

DISCIPLINE DECISION

REVIEWING PANEL: Sherry Darvish, Discipline Tribunal Chair, Public Member
Mike Ball, Registrant
Chris Pinelli, Registrant

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

BETWEEN:

**ONTARIO MOTOR VEHICLE
INDUSTRY COUNCIL**

- and -

CHAOYI MIAO

- and -

AO LI

This matter proceeded by way of Rule 1.07 of the Rules of Practice before the Discipline Tribunal and the Appeals Tribunal. This Reviewing Panel has reviewed and considered written materials from the Parties together with a waiver of the requirement for an oral hearing and hereby makes the following Order:

Date of Decision: March 13, 2025

Findings: Alpha League Inc. (the “Dealer”) has breached the following:

- Sections 6(1), 8(2), and 9(3) of the Code of Ethics, O. Reg. 332/08

Chaoyi Miao has breached the following:

- Sections 6(2), 8(2), and 9(3) of the Code of Ethics, O. Reg. 332/08

Ao Li has breached the following:

- Sections 6(2), 8(2), and 9(3) of the Code of Ethics, O. Reg. 332/08

Order:

1. Alpha League Inc. (the “Dealer”) shall pay a fine in the amount of **\$2,500** no later than ninety (90) calendar days from the date of the Discipline Tribunal’s Order.
2. Chaoyi Miao (“Miao”) shall successfully complete the MVDA Key Elements Course no later than ninety (90) calendar days from the date of the Discipline Tribunal’s Order.
3. Ao Li (“Li”) shall successfully complete the MVDA Key Elements Course no later than ninety (90) calendar days from the date of the Discipline Tribunal’s Order.
4. The Dealer shall **offer** to all current and future salespersons, employed by the Dealer, to **fund** their completion of the Automotive Certification Course, no later than ninety (90) calendar days from the date of the Discipline Tribunal’s Order.

Overview

This matter proceeded on the basis of an Agreed Statement of Facts, date January 28, 2025, a jointly proposed disposition and a waiver of oral hearing, pursuant to Rule 1.07 of the Rules of Practice before the Discipline Tribunal and the Appeals Tribunal. The Agreed Statement of Facts states in relevant part as follows:

The allegations concerning section 9(1) of the Code of Ethics, contained in paragraphs 21, 22, and 23 of the Notice of Complaint (“NOC”) dated April 28, 2024, are hereby withdrawn.

Amendment:

1. The NOC is amended to reflect that the Ontario Motor Vehicle Industry Council (“OMVIC”) replaces the Registrar, *Motor Vehicle Dealers Act, 2002* as a party to this proceeding.

Background:

2. Alpha League Inc. (the “Dealer”) was first registered as a motor vehicle dealer in and around January 2019.
3. Chaoyi Miao (“Miao”), also known as “Troy”, was first registered as a salesperson in and around April 2019. At all material times, Miao has been a Director and a Person in Charge of the day-to-day activities of the Dealer.
4. Ao Li (“Li”), also known as “Leo”, was first registered as a salesperson in and around October 2014. At all material times, Li has been the General Manager, a Director, and a Person in Charge of the day-to-day activities of the Dealer.

Dealer's Non-Compliance:

5. On or about August 30, 2023, a consumer (the "Consumer") filed a complaint against the Dealer. The Consumer stated, *inter alia*, that he had paid a deposit of \$1,000 to the Dealer for the purchase of a 2021 Toyota Sienna LE (VIN# *048233) without signing a bill of sale, and that the Dealer refused to refund the deposit upon the Consumer's request.
6. On or about September 8, 2023, after being advised by a representative of the Registrar ("Representative A"), the Consumer sent an e-mail to the Dealer, requesting a refund of the deposit. Miao, acting on behalf of the Dealer, replied on or about the same date and refused the request.
7. On or about October 11, 2023, another representative of the Registrar ("Representative B") reached out to the Dealer via e-mail, requesting a letter outlining the Dealer's position with regards to the Consumer's complaint.
8. On or about October 12, 2023, Miao, acting on behalf of the Dealer, confirmed with Representative B that there was no bill of sale signed by the Consumer and the Dealer. However, Miao provided materials showing that there was nonetheless an agreement between the Consumer and the Dealer and that the Consumer was attempting to back out of the agreement.
9. On or about the same date, Representative B informed Miao of the Dealer's obligation under s. 38 of O. Reg. 333/08 to refund the Consumer's deposit upon request when there is no bill of sale signed by the Consumer and the Dealer.
10. On or about October 16, 2023, Miao, acting on behalf of the Dealer, informed Representative B that the Dealer was willing to provide a refund of the \$1,000 deposit, but a separate invoice would be issued to the Consumer to cover the safety certificate for backing out of the purchase agreement. In addition, the Consumer must sign a waiver stating that the dispute was resolved and that neither party would take further action.
11. On or about October 17, 2023, Representative B informed Miao that the Dealer did not have the right to require the Consumer to sign a waiver or pay additional money in order to obtain a refund of the deposit.
12. On or about the same date, Miao, acting on behalf of the Dealer, stated to Representative B that the "offer" mentioned in the October 16, 2023 e-mail was actually made up of three separate offers, neither one of which imposed a restriction on the other. This statement created the impression that the Dealer was willing to provide the Consumer with a refund of the deposit without further conditions.
13. Further correspondence between Representative B, Miao, and Representative A from around October 17, 2023 to October 25, 2023 did not result in any change in the Dealer's proposed offer to the Consumer.
14. On or about October 30, 2023, Representative B advised the Consumer that the Dealer was willing to refund the deposit. Representative B then requested the Dealer to provide a photocopy of the refund cheque and tracking information for the cheque being couriered to the Consumer.
15. On or about the same date, Miao, on behalf of the Dealer, alleged that Representative B misinterpreted the Dealer's offer and insisted that the Consumer visit the Dealer's premises in-person if the Consumer wished to accept the Dealer's offer.
16. Further correspondence between Representative A and the Dealer from October 31, 2023 to November 6, 2023 resulted in no change to the Dealer's position.

17. On or about November 9, 2023, Representative B informed the Consumer of the Dealer's final position and advised that the Dealer was in breach of the Act by doing so. The Consumer informed Representative B that he would set up an appointment with the Dealer.
18. On or about November 22, 2023, Representative B reached out to the Consumer to discuss the case. The Consumer informed Representative B that the Dealer was not willing to refund the deposit unless the Consumer was willing to pay for the safety certificate and associated repairs for the vehicle.
19. On or about the same date, the Consumer informed Representative B that he would be paying \$100 towards the safety certificate and associated repairs after negotiations with the Dealer. The Dealer, however, insisted that the Consumer sign a waiver acknowledging that that Consumer breached the agreement, to which the Consumer refused.
20. On or about January 10, 2024, Miao, on behalf of the Dealer, informed Representative A that the parties had signed a Dispute Resolution Agreement. The Dealer agreed to refund the \$1,000 deposit, while the consumer would pay the Dealer \$100 plus tax for 50% of the costs of the safety certificate and associated repairs. The Dispute Resolution Agreement also stipulated that both parties would waive their rights to take further formal action against each other or to make comments on each other in public or online with regards to this dispute.
21. On or about January 11, 2024, the Consumer informed Representative B that he had signed the Dispute Resolution Agreement provided by the Dealer, received the \$1,000 refund, and paid \$100 plus tax for 50% of the costs of the safety certificate and associated repairs.
22. The Dealer's conduct with respect to the \$1,000 deposit paid by the consumer is a contravention of section 38 of O. Reg. 333/08, along with sections 6(1), 8(2), and 9(3) of the Code of Ethics.

Miao's Non-Compliance:

23. As a Person in Charge of the day-to-day activities of the Dealer and the salesperson representing the Dealer in communications with the Consumer and OMVIC, Miao failed to ensure that the Dealer conducted its business in compliance with the Act, its regulations, and the Code of Ethics and thus personally contravened sections 6(2), 8(2), and 9(3) of the Code of Ethics.

Li's Non-Compliance:

24. As a Person in Charge of the day-to-day activities of the Dealer, Li failed to ensure that the Dealer conducted its business in compliance with the Act, its regulations, and the Code of Ethics and this personally contravened sections 6(2), 8(2), and 9(3) of the Code of Ethics.
25. As particularized above, the Dealer has violated the following section of the Code of Ethics:

Accountability

s. 6(1) A registered motor vehicle dealer shall ensure that every registered salesperson that the dealer employs or retains to act as a salesperson carries out his or her duties in compliance with this Regulation.

26. As particularized above, the Dealer, Miao, and Li have violated the following sections of the Code of Ethics:

Respect

s. 8(2) Registrants shall carry on business ethically and with respect for the rights and interests of the persons with whom they do business.

Professionalism

s. 9(3) A registrant shall use the registrant's best efforts to prevent error, misrepresentation, fraud or any unethical practice in respect of a trade in a motor vehicle.

27. As particularized above, Miao and Li have violated the following section of the Code of Ethics:

Accountability

s. 6(2) A registered salesperson shall not do or omit to do anything that causes the registered motor vehicle dealer who employs or retains the salesperson to contravene this Regulation or any applicable law with respect to trading in motor vehicles.

Decision of the Reviewing Panel

Having reviewed and considered the Agreed Statement of Facts and written submissions provided by the Parties, the Reviewing Panel is satisfied that the evidence contained in the Agreed Statement of Facts substantiates the allegations that: (1) the Dealer has breached subsections 6(1), 8(2), and 9(3) of the OMVIC Code of Ethics; (2) Miao has breached subsections 6(2), 8(2), and 9(3) of the OMVIC Code of Ethics; (3) Li has breached subsections 6(2), 8(2), and 9(3) of the OMVIC Code of Ethics;

The Reviewing Panel accepted the parties' proposed resolution for the reasons below.

Reasons for Decision

The Reviewing Panel received and considered comprehensive written materials from the parties and was left satisfied that the proposed resolution has no risk of being contrary to the public interest. The outcome is clearly connected to the admitted breaches of the Code of Ethics and consistent with other outcomes ordered in this Tribunal in similar cases. In such circumstances, disposition under Rule 1.07 is appropriate and ordered accordingly.

Ontario Motor Vehicle Industry Council
Discipline Tribunal

Dated: March 13, 2025

S. Darvish

Sherry Darvish, Discipline Tribunal Chair,
Public member
On behalf of:

Chris Pinelli, Registrant
Mike Ball, Registrant

