specific provisions of the Code of Ethics..

4. Condition 10 of the consent order of July 29, 2009

- [92] Condition 10 provides that Hussein and Premium shall maintain all books and records as required by the *Act*. I find this allegation of breach to be duplicative of item 1 above. I find the appellants were in breach of this condition of registration for the same reasons as stated in item 1 above.

5. Condition 11 of the consent order of July 29, 2009

- [93] Condition 11 provides that all salespersons acting on behalf of Premium be given free access to any records maintained pursuant to the terms and conditions. The respondent led no evidence in this regard. I find that that the respondent has not met its burden of proof in establishing that the appellants failed to meet the terms of this condition.

6. Condition 14 of the consent order of July 29, 2009

- [94] Condition 14 provides the appellants shall maintain books and records which accurately record the nature of transactions involving the purchase, sale or lease of a motor vehicle. Further, that the registrants will not be involved in the creation of books and records which are misleading as to the nature of a transaction involving the purchase, sale or lease of a motor vehicle. I find that the appellants are in breach of this condition.
- [95] I find the circumstances described in item 1 above include a breach of this condition. The bill of sale kept in the appellants' file for the truck must be a *bona fide* bill of sale to comply with this condition. I find that the appellants are in breach of this condition.

7. Condition 11 of the consent order of January 23, 2014

- [96] Condition 11 provides the appellants shall at all times comply with the *Act*. I find this to be a duplication of items 1 and 6 above. I find that the appellants are in breach of this condition for the reasons outlined in items 1 and 6 above.

Conclusion - Breaches of Conditions

- [97] In totality, I have found that Hussein has breached the conditions of his registration as a motor vehicle salesperson in that he:
- i. Registered a vehicle with a bill of sale he knew or ought to have known was invalid.
 - ii. Breached the following conditions:
 - 1. Condition c of Registration of May 21, 2023;
 - 2. Condition 10 of the consent order of July 29, 2009;
 - 3. Condition 14 of the consent order of July 29, 2009; and
 - 4. Condition 11 of the consent order of January 23, 2014.
 - iii. I note that all the above-mentioned breaches of conditions arise out of the same act.

- [98] I have found that Premium has breached the conditions of its registration as a motor vehicle dealer in that it:
- i. Registered a vehicle with a bill of sale it knew or ought to have known was invalid.
 - ii. Breached the following conditions:
 - 1. Condition c of Registration of May 21, 2023;
 - 2. Condition 10 of the consent order of July 29, 2009;
 - 3. Condition 14 of the consent order of July 29, 2009; and
 - 4. Condition 11 of the consent order of January 23, 2014.
 - iii. I note that all the above-mentioned breaches of conditions arise out of the same act.
- [99] Under s. 6(1)(f), if a registrant is in breach of a condition of the registration, then they are not entitled to registration under the *Act*. I find that the respondent has established that both Hussein and Premium breached the conditions of their registrations.

Is Registration with conditions is appropriate in this case?

- [100] The Registrar and the Tribunal have the statutory discretion to consider each appellant's circumstances and determine whether the public interest requires outright disentitlement to registration or whether the public interest can be adequately protected through conditions. The Tribunal owes no deference to the Registrar's position of seeking revocation of registrations of the appellants.
- [101] In my view, the breaches of conditions and the conduct of Premium and Hussein provide grounds for believing that they will not act in accordance with the law and with integrity and honesty.
- [102] The conditions breached by the appellants were agreed upon in their registrations and subsequent consent orders of July 29, 2009, January 23, 2014 and May 21, 2023.
- [103] I find the circumstances arising that lead to the breach of conditions herein were unique and an isolated event unlikely to occur again. I find Hussein and Premium have consistently recognized the authority of the Registrar as a regulator.

- [104] In my view, registration with the imposition of conditions would be sufficient in the circumstances to protect the public interest..
- [105] I take note that there has been no lien or registration issues in the past with the appellants and view this incident as an isolated event under most unusual circumstances. I am satisfied that the appellants did not set out to corruptly abuse the public or its customers in a systematic manner.
- [106] I find it is not appropriate to hold Premium responsible for Hussein's momentary lapse in judgement. It would be unreasonable to suspend Premium's registration, given the consequential loss of employment for its employees, who are completely innocent of these events.
- [107] Conversely, I find there must be an appropriate sanction against Hussein for his breach of public trust in registering the bill of sale for the truck.
- [108] I note that should conditions be found appropriate to be applied in the circumstances, the respondent submits that a suspension of registration of one year for Hussein and one month for premium cars is justified. I note the appellants submit that Premium not be suspended and Hussein suspended for a period of three months.
- [109] I find it appropriate in this circumstance to direct the Registrar not to carry out the Notice of Proposal but to suspend the registration of Hussein for a period of eight months.

CONCLUSION

- [110] I conclude that the Registrar has satisfied its burden of proving that the past conduct of Hussein affords reasonable grounds for the belief that he will not carry on business as a motor vehicle salesperson in accordance with law and with integrity and honesty.
- [111] I find that the Registrar has satisfied its burden of proving that the past conduct of Hussein affords reasonable grounds for belief that Premium will not carry on business as a motor vehicle dealer in accordance with law and with integrity and honesty.
- [112] I find that Hussein and Premium breached conditions of their registration.

- [113] Nonetheless, I conclude, having heard the submissions of the respondent and the appellants, that conditions on the appellants' registrations is appropriate under the circumstances, specifically for Premium as follows:
- i. No liens may be registered for a period of two years on any vehicle in any province within Canada;
 - ii. No out of province vehicles may be registered for a period of two years unless located within the province of Ontario.
- [114] I conclude, having heard the submissions of the respondent and the appellants, that the appropriate remedy is imposition of conditions of registration for Hussein as follows:
- i. Hussein must complete as remedial course the automotive certification course as directed by the Registrar;
- [115] I direct the Registrar to suspend the registration of Hussein for a period of eight months from the date of this order.

ORDER

- [116] Pursuant to s. 9(5) of the *Act*, the Tribunal directs the Registrar as follows:
- i. Impose the following terms and conditions to the registration of Premium:
 - a. No liens may be registered for a period of two years from the date of this order on any vehicle in any province within Canada;
 - b. No out of province vehicles may be registered for a period of two years from the date of this order unless the vehicle to be registered is located within the province of Ontario.
 - ii. Impose the following terms and conditions to the registration of Hussein:

- a. Hussein must complete as remedial course the automotive certification course as directed by the Registrar;
- iii. Impose a suspension of the registration of Hussein for the period of eight months.

LICENCE APPEAL TRIBUNAL



Robert Maich
Vice-Chair

Released: June 9, 2025