



Citation: Samarah, Karra and Royal Fine Motors Inc. o/a Royal Fine Motors v. Registrar, *Motor Vehicle Dealers Act, 2002*, 2024 ONLAT 15199

Licence Appeal Tribunal File Number: 15199/MVDA

In the matter of an Appeal from a Notice of Proposal to Revoke Registrations issued by the Registrar pursuant to the *Motor Vehicle Dealers Act, 2002*, c. 30, Sch. B

Between:

Omar Samarah, Renne Karra, Royal Fine Motors Inc. o/a Royal Fine Motors

Appellants

and

Registrar, *Motor Vehicle Dealers Act, 2002*

Respondent

DECISION

ADJUDICATOR: Rebecca Hines

APPEARANCES:

For the Appellants: Michael Burokas, Counsel

For the Respondent: Jane Samler, Counsel

Held by videoconference: March 4, 5, 6, 7 and 8, 2024

BACKGROUND

- [1] This is an appeal of the Notice of Proposal (“NOP”) issued by the Registrar, *Motor Vehicle Dealers Act, 2002* (the “respondent”) on August 10, 2023, to revoke the registrations of Omar Samarah (“O. Samarah”) and Renne Karra (“Karra”) (the “appellants”) as motor vehicle salespersons and Royal Fine Motors Inc. (the “corporate appellant”) as a motor vehicle dealer.
- [2] O. Samarah and Karra are spouses to one another. The respondent alleges that O. Samarah and Karra are “interested persons” in the corporate appellant and in each other within the meaning of s. 6(4)(a)-(c) of the *Act*.
- [3] The respondent submits that the past conduct of O. Samarah and/or Karra affords reasonable grounds for belief that both they, along with the corporate appellant, will not carry on business in accordance with the law and with integrity and honesty and are therefore disentitled to registration as, respectively, motor vehicle salespersons and a motor vehicle dealer pursuant to s. 6(1) (a) (ii) and (d)(iii) of the *Act*.
- [4] The respondent argues that the appellants are in breach of a condition of their registrations and are disentitled to registration pursuant to s. 6(1)(f) of the *Act*. The onus is on the respondent to prove that the NOP should be carried out.
- [5] The appellants dispute the allegations contained in the NOP and submit that the consumers have fabricated and exaggerated their claims for their own financial benefit. The consumers have buyer’s remorse and as a result have a financial motive in the outcome of this matter.
- [6] The matter proceeded to a five-day videoconference hearing. On behalf of the respondent, I heard the testimony of Tim Hines, Director of Consumer Support Team, Ontario Motor Vehicle Industry Council (“OMVIC”), and seven consumers: Kathleen Boyle (“Consumer A”), Hakan Kalacay (“Consumer B”), Randy Garcia (“Consumer C”), Omar Guthrie (“Consumer D”), Upasana Kang (“Consumer E”), Amandeep Kaur (Consumer “G”) and Hei Chan (“Consumer H”). Both appellants testified on their own behalf, as did Samer Samarah (“S. Samarah”) a salesperson employed with the corporate appellant and O. Samarah’s brother, Nabeel Balagam and Shoba Ratneyaki, two former colleagues of the appellants, and Nabeel Asiri and Mahmoud Abu Hudra, two former consumers.

ISSUES IN DISPUTE

[7] The issues are:

- i) Are O. Samarah, Karra and the corporate appellant interested persons in respect to one another?
- ii) Does the past conduct of O. Samarah and/or Karra afford reasonable grounds for belief that they will not carry on business in accordance with the law and with integrity and honesty, thereby disintitling either of them or both of them to registration pursuant to s. 6(1)(a)(ii) of the *Act*?
- iii) Does the past conduct of O. Samarah and/or Karra afford reasonable grounds for belief that the corporate appellant's business will not be carried out in accordance with the law and with integrity and honesty thereby disintitling the corporate appellants to registration pursuant to s. 6(1)(d)(iii) of the *Act*?
- iv) Is the corporate appellant in breach of a condition of its registration and thereby disintitling to registration pursuant to s. 6(1)(f) of the *Act*?
- v) If I find that the appellants and/or corporate appellants are disintitling to registration then I must determine whether to direct the registrar to carry out its NOP or whether to substitute my opinion for that of the registrar, as by attaching conditions to a registration.

RESULT

[8] The respondent has established that the past conduct of the appellants affords reasonable grounds for belief that the individual appellants and the corporate appellant will not carry on business in accordance with the law and act with honesty and integrity. I also find that the corporate appellant is in breach of the terms and conditions of its registration. I find that the public interest cannot be adequately protected by ordering an alternative penalty to revocation such as attaching terms, or conditions to registration. I therefore direct the Registrar to carry out its NOP to revoke the registrations of the appellants under the *Act*.

ANALYSIS

O. Samarah, Karra and the corporate appellant are interested persons in respect to one another.

[9] Under s. 6(4) of the *Act*, a person is deemed to be an interested person in respect of another if the person is associated with the other person, or if the person exercises or may exercise control either directly or indirectly over the

other person, or the has or may have a beneficial interest in the other person's business. The respondent submits that pursuant to s. 6(4) of the *Act*, O. Samarah, Karra and the corporate appellant are interested persons in respect of one another because they meet these criteria.

- [10] The respondent argues that the appellants meet the definition of an interested person in respect of one another because O. Samarah and Karra are spouses to one another and have a beneficial financial interest in the success of the business. O. Samarah is the owner and Director of the business and Karra is the Business Manager and they run the dealership as a family business. Each has a beneficial interest in the other's person's business and may exercise control (directly or indirectly) over the other person and the other person's business. As a result, each of their past conduct may be considered when determining the other's entitlement to registration under s. 6(1)(a)(ii) of the *Act*. In addition, the corporate appellant is controlled directly or indirectly by both appellants. As a result, the respondent maintains that the disentitlement of registration for one affects the entitlement to registration of the other.
- [11] The appellants acknowledged that they run the dealership as a family business. They did not make further submissions in response to the respondent's evidence that they meet the definition of interested persons as defined by the *Act*.
- [12] In the absence of evidence to the contrary, I agree with the respondent and find that O. Samarah, Karra are interested persons pursuant to s. 6(4) of the *Act*, in that they are spouses to one another and are therefore "associated with" the other person. Since they run the dealership as a family business, they each have, or may have, a beneficial interest in the other person's business. O. Samarah is the owner and Director of the business and Karra is the Business Manager. As a result, I find that both O. Samarah and Karra exercise or may exercise control either directly or indirectly over the other person and the corporate appellant. For these reasons, I find that O. Samarah, Karra, and the corporate appellant are interested persons in one another for the purposes of s. 6 of the *Act*.

I find that the past conduct of the appellants affords reasonable grounds for belief that they will not carry on business in accordance with the law and with integrity and honesty.

- [13] Under s. 6(1)(a)(ii) and s. 6(1)(d)(iii) of the *Act*, the onus is on the respondent to prove that the past conduct of the appellants affords reasonable grounds for belief that they will not carry on business in accordance with the law and with integrity and honesty. The standard of "reasonable grounds for belief" was set

out by the Court of Appeal in *Ontario Alcohol and Gaming Commission of Ontario v. 751809 Ontario Inc. (Famous Flesh Gordon's)*, 2013 ONCA 157 (CanLII). The respondent does not have to show that the appellants' past conduct makes it more likely than not that the business will not be carried out as required, but only that its belief to that effect is based on more than mere suspicion and on compelling and credible information. Further, the respondent must also show that there is a nexus between the past conduct and the appellants' ability to conduct business under the *Act* serving the interests of the public.

- [14] The respondent argues that reasonable grounds for belief are demonstrated in this case based on the appellants' involvement in seven transactions regarding the sale of used motor vehicles ("vehicle") to seven consumers. The respondent submits that the appellants have displayed a patten of deceptive business practices by entrapping consumers into transactions before making them fully aware of the details of the transaction. In particular, the respondent alleges that some consumers signed an initial bill of sale that failed to disclose the vehicle's accident history and did not include the full cost of the purchase. Only after the consumers made a deposit and the vehicle was delivered were the consumers presented with a compliant bill of sale in which the vehicle's accident history was disclosed. In addition, the consumers were surprised that the cost of the vehicle and financing was much higher then initially agreed upon. As a result, many of them felt forced to proceed with the transaction because the ownership of the vehicle had already been transferred into their name, insurance had already been arranged and the appellants refused to return their deposits.
- [15] The NOP also alleges that the appellants forged signatures on bills of sale, or falsified information that was not agreed to by the consumers and/or did not provide copies of the bills of sale and finance and warranty agreements to the consumers as required by the legislation.
- [16] The appellants acknowledge that their dealership got into a "bad habit" of failing to itemize charges on the bill of sale, however, argue that on its own this does not rise to the level of reasonable grounds for belief that they will not carry on business in accordance with the law and act with honesty and integrity. Further, the appellants submit that to the extent there was any impropriety in any of the transactions, it arose from the conduct of S. Samarah, a salesperson employed by the appellants, whose licence was not the subject of the allegations contained in the NOP. Therefore, his conduct cannot be attributed to the appellant's licence. Moreover, the appellants argue that many of the consumers who were witnesses are not credible and complained to OMVIC because of buyer's remorse. In addition, the consumers have a financial interest in the outcome of

these proceedings because the outcome may impact their ability to make a claim through OMVIC's compensation fund.

- [17] Due to the number of transactions and the fact that each contains different allegations of non-compliance with the *Act*, I will discuss each and my findings regarding same in turn.

Consumer A – 2017 Camry SE Transaction

- [18] Regarding the transaction with Consumer A, the NOP alleges that the appellants falsified and furnished false information and/or documents contrary to ss. 26 and 27 of the *Act*; failed to return the consumer's deposit pursuant to s. 38 of Regulation 333/08 (the "Regulation"); and failed to respond to the OMVIC complaint pursuant to s. 14 of the *Act*.

Falsifying and Furnishing False Information and/or Documents

- [19] Sections 26 and 27 of the *Act* requires that no registrant shall falsify or induce another person to falsify or furnish any deceptive information or document relating to a trade of a vehicle.
- [20] Consumer A testified that on May 7, 2021, she attended the dealership because she was interested in a 2017 Camry advertised online. She was interested in purchasing the vehicle, so she provided information for a credit application including her bank information and a copy of her driver's licence. She also provided a \$1,000.00 deposit which O. Samarah advised her was fully refundable and conditional on financing. Consumer A maintains that she never signed a bill of sale. On May 10, 2021, she changed her mind and decided that she did not want to purchase the vehicle. She contacted the dealership to request a return of her deposit, which was refused.
- [21] The appellants submit that Consumer A agreed to purchase the vehicle and signed a bill of sale dated May 6, 2021, (the date was an administrative error). O. Samarah testified that he went through the bill of sale with Consumer A and witnessed her sign it. Further, he stated that he did not provide Consumer A with a refund because he had paid for a work order for the vehicle to be repaired. Consumer A confirmed that her signature was on the bill of sale but stated that the dealership must have copied it from her driver's licence. The appellants maintain that the signatures on the bill of sale and driver's licence were not identical which does not support the consumer's position. Moreover, the consumer has produced no evidence that financing was applied for.

- [22] On May 21, 2021, the appellants sent Consumer A correspondence, advising her that she had 7 days to take possession of the vehicle and that failure to complete the contract would be applied to any loss suffered. The appellants rely on an invoice dated May 7, 2021, from Norris Auto Service Inc. in the amount of \$836.20 in support of their position that they incurred a loss as a result of Consumer A's breach of contract. The invoice was for parts and service for a new car battery, detailing, and synthetic oil and filter change.
- [23] Consumer A testified that she would not have signed the bill of sale because the terms of the financing were never agreed upon, nor did they agree to a trade-in price for her current vehicle and no payment plan was agreed upon. In addition, she submits that the first time she saw the bill of sale was in response to her OMVIC complaint in June 2021.
- [24] I find Consumer A's testimony and version of events credible and reliable. I do not find O. Samarah's testimony regarding this transaction credible. I believe the consumer that she applied for financing because the dealership's method of record keeping for these initial credit applications entailed writing a few numbers on a sheet of paper. As a result, I am not surprised the consumer did not have a record of it. Despite the fact that the consumer had applied for financing, I find the terms of the financing were not referenced on the purported bill of sale. In addition, it included the incorrect date. Although this may have been an administrative error, when determining the credibility and reliability of one witness over another inaccurate information matters, and taken together with all of the other evidence, this incorrect date supports Consumer A's narrative. In addition, the bill of sale did not reference the work order or refer to the need to replace the battery or that the consumer agreed to purchase the premium safety package. I also find the timing of the invoice suspect because the work order was completed on the same day the consumer made the deposit and the financing had yet to be agreed upon: this is not plausible.
- [25] In addition, there was no explanation for the delay in the appellant's response to OMVIC when they had responded to the consumer on May 21, 2021, without including the bill of sale, which Consumer A said she only saw later in response to her OMVIC complaint. Although I agree that the signature on the bill of sale and driver's licence were not identical, I find it supports the consumer's position that she did not sign it because it was imperfectly copied from her driver's licence by someone at the dealership. For these reasons, I find Consumer A's testimony about what transpired more credible. Therefore, I find that the appellants breached s.25 and 26 of the *Act* regarding this transaction in that I find that the

appellants forged the consumer's signature on the bill of sale to avoid returning her deposit.

Failing to Return the \$1,000.00 Deposit

- [26] Section 38 of the Regulation provides that if a customer gives a registrant a deposit before entering a contract for the purchase or lease of a vehicle, then requests the return of the deposit back before entering into the contract, the dealer shall immediately return the deposit.
- [27] In light of my findings regarding the bill of sale, I find Consumer A did not enter into a contract with the appellants as she never signed the forged bill of sale. As a result, I find the appellant failed to comply with s. 38 of the Regulation by failing to return the \$1,000.00 deposit to the consumer.

Failure to Respond to OMVIC Complaint

- [28] Section 14(3) of the *Act* provides that a registrant who receives a written request from the Registrar for information about a complaint shall provide the information as soon as practicable.
- [29] The respondent led evidence that a representative contacted O. Samarah on May 20, June 8, 14 and 16, 2021 and requested further information regarding Consumer A's complaint. O. Samarah did not respond to the respondent's request for information until June 21, 2021, when he advised that Consumer A's deposit would not be returned because the consumer had signed a bill of sale when she left the deposit. O. Samarah later communicated to OMVIC that he was prepared to offer Consumer A a store credit towards the purchase of another vehicle.
- [30] The wording of the *Act* does not set a specific deadline for registrants to respond to OMVIC complaints or requests for information. Although I agree with the respondent that the appellants did not promptly reply to OMVIC's request for information, they did reply within a month's time. In my view, since there is no specific timeline under the *Act* for a registrant to respond to a request for information and the appellants responded within a month, under the circumstances, I do not find that the appellants failed to respond to the complaint pursuant to s. 14 of the *Act*.
- [31] As noted above, I find the appellants falsified the bill of sale by forging the consumer's signature in order to avoid returning the deposit, which I find to be a serious transgression and speaks to a willingness to break the law when it is to their benefit.

Consumer B - 2018 Mercedes-Benz C 300 Transaction

[32] Regarding the transaction with Consumer B, the NOP alleges that the appellants failed to comply with the requirement to disclose accident damages in a clear, comprehensible and prominent manner pursuant to s. 40(2) of the *Regulation*; failed to disclose in writing that the vehicle had incurred \$43,213 in damages pursuant to ss.42(19) and (25) of the *Regulation*; failed to ensure that a bill of sale was completed and/or signed by the consumer and did not provide a copy of it to the consumer pursuant to s. 40(9) of the *Regulation*; and falsified and furnished false information and/or documents related to the trade of a motor vehicle, contrary to ss. 26 and 27 of the *Act*.

Failure to Disclose Accident History and Damages in Writing

[33] Section 40(2) of the *Regulation* provides that a registrant entering into a contract with a purchaser shall ensure that any contract includes in a clear, comprehensible and prominent manner various categories of information about the vehicle including the accident history or damages incurred, an itemized list of repairs, if any, that the dealer has made to the vehicle and the cost of any repairs to be paid by the purchaser; information about safety certificates issued under the *Highway Traffic Act*, or, if the vehicle is being sold on an “as-is” basis, a statement to that effect.

[34] Section 42(19) of the *Regulation* provides that where a used vehicle had previously incurred over \$3,000 in damages a registrant must disclose to a purchaser in writing a statement to that effect along with the total costs of that damage, if known. Further, s. 42 (25) provides that a registrant must disclose any other fact about a vehicle that, if disclosed, could reasonably be expected to influence the decision of a reasonable person to buy or lease the vehicle on the terms of the purchase and lease.

[35] Consumer B testified that he went into the dealership because he was interested in a 2018 Mercedes advertised online. He initially met with S. Samarah, who advised him that the vehicle had not been involved in any accidents and the Carfax Report was clean. Consumer B testified that he was interested in purchasing the vehicle for \$32,000 and provided a \$5,000 deposit but he did not sign a bill of sale. The respondent relied on a bill of sale signed by the consumer that indicated that the title of the vehicle was clean and listed no accident history or damage. Consumer B testified that the dealership never provided him with this bill of sale, and he obtained a copy through his insurance company. The consumer also requested a copy of the Carfax report which was never provided to him by the dealership.

- [36] After purchasing the vehicle, Consumer B took it to his mechanic, and he obtained a copy of the Carfax report which disclosed that the vehicle had incurred \$41,904.00 in damages. Consumer B testified that had he known this information he would not have bought the vehicle.
- [37] S. Samarah testified that he met with Consumer B and fully disclosed the vehicle's accident history by going through the Carfax report with him and the consumer was not concerned. He stated that the vehicle was not a write-off and there was no structural damage or rebuild. Mr. Samarah admitted during his testimony that he made a mistake in preparing a mock bill of sale for the consumer's insurance company which indicated that the vehicle had a clean title and did not reference the amount of accident damages. He admitted forging the consumer's signature on this "mock" bill of sale. The appellants did not submit a Carfax report which pre-dated this transaction.
- [38] I find that S. Samarah did not disclose the vehicle's accident history to Consumer B when he initially agreed to buy the car. I find the fact that S. Samarah acknowledged that he forged the consumer's signature on a mock bill of sale which did not note the accident history, coupled with the fact that no Carfax report was submitted that pre-dated this transaction supports the respondent's position that the appellants did not comply with ss. 40(2), 42(19) and 42(25) of the Regulation. Although I find there were issues with Consumer B's testimony, which I will discuss further below, even if I were to accept that the consumer was notified of the accident history and damage to the vehicle when he went to pick up the vehicle, I find this does not excuse the appellant's failure to comply with obligations to provide timely disclosure of the vehicle's accident history and damage prior to the transfer of ownership of a vehicle and finalizing financial agreements.

Failure to Provide Bill of Sale to Consumer

- [39] Section 40(9) of the Regulation provides that a registrant selling a vehicle to a purchaser shall complete a bill of sale which is to be signed by both parties and that the purchaser is provided with a copy of it immediately after signing.
- [40] I find the facts around whether Consumer B received a copy of bill of sale unclear because I find Consumer B's testimony occasionally unreliable. For example, the consumer testified that he has never signed any document in relation to the transaction, which conflicts with the fact that the dealership was provided with his bank account information, and they had a signed loan and warranty agreement. Consumer B also denied sending a demand email to the dealership where he indicated that he misplaced paperwork when it was confirmed during his cross-

examination that it was sent from his email address. Consumer B also did not have any knowledge about correspondence sent to the dealership on his behalf by his lawyer in a civil matter. For this reason, I find there is insufficient evidence before me to support that Consumer B did not sign or receive a copy of the bill of sale.

Falsifying and Furnishing False Information or Documents

- [41] As highlighted above, S. Samarah admitted during this testimony that he forged Consumer B's signature on the mock bill of sale. As a result, I find that the appellants contravened ss. 26 and 27 in that a salesperson employed with the dealership forged a consumer's signature on a document for the purpose of selling a vehicle.
- [42] As noted above, I find that the appellants failed to disclose the vehicle's accident history and damage to the vehicle to the consumer and forged the consumer's signature on a mock bill of sale.

Consumer C –2014 Mitsubishi Outlander GT Transaction

- [43] Regarding the transaction with Consumer C, the NOP alleges that the appellants failed to comply with the all-in pricing requirements of s.36(7) of the Regulation; failed to itemize the list of charges on the bill of sale pursuant to s.39(2) paragraph 14 of the Regulation; failed to provide the consumer with a copy of the bill of sale and documentation regarding his loan and warranty pursuant to ss. 40(9), 47(5) and (7) of the Regulation and falsified and furnished false information and/or documents related to the trade of a motor vehicle, contrary to ss. 26 and 27 of the Act.

Failure to Comply with All-In Pricing and Itemize Charges on Bill of Sale

- [44] Section 36(7) of the Regulation provides that a dealer shall provide in any advertisement the price of the vehicle and that it shall be set out in a clear, comprehensible manner and shall be set out as the total of the amount the buyer would be required to pay for the vehicle and all other charges related to the trade in the vehicle, including, if any, charges for freight, charges for inspection before delivery of the vehicle and fees, levies and taxes. Section 39(2), paragraph 14 of the Regulation sets out that dealer shall ensure a bill of sale includes an itemized list of all charges a buyer is required to pay under the contract.
- [45] I find that the appellants did not comply with ss. 36(7) and 39(2) of the Regulation in regard to this transaction. The online advertisement for the vehicle listed the sale price as \$14,888.00. Consumer C testified that he initially met with S.

Samarah who drafted a handwritten note that indicated that Consumer C agreed to pay \$14,888.00, plus \$899.00 for a premium safety, which included detailing, and \$3,349.00 for 48-month gold warranty which equals \$19,136.00. However, the bill of sale signed by Consumer C listed the vehicle sale price as \$15,888.00 plus \$5,000.00 for an extended warranty which equals \$20,888.00, which is a difference of \$1,752.00.

- [46] Further, both S. Samarah and O. Samarah acknowledged during their testimony that they dropped the ball regarding this transaction, testifying that S. Samarah did not provide a copy of the handwritten agreement to O. Samarah, who drafted the bill of sale signed by the consumer. I find the evidence supports that the appellants did not comply with the all-in pricing requirement of the regulation or itemize the charges on the bill of sale because they did not distinguish between the premium safety purchased by the consumer and the sale price of the vehicle, and it was more than what was agreed upon.

Failure to Provide the Bill of Sale and Warranty to Consumer

- [47] Section 40(9) requires that a purchaser receive a copy of a contract to purchase a used motor vehicle from a dealer immediately after signing it. Section 47(5) of the Regulation supports that a dealer that sells an extended warranty for a vehicle shall provide a copy of the contract to the consumer immediately after signing it. Consumer C testified that when he applied for financing and provided a deposit for the vehicle, he signed a bill of sale, loan, and warranty documents without properly reviewing the documents because he felt rushed by O. Samarah and trusted that everything was in order. Consumer C also testified that he was not provided with a copy of the bill of sale, loan, and warranty documents after he signed them. Consumer C testified that S. Samarah ignored multiple text messages the consumer sent where he asked for a copy of the warranty agreement which were not received by him until after he filed a complaint with OMVIC. The appellants submit that they did not receive these text messages because they were sent to the dealership's landline. Further, the phone number is not listed in the body of the text messages, so it is not possible to confirm they were received.
- [48] I find the appellants did not comply with ss.40(9) and 47(5) of the Regulation and did not provide Consumer C with a copy of the bill of sale and warranty documents. I find Consumer C to be a credible witness, which was agreed to by the appellants who admitted regret for how this transaction was handled. Although it is possible that the consumer's text messages went to the dealership's landline, I find they are consistent with the consumer's narrative,

regardless of whether they were received, that he was not provided with copies of the bill of sale and warranty documents.

Falsifying and Furnishing False information and/or Documents

- [49] Consumer C acknowledged during his testimony that he did sign the bill of sale, loan, and warranty documents regarding this transaction; however, he did not properly review them to ensure the documents included what he agreed to because he trusted the appellants. The appellants admitted that the bill of sale did not contain what was agreed to by the consumer because the bill of sale charged the consumer \$5,000.00 for a bronze warranty, whereas the consumer and S. Samarah agreed that he would pay \$3,349.00 for 48-month gold warranty. Consequently, I find that the appellants falsified the bill of sale regarding this transaction because they did not have the consumer's consent regarding the \$5,000.00 warranty, and the document therefore set out false information about the agreement between the parties. Therefore, I find that the appellants were in non-compliance with ss. 26 and 27 of the *Act* in relation to this transaction.
- [50] As noted above, I find the appellants failed to comply with the all-in pricing requirements and itemize charges on the bill of sale, failed to provide the consumer with copies of the documents and falsified information on the bill of sale by including terms which were not agreed upon by consumer.

Consumer D –2018 Acura TLX Transaction

- [51] Regarding the transaction with Consumer C, the NOP alleges that the appellants failed to comply with the all-in pricing requirements of s. 36(7) of the Regulation; failed to provide the consumer with a copy of the bill of sale pursuant to s. 40(9) of the Regulation; and breached condition 23 of the conditions of its registration which obligated the appellants to take responsibility for the quality of the repairs for the vehicles it sells.

Failure to Comply with All-in Pricing and Itemize Charges on Bill of Sale

- [52] I find the appellants failed to comply with s.36(7) of the Regulation in that the advertised price for the vehicle indicated that the cost was \$29,888 plus taxes and licencing. However, the bill of sale listed the sale price as \$30,887, which was \$999 above the advertised price. Consumer D testified that O. Samarah had advised him that the additional fee was for licencing and safety inspection, and he was not aware that the fee for a premium safety was optional. I find the appellants failed to comply with the Regulation regarding the all in-pricing because the sale price on the advertisement was different from the actual price listed on the bill of sale. Further, if Consumer D did agree to the premium safety

this should have been listed separately on the bill of sale. Therefore, I find that the appellants did not comply with the Regulation and itemize the charges pursuant to s. 36(7) of the Regulation.

Failure to Provide Bill of Sale to Consumer

- [53] Consumer D testified that he initially went to the dealership to test drive the vehicle, where he was told that the vehicle was in excellent condition and did not have an accident history. A few days later he agreed to purchase the vehicle, provided a deposit, and signed a bill of sale and a loan application. He submits that he never received copies of the initial bill of sale, which did not indicate that the vehicle was involved in an accident. Consumer D testified that he first found out about the vehicle's accident history and damage on the day he went into the dealership to pick up the vehicle. He testified that when he saw the accident history on the bill of sale he got upset and did not want to proceed with the transaction. However, he felt pressured into going through with the sale because O. Samarah refused to return his deposit and the vehicle's ownership had already been transferred into his name. Further, O. Samarah agreed to throw in some winter tires and have the vehicle rust proofed as part of the transaction. Consumer D maintains that, had O. Samarah initially disclosed the vehicle's accident history and the amount of damages to the vehicle on the initial bill of sale, he would never have agreed to purchase the vehicle for the agreed upon price, because the amount of damage to the vehicle exceeded the sale price. I believe him.
- [54] O. Samarah testified that he went through the Carfax report with Consumer D, and that the consumer was fully aware of the vehicle's accident history and damages incurred to the vehicle. O. Samarah also indicated that when Consumer D came in to sign the bill of sale and take ownership, he was excited, and things were calm. Further, the consumer was provided with copies of all documents. Karra corroborated O. Samarah's version of events that things were calm and the consumer was happy to pick up the vehicle.
- [55] Overall, I find Consumer D credible and believe that he was not advised of the vehicle's accident history or the amount of damages incurred to the vehicle when he initially agreed to buy the vehicle and provided the deposit. In my view, a reasonable person would not agree to purchase the vehicle had this information been disclosed. I find it more likely than not that O. Samarah did not disclose the vehicle's accident history when the consumer initially made the deposit and applied for financing. Further, I find there is evidence that the consumer was misled by the fact that the advertisement indicated that the vehicle was "top of the line like new." I believe that the consumer signed an initial bill of sale which

did not disclose the accident history and that the appellants did not provide him with a copy of it. Although Karra backed up O. Samarah's version of events, I find it unbelievable that the consumer was excited to purchase a vehicle when the damage to the vehicle exceeded the sale price. For this reason, their story lacked credibility. Consumer D acknowledged that he signed the bill of sale after the accident information had been disclosed because he had already given a \$2,000 deposit, which the appellants refused to return, and the ownership had already been transferred to him. I believe Consumer D that he felt forced into finalizing the transaction. Although Consumer D acknowledged that he received a copy of the second bill of sale, I find the appellants did not provide a copy of the initial bill of sale to the consumer contrary to s.40(9) of the Regulation.

Failure to take Responsibility for the Quality of Repairs

- [56] Condition 23 of the terms and conditions of the corporate appellant's registration provides that it accept full responsibility for the quality of any repairs for the vehicles it sells.
- [57] Consumer D testified that within a week after he took possession of the vehicle, he started experiencing problems. He took it to a mechanic who confirmed that there were mechanical issues as well as issues with the rotors and brakes. O. Samarah agreed to have his mechanic repair the brakes and rotors which were purportedly fixed. A month later the vehicle broke down. Consumer D took the vehicle to a mechanic for an inspection where it was revealed that the engine had a hole in it and needed to be replaced. There were also still issues with the brakes and rotors. Consumer D testified that he contacted O. Samarah and advised what had happened to the vehicle and after lengthy email exchanges O. Samarah eventually agreed to pay for half of the cost of the new engine and have the vehicle repaired by his mechanic. Consumer D refused this offer because it was unfair and there had been a break down in trust between the consumer and the dealership. Consumer D also did not trust the repairs would be carried out properly because the brakes and rotors were initially not fixed properly.
- [58] O. Samarah testified that Consumer D waived purchasing an extended warranty when he bought the vehicle and as a result, he bears the responsibility of paying for any major repairs. However, to be fair to the consumer he offered to pay half for the cost of the engine which was rejected by the consumer. He also submits that the auction house he bought the vehicle from was given a green light inspection meaning no repairs were needed above \$750.00. No explanation was provided for what had happened with the brakes and rotors.

- [59] I find the corporate appellant breached item 23 of the conditions of its registration as a mechanical inspection within a week after purchasing the vehicle indicated that the rotors and brakes needed to be replaced. In addition, this breach of condition is relevant to the past conduct of all appellants as interested persons. I find the corporate appellant had an obligation to ensure the vehicle sold to Consumer D was safe and in driveable condition prior to closing the transaction. Further, the consumer purchased the premium safety package which should have revealed that the vehicle had serious issues. I find that the appellants reliance on the green light inspection from the auction house does not release them from their responsibility to ensure the vehicle was safe and roadworthy.
- [60] As noted above, I find the appellants failed to comply with the all-in pricing requirements set out in the Regulation and the corporate appellant failed to take responsibility for the quality of repairs.

Consumer E–2015 Nissan Altima Transaction

- [61] Regarding Consumer E, in its NOP, the respondent alleges that the appellants failed to disclose in writing on the bill of sale that the vehicle had been involved in an accident, and had incurred damages, and that there was an active recall for the vehicle issued by the manufacturer pursuant to ss. 42(19) and (25) of the Regulation; failed to comply with the all-in-pricing requirements of s. 36(7) of the Regulation; failed to itemize the list of charges on the bill of sale pursuant to s. 39(2) and (14) of the Regulation; furnished and falsified information and/or documents contrary to ss. 26 and 27 of the *Act*; failed to advise in writing that the vehicle's engine required repair contrary to s. 42(13) of the Regulation; and failed to disclose the correct kilometres on the bill of sale contrary to s. 42(3) of the Regulation.

Failure to Disclose Accident History

- [62] Consumer E testified that she was not aware that the vehicle had been involved in an accident prior to agreeing to purchase the vehicle and that if she had been aware she would not have bought the vehicle. The respondent relied on a bill of sale dated March 7, 2021, which was signed by Consumer E, which did not include any information about the vehicle's accident history, the damages incurred to the vehicle or that it had been recalled. S. Samarah acknowledged during his testimony that he prepared this bill of sale, but that it was a mock bill of sale and was solely done to support the consumer's credit application. I do not find this explanation credible because there is nothing written on the document that indicates that this was a draft or mock bill of sale. Nor was I provided with a reasonable explanation for why the mock bill of sale did not include the accident

history. Further, O. Samarah acknowledged during his testimony that S. Samarah had made a big mistake in preparing this mock bill of sale because the information on it was not accurate.

- [63] The appellants relied on a second bill of sale dated March 8, 2021, which noted the accident history and a Carfax report which pre-dated this transaction, which they maintain supports that the consumer was fully informed about the vehicle's accident history. Consumer E testified that she did not recall ever signing the second bill of sale and had never attended the dealership on March 8, 2021, nor had she met O. Samarah before. Based on the clear inconsistencies between the mock and final bill of sale, I am not convinced that the Carfax report was shown to the consumer or that she was aware of the vehicle's accident history prior to agreeing to buy the vehicle. In addition, I find the vehicle's recall information was completely missing from both the first and second bill of sale. Consequently, I find the appellants contravened ss. 42(19) and (25) of the Regulation regarding this transaction.

Failure to Advise in Writing that the Vehicle's Engine Required Repair

- [64] Consumer E testified that within a week after retaining ownership of the vehicle she experienced serious problems with the vehicle, so she took it to a mechanic. The mechanic's assessment of the vehicle indicated that the airbag indicator was on and as a result it should not have passed the safety inspection. Further, the engine needed to be replaced. She followed up with the dealership and they were not helpful in addressing her complaint. After the consumer filed a complaint with OMVIC the appellants agreed to take back the vehicle and fully compensate the consumer. What I find perplexing about this transaction is the consumer purchased the premium safety package. Although the appellants resolved the matter with the consumer, I was not provided with a reasonable explanation for how the vehicle was sold to the consumer in such poor condition. Instead, the appellants placed blame on the consumer for asking for compensation after filing an OMVIC complaint to have the matter resolved.
- [65] I find that the appellants breached s. 42(13) of the Regulation in that they did not advise Consumer E in writing that the vehicle's engine needed to be replaced.

Failure to Disclose the Correct Kilometres on the Bill of Sale

- [66] The kilometres listed on the advertisement for the vehicle and the bill of sale indicated that the odometer reading was 104,000 kilometres. An MTO profile report indicated that prior to the consumer taking ownership of the vehicle the odometer showed 106,785 kilometres which is a clear discrepancy. As a result, I

find the appellants breached s. 42 (3) of the Regulation by failing to disclose the correct kilometres to the consumers.

Failure to Comply with All-in Pricing and Itemize Charges on Bill of Sale

- [67] I find the appellants failed to comply with the all-in-pricing requirements and itemize charges on the bill of sale. Consumer E testified that the on-line advertised price for the vehicle was \$14,988 plus tax. However, the first bill of sale she signed on March 7, 2021, indicated that the sale price was \$15,688 (a difference of \$700). The second bill of sale listed a sale price of \$15,988 plus a warranty in the amount of \$3,500. The appellants relied on a handwritten note completed by S. Samarah which noted the sale price was \$14,988 and \$899.00 for a premium safety, which they maintain the consumer agreed to. Consumer E testified that she thought the premium safety was being offered free of charge and that she was told she had to purchase the warranty because it was part of the dealership's policy on their transactions.
- [68] O. Samarah acknowledged during his testimony that the dealership had gotten into a "bad habit" of failing to itemize charges on the bills of sale. I find that O. Samarah's acknowledgement and the fact that the first and second bills of sale failed to itemize that the premium safety package had been purchased supports that the appellants contravened the all-in-pricing requirements pursuant to s. 36(7) and failed to itemize the list of charges on the bill of sale pursuant to s. 39(2) of the Regulation.

Furnishing and Falsifying false Information and/or Documents

- [69] I find the appellants furnished and falsified information and/or documents in that the mock bill of sale did not disclose the accident history and damage to the vehicle. Further, the second bill of sale did not indicate the accurate kilometres or advise that the vehicle's engine required repair. As a result, I find the appellants furnished and falsified information on both bills of sale, which was in non-compliance with ss.26 and 27 of the *Act*.
- [70] As noted above, I find the appellants failed to comply with various sections of the Regulation and the *Act* regarding this transaction.

Consumer G –2017 BMW 330 XI Transaction

- [71] Regarding Consumer G, in its NOP, the respondent alleges that the appellants failed to disclose in writing on the bill of sale the vehicle's accident history, or that it had incurred damages and had been branded as rebuilt pursuant to ss. 42(15), (19) and (23) of the Regulation; and failed to have the consumer's consent to

complete the sale and financing and thereby falsified and furnished false information and/or documentation relating to the trade of a vehicle pursuant to ss. 26 and 27 of the *Act*.

Failure to Disclose Accident History and Damage to Vehicle on Bill of Sale

- [72] Consumer G testified that she was interested in buying a 2017 BMW and went into the dealership on June 6, 2022, where she signed an application for financing. Consumer G testified that when she filled out the loan application and provided a deposit, she was not advised that the vehicle had been involved in an accident and had incurred \$43,147.00 in damages and had been branded as rebuilt. During cross-examination, the consumer acknowledged that she went into the dealership a week later and signed various documents and that it was possible that she signed a bill of sale with this information on it. She also confirmed that she did not review in detail the documents that she signed.
- [73] I find the respondent has failed to prove this allegation as the only bill of sale submitted at the hearing indicated that the vehicle had been involved in an accident and had incurred damages in the amount of \$43,147.00 and that the title was branded as rebuilt because the panels had been replaced. The bill of sale was signed by the consumer and is dated June 11, 2022, which is the same date the loan agreement and warranty document was signed. As a result, I find the respondent has failed to prove this allegation as the only evidence before me supports that the appellants complied with ss. 42(15), (19) and (23) of the Regulation regarding this transaction.

Falsifying and Furnishing Information and/or Documentation

- [74] Consumer G testified that when she signed the various documents, her agreement to the sale was dependant on her finding out the amount of the loan she was approved for, as well as the interest rate and she was advised by S. Samarah that the interest rate was 5%. As highlighted above, on June 11, 2022, she was told that she was approved for a loan and that the interest rate was 10%. She testified that she told the appellants that she could not afford this and wanted out of the deal, and they told her they would speak with TD Bank and get back to her. On June 17, 2022, the vehicle was delivered to her landlord's driveway.
- [75] Consumer G made a complaint to OMVIC and submitted a letter to TD bank indicating that she never signed or agreed to the terms of the loan. On June 27, 2022, the appellants cancelled the contract and retook possession of the vehicle and the loan with the bank was cancelled. Karra and O. Samarah testified that

they agreed to cancel the transaction because they had sympathy for the consumer because she was young and moving back to India.

- [76] I find Consumer G's testimony about the documentation she signed and when vague and unclear. As noted above, she could not recall or confirm what documents she signed and when and she also acknowledged that it was possible she signed a bill of sale. However, I find this was inconsistent with what she reported to OMVIC where she reported that the appellants forged her signatures on various documents. Further, the loan application, warranty document and bill of sale all contained Consumer G's signature. She also provided a letter of employment and a void cheque to the appellants which in my view supports an intention to buy the vehicle. Because of these inconsistencies, I do not accept that the appellants processed the loan application and bill of sale without the consumer's knowledge and consent. As a result, the respondent has failed to convince me that the appellants did not have the consumer's consent to complete the sale and financing agreement or that the appellants falsified and furnished false information and/or documentation pursuant to ss. 26 and 27 of the *Act* regarding this transaction.

Consumer H – 2015 Toyota Corolla S Transaction

- [77] Regarding Consumer H, in its NOP, the respondent alleges that the appellants failed to comply with the "all-in pricing" requirements in s. 36(7) of the Regulation; failed to ensure that a bill of sale was completed and immediately provided to consumer as required by s. 40(9) of the Regulation; and failed to return the consumer's deposit pursuant to s. 38 of the Regulation.

Failure to Comply with All-in-Pricing Requirements

- [78] I find the appellants failed to comply with the all-in-pricing requirements and itemize charges on the bill of sale. Consumer H testified that he was interested in buying a 2015 Toyota Corolla and went into the dealership on November 22, 2022, where he signed a financing application and provided a \$1,000 deposit for the vehicle. Consumer H testified that the on-line advertised price for the vehicle was \$13,888 plus tax which was confirmed by the advertisement. Consumer H was interested in buying the vehicle and agreed to purchase the premium safety package at a cost of \$999 which equals \$14,887. However, when he went into the dealership to take ownership of the vehicle on November 26, 2022, he was presented with a bill of sale and loan documentation which listed the sale price as \$15,988 (a difference of \$1,101) plus an extra \$2,999 for a warranty and an interest rate on the loan agreement he did not agree to. I find the total sale price listed on the bill of sale was not the same price as advertised. Further, there was

no explanation on the bill of sale to explain the difference in price, nor did the bill of sale itemize the charges as required. Consequently, I find the appellants failed to comply with s. 36(7) of the Regulation.

Failure to Complete Bill of Sale and Furnishing and Falsifying Information

[79] Consumer H testified that he did not sign a bill of sale when he took ownership of the vehicle. Based on the evidence before me I find Consumer H's version of events unreliable because he signed the loan documents, provided the appellants with a void cheque to take out payments and had insurance lined up for the vehicle. Although I find that it is likely that the consumer was initially misled about the price of the vehicle and the interest rate on the loan there is insufficient evidence before me to support that a bill of sale was not completed. Nor is there enough evidence before me to support that he was not provided with a copy of same. Further, the only bill of sale before me regarding this transaction disclosed the accident details and has the consumer's signature which is the same signature on the loan and warranty documents. Therefore, I do not have enough evidence before me to support that the appellants failed to complete a bill of sale and provide same to the consumer. Nor is there sufficient evidence to support that the appellants furnished and falsified information regarding this transaction.

Failure to Return Deposit

[80] Consumer H testified that when he went to the dealership on November 26, 2022, he brought \$9,000 cash for a deposit, a void cheque and proof of insurance. He submits that the appellants took his \$9,000 to count, but that upon seeing the bill of sale he noticed that the price of the vehicle was not as advertised so he told the appellants he did not want to proceed with the transaction and requested the return of his \$10,000 which the appellants refused. He testified that he called the police who told him that they could not help him. Because the appellants refused to give him his money back, he felt forced to sign the loan documents and take ownership of the vehicle. I find Consumer H's testimony unreliable because I do not find it logical that a person would give \$9,000 cash to someone to count prior to reviewing and signing the loan documentation and bill of sale. For this reason, I do not find the consumer's version of events logical. Further, it conflicts with the fact he did sign the loan document and as per my finding above he likely also signed the bill of sale. For these reasons, I find the respondent has failed to prove this allegation.

Summary: The past conduct of the appellants affords reasonable grounds for belief that they will not carry on business in accordance with the law and with integrity and honesty

- [81] For the above noted reasons, I find the respondent has proven reasonable grounds for belief that the appellants conduct in relation to some of the above transactions affords reasonable grounds for belief that their business will not be carried out in accordance with the law and with integrity and honesty. I have determined that the appellants have forged consumer's signatures on bills of sale and/or mock bills of sale, failed to remit a deposit, failed to disclose the vehicles accident history and delivered vehicles to consumers which were not road worthy. I have also determined that they failed to comply with the all-in pricing requirements and itemize charges on bills of sale, and failed to provide copies of bills of sale and warranty documents to consumers. I agree with the respondent that they have displayed a pattern of deceptive business practices in the sale of vehicles as some of the consumers were not fully aware of the details of the transaction until it was too late.
- [82] The appellants argue that the conduct of the salesperson S. Samarah cannot be considered in respect of their past conduct. I find this unsupported by the *Act*. Section 23 of the *Act* supports that a motor vehicle dealer shall ensure that every salesperson employed by them is carrying out his or her duties in compliance with the *Act*. The corporate appellant was bound by this duty, and, in its past conduct in respect of these transactions, failed in this duty. The individual appellants are the owner and business manager of the corporate appellant. The corporate and individual appellants are interested persons in respect of each other. As a result, I find S. Samarah's conduct is attributable to the appellants for the purpose of this analysis. I have also determined that O. Samarah is directly responsible for not abiding by the *Act* and *Regulations* in certain transactions.
- [83] For these reasons, I find that the individual appellants and the corporate appellant, are disentitled to registration in accordance with s. 6(1)(d)(iii) of the *Act*.

I find the corporate appellant is in breach of the terms and conditions of its registration

- [84] In its NOP the respondent alleges that the corporate appellant breached the following terms and conditions of its registration dated April 14, 2015:
- 19: To ensure all trades in motor vehicles are completed in accordance with section 30 of the MVDA [the Act] and pursuant to sections 39, 40, 41, 42 and 43 of Regulation 333/08.

20: To disclose all material facts about the motor vehicles for purchase or lease to its customers.

23: To accept full responsibility for the quality of any repairs or alterations to a motor vehicle completed by [Royal Fine Motors], its affiliated repair facilities or anyone acting on its behalf.

[85] Based on the reasons already noted above, I find the corporate appellant (through the actions of the individual appellants) breached the terms and conditions of its registration. For example, I have determined that the appellants and/or their employee have breached ss. 39, 40 and 42 of the Regulation regarding various transactions. Further, I have found that they failed to disclose material facts about vehicles sold to consumers and failed to accept full responsibility for the quality of repairs to a vehicle. Therefore, I find the corporate appellant has breached terms 19, 20 and 23 of the terms of its registration, which disentitles it to registration pursuant to s. 6(1)(f) of the *Act*.

I direct the respondent to carry out the NOP.

[86] The Tribunal has the statutory discretion to consider an appellant's circumstances where they have been found not to be entitled to registration, and determine whether the public interest requires outright revocation or whether the purpose of the *Act* can be adequately protected through imposition of conditions.

[87] The *Act* has two broad purposes: first, to provide protection to consumers; and second, to promote professionalism amongst dealers and salespeople within the automobile industry.

[88] To summarize, the conduct of the appellants consists of failing to disclose the vehicles' accident history and damage, failing to comply with all-in-pricing requirements and itemize charges on bills of sale and falsifying documents pertaining to the sale of vehicles.

[89] The respondent argues that terms and conditions are not appropriate in this case because the appellants registrations were already subject to terms and conditions which the appellants ignored. Moreover, the appellants have displayed a pattern of deceptive business practices by tricking the various consumers into transactions which has resulted in consumer harm. The respondent also maintains that the appellants have been reminded by OMVIC audits and inspections on more than a few occasions of the importance of complying with the *Act* and Regulations, which were confirmed by audit inspection reports.

- [90] In support of its position that terms and conditions are not appropriate, the respondent relies on two decisions of the Divisional Court in 1855456 *Ontario In. v. Registrar, Motor Vehicle Dealers Act*, 2002, 2021 ONSC 2905 (“1855456”) and *Toronto Quality Motors v. Registrar, Motor Vehicle Dealers Act*, 2022 ONSC 645 (CanLII) (“Toronto Quality Motors”). Both decisions upheld the decisions of this Tribunal revoking an appellant’s registration. The respondent submits that the appellants conduct in 1855456 was less severe than the case before me as it only involved two consumer complaints and the court agreed that the remedy was appropriate. Further, in *Toronto Quality Motors* the conduct of the appellant was similar to the conduct of the appellants in this case and revocation was deemed to be the appropriate penalty.
- [91] The appellants argue that a decision to not grant registration should only be considered in the most severe circumstances. Both O. Samarah and Karra testified that if the Tribunal decides not to grant them registration it would have serious financial consequences on them personally as well as their business. Further, they both have a prior clean history as salespeople in the industry which was confirmed by the testimony of two former colleagues of both appellants. I also heard from two repeat consumers who have had nothing but positive experiences with the dealership. Further, they expressed that they are willing to abide by any terms or conditions the Tribunal deems necessary such as’ additional training and monitoring or a suspension.
- [92] The appellants submit that I should consider imposing terms and conditions as opposed to upholding the NOP revoking their registration. The appellants relied on the Tribunal’s decision in *Premium Cars Wholesale Limited, Hussein Shahnematollah Yazde, Daniel Amirjani v. Registrar, Motor Vehicle Dealers Act*, 2002, 2020 CanLII 27360 (ON LAT) (“Premium”) where the adjudicator ordered a suspension as opposed to revocation or imposing terms and conditions. The appellants submit that this decision involved allegations of similar conduct to the present case. The appellants also assert that they mitigated consumer harm once they became aware of complaints as in two of the transactions, they took the vehicle back and rescinded the contract and in another they refunded a portion of money to the consumer.

[93] Although I find *Premium* helpful as far as setting out alternatives to revocation. I am not convinced that terms and conditions or a suspension are appropriate for the following reasons:

- i) First, I find the appellants have been given prior reminders about complying with the *Act* and Regulation through OMVIC audits. Yet, the appellants ignored these reminders. As a result, I am not convinced that additional training will ensure their compliance with the *Act* and Regulation in the future.
- ii) Second, I find that the appellants only resolved some of the consumer complaints after OMVIC became involved which I find demonstrates a lack of genuine concern for consumer complaints and accountability for their conduct. Had the appellants resolved things immediately when the consumers first raised a complaint their actions regarding resolution would have carried more weight. Further, to date some of the consumer complaints have yet to be resolved and they have placed the blame for their conduct on the consumers.
- iii) Third, I have considered the testimony of the two consumers who have had positive experiences with the dealership. However, I find the fact that two consumers have had positive experience does little to justify what transpired in the above-noted transactions. I have also reflected on the evidence of both of the appellants' former colleagues, who testified that they have acted in accordance with the law with honesty and integrity in their previous positions at dealerships. Of significance, I find the appellants were not in power or control of the day-to-day operations in their former positions, where there were strict rules around compliance with the *Act* and Regulations. As a result, there were checks to ensure compliance, of which there have been none in the present case.
- iv) Finally, I find the appellants have demonstrated a lack of control over the conduct of their employee. O. Samarah testified that when he became aware of S. Samarah's actions, he talked to him. I am concerned that to date, the appellants have not taken any action in dealing with S. Samarah's misconduct. Despite admitting to forging two consumer signatures, he is still employed with the dealership and there is no evidence before me that S. Samarah has ever been formally disciplined which shows the appellants did not take the misconduct seriously. Further, the appellants showed a lack of accountability by using S. Samarah as a shield against accepting responsibility. I do not see how terms and conditions, or a suspension are appropriate based on the appellant's inaction in this manner. For these reasons, I find the public interest cannot be protected with terms and conditions or a suspension.

[94] For these reasons, I direct the respondent to carry out the NOP.

ORDER

[95] For the reasons set out above, pursuant to s. 9(5) of the *Act*, I direct the Registrar to carry out the NOP and revoke the registrations of the appellants.

Released: April 30, 2024



**Rebecca Hines
Adjudicator**