

DISCIPLINE DECISION

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 SADLON MOTORS INCORPORATED

- AND -

PAUL SADLON

- AND -

PAUL SADLON JR.

Pursuant to Rule 1.07 of the Rules of Practice before the Discipline Committee and the Appeals Committee, I, the Chair of the Discipline Committee, have reviewed and considered the written Agreed Statement of Facts and Joint Submission on Penalty together with both Parties' waiver of a Hearing to this Proceeding and provide the following Order:

Date of Decision: March 20, 2015

Findings: Breach of Sections 4 and 9 of the Code of Ethics

Order:

1. The Dealer is ordered to pay a fine in the amount of \$12,000 within 90 days of the date of the Discipline Committee Order. The fine is payable to the Ontario Motor Vehicle Industry Council.
2. Sadlon Jr. is ordered to successfully complete the OMVIC certification course, within 90 days of the date of the Discipline Committee Order. The Dealer will pay all costs associated with this.
3. The Dealer is ordered to offer all registered salespeople the opportunity to complete the OMVIC certification course, within 90 days of the date of the Discipline Committee Order. The dealer will pay all costs associated with this. Future sales staff will be offered the course within 90 days if being retained in this capacity by the Dealer. The Dealer will pay all costs associated with this. It is understood between the parties this clause does



5. Between on or before Oct 28, 2013, to on or before November 2, 2013, the Dealer advertised 3 vehicles without disclosing their former daily rental use in the advertisement. This is contrary to sub section 36(5) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics.
6. On or before October 31, 2013, the Dealer advertised a 2013 Kia Rio (VIN KNADN4A33D6216511) with a selling price of \$13,988. On or about October 31, 2013, the Dealer sold this vehicle for \$1,112 above the advertised price. As such, this advertisement did not feature an all-inclusive price, contrary to sub section 36(7) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics. The Dealer has subsequently provided the consumer with a refund for the amount paid in additional fees. The Dealer has subsequently provided the consumer with a refund for the amount paid in additional fees.
7. On or before November 4, 2013, the Dealer advertised a 2010 Kia Soul (VIN KNDJT2A23A7151575) with a selling price of \$14,988. On or about October 23, 2013, the Dealer sold this vehicle for \$440 above the advertised price. As such, this advertisement did not feature an all-inclusive price, contrary to sub section 36(7) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics. The Dealer has subsequently provided the consumer with a refund for the amount paid in additional fees.
8. On or before November 5, 2013, the Dealer advertised a 2008 Chevrolet Aveo (VIN KL1TG65638B182549) with a selling price of \$8,998. On or about November 5, 2013, the Dealer sold this vehicle for \$469 above the advertised price. As such, this advertisement did not feature an all-inclusive price, contrary to sub section 36(7) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics. The Dealer has subsequently provided the consumer with a refund for the amount paid in additional fees.
9. On or before November 12, 2013, the Dealer advertised a 2011 Ford Focus (VIN 1FAHP3FN4BW156406) with a selling price of \$13,988. On or about November 12, 2013, the Dealer sold this vehicle for \$952 above the advertised price. As such, this advertisement did not feature an all-inclusive price, contrary to sub section 36(7) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics. The Dealer has subsequently provided the consumer with a refund for the amount paid in additional fees.
10. On or before November 13, 2013, the Dealer advertised a 2013 Cadillac XTS (VIN 2G61T5S34D9201415) with a selling price of \$59,998. On or about November 13, 2013, the Dealer sold this vehicle for \$2,464 above the advertised price. As such, this advertisement did not feature an all-inclusive price, contrary to sub section 36(7) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics. The Dealer has subsequently provided the consumer with a refund for the amount paid in additional fees.
11. On or before November 13, 2013, the Dealer advertised a 2010 GMC Sierra (VIN 1GTSKUEA6AZ1155882) with a selling price of \$20,988. On or about November 13, 2013, the Dealer sold this vehicle for \$440 above the advertised price. As such, this advertisement did not feature an all-inclusive price, contrary to sub section 36(7) of



Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics. The Dealer has subsequently provided the consumer with a refund for the amount paid in additional fees.

12. On or before November 19, 2013, the Dealer advertised a 2012 Chevrolet Suburban (VIN 1GNSKJE78CR291241) with a selling price of \$37,988. On or about November 19, 2013, the Dealer sold this vehicle for \$440 above the advertised price. As such, this advertisement did not feature an all-inclusive price, contrary to sub section 36(7) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics. Moreover, the Dealer failed to disclose former daily rental in the advertisement, contrary to sub section 36(5) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics. The Dealer has subsequently provided the consumer with a refund for the amount paid in additional fees.

By failing to comply with the following regulations under the *Motor Vehicle Dealers Act, 2002*:

Unregistered salesperson

4. (3) A motor vehicle dealer shall not retain the services of a salesperson unless the salesperson is registered in that capacity.

Advertising

36. (1) A registered motor vehicle dealer to whom this section applies shall ensure that any advertisement placed by the dealer complies with this section.

(5) If any of the following is true of a motor vehicle, an advertisement that attempts to induce a trade in the specific vehicle shall indicate, in a clear, comprehensible and prominent manner, that the vehicle was previously,

- (a) Leased on a daily basis, unless the vehicle was subsequently owned by a person who was not a registered motor vehicle dealer.

(7) If an advertisement indicates the price of a motor vehicle, the price shall be set out in a clear, comprehensible and prominent manner and shall be set out as the total of,

- (a) the amount that a buyer would be required to pay for the vehicle; and
 (b) subject to subsections (9) and (10), all other charges related to the trade in the vehicle, including, if any, charges for freight, charges for inspection before delivery of the vehicle, fees, levies and taxes.

It is thereby agreed that the Dealer, Sadlon and Sadlon Jr. have breached the following sections of the Code of Ethics, as set out in Regulation 332/08:

4. A registrant shall be clear and truthful in describing the features, benefits and prices connected with the motor vehicles in which the registrant trades and in explaining the products, services, programs and prices connected with those vehicles.



(2) A registrant shall ensure that all representations, including advertising, made by or on behalf of the registrant in connection with trading in motor vehicles, are legal, decent, ethical and truthful.

9. 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 fine in the amount of \$12,000 within 90 days of the date of the Discipline Committee Order. The fine is payable to the Ontario Motor Vehicle Industry Council.
2. Sadlon Jr. agrees to successfully complete the OMVIC certification course, within 90 days of the date of the Discipline Committee Order. The Dealer will pay all costs associated with this.
3. The Dealer agrees to offer all registered salespeople the opportunity to complete the OMVIC certification course, within 90 days of the date of the Discipline Committee Order. The dealer will pay all costs associated with this. Future sales staff will be offered the course within 90 days if being retained in this capacity by the Dealer. The Dealer will pay all costs associated with this. It is understood between the parties this clause does not apply to sales staff who have completed the course or who are otherwise required to do so pursuant to the Act.
4. The Dealer agrees to ensure that all future advertising is in compliance with *Motor Vehicle Dealers Act, 2002* and Standards of Business Practice, as may be amended from time to time.
5. The Dealer agrees to comply with the *Motor Vehicle Dealers Act, 2002* and Standards of Business Practice, as may be amended from time to time.

Decision of the Chair

Having reviewed and considered the Agreed Statement of Facts, the Chair of the Discipline Committee hereby concludes that the Dealer, Sadlon and Sadlon Jr. breached subsections 4 and 9 of the OMVIC Code of Ethics, as set out in Ontario Regulation 332/08, made under the *Motor Vehicle Dealers Act, 2002*. The Chair of the Discipline Committee also agrees with the Parties' Joint Submission on Penalty and, accordingly, makes the following Order:

1. The Dealer is ordered to pay a fine in the amount of \$12,000 within 90 days of the date of the Discipline Committee Order. The fine is payable to the Ontario Motor Vehicle Industry Council.
2. Sadlon Jr. is ordered to successfully complete the OMVIC certification course, within 90 days of the date of the Discipline Committee Order. The Dealer will pay all costs associated with this.



3. The Dealer is ordered to offer all registered salespeople the opportunity to complete the OMVIC certification course, within 90 days of the date of the Discipline Committee Order. The dealer will pay all costs associated with this. Future sales staff will be offered the course within 90 days if being retained in this capacity by the Dealer. The Dealer will pay all costs associated with this. It is understood between the parties this clause does not apply to sales staff who have completed the course or who are otherwise required to do so pursuant to the Act.
4. The Dealer shall ensure that all future advertising is in compliance with *Motor Vehicle Dealers Act, 2002* and Standards of Business Practice, as may be amended from time to time.
5. The Dealer shall comply with the *Motor Vehicle Dealers Act, 2002* and Standards of Business Practice, as may be amended from time to time.

Ontario Motor Vehicle Industry Council
Discipline Committee



Catherine Poultney, Chair

