



**Citation: 1846117 Ontario Corp. o/a Platinum Automotive Group v. Registrar,  
Motor Vehicle Dealers Act, 2002, 2025 ONLAT 17106/MVDA**

**Licence Appeal Tribunal File Number: 17106/MVDA**

In the matter of an appeal from a Notice of Proposal under the *Motor Vehicle Dealers Act, 2002*, S.O 2002, c. 30, Sch. B (the “Act”), to refuse registration.

Between:

**1846117 Ontario Corp. o/a Platinum Automotive Group**

**Appellant**

and

**Registrar, *Motor Vehicle Dealers Act, 2002***

**Respondent**

## **DECISION**

**ADJUDICATOR:** Caley Howard

### **APPEARANCES:**

For the Appellant: Nancy Tourgis, Counsel  
Melvyn Solmon, Counsel  
Symon Zucker, Counsel

For the Respondent: Jane Samler, Counsel

Hearing Reporters: Alyssa Scott  
Karen Bridgman

## OVERVIEW

- [1] 1846117 Ontario Corp. o/a Platinum Automotive Group (the “appellant” or “PAG”) appeals a Notice of Proposal to Refuse Registration dated April 27, 2025 (“NOP”), and Notice of Further and Other Particulars dated September 24, 2025 (“NFOP”), issued by the Registrar, Motor Vehicle Dealers Act, 2002 (the “respondent”).
- [2] The appellant was first registered as a motor vehicle dealer in 2011. The appellant did not submit an application to renew prior to the expiration of its registration on October 24, 2024 and its registration expired on that date. The appellant submitted a re-application form on October 25, 2024. The respondent issued the NOP on April 27, 2025.

## ISSUES

- [3] The issues in dispute are:
- i. Has the respondent established that the past conduct of officers/directors Seima Zahiri and Arman Jalili and/or “interested persons” Shaun Jalili and Platinum Cars Inc. (“PCI”) affords reasonable grounds for belief that the appellant’s business will not be carried on in accordance with the law, and with integrity and honesty, pursuant to s. 6(1)(d)(iii) of the *Motor Vehicle Dealers Act, 2002*, S.O 2002, c. 30, Sch. B (the “Act”)?
  - ii. Has the respondent established that having regard to the financial position of any or all of the appellant, the officers/directors Seima Zahiri and Arman Jalili, and/or interested persons Shaun Jalili and PCI, the appellant cannot reasonably be expected to be financially responsible in the conduct of its business, and therefore the appellant is disentitled to registration pursuant to ss. 6(1)(d)(i) and (ii) of the Act?
  - iii. Has the respondent established that false and misleading statements made by or on behalf of officers/directors Seima Zahiri and/or Arman Jalili in relation to the appellant’s applications for registration, disentitle the appellant to registration pursuant to s. 6(1)(d)(iv) of the Act?
  - iv. Has the respondent established that the appellant, or officers/directors Seima Zahiri and Arman Jalili failed to comply with requests for information made on behalf of the respondent, and therefore the appellant is disentitled to registration pursuant to s. 6(1)(g) of the Act?

- v. Has the respondent established that the activities of the appellant, officers/directors Seima Zahiri and Arman Jalili and/or interested persons Shaun Jalili and PCI, in respect of continued trading in motor vehicles, are in contravention of the Act or its regulations, which disentitles the appellant to registration pursuant to s. 6(1)(e) of the Act?
- vi. If the answer to any of the above is yes, is the proposed refusal of the appellant's registration as a motor vehicle dealer the appropriate outcome?

## RESULT

[4] I find that:

- i. Shaun Jalili and PCI are interested persons in respect of the appellant;
- ii. The respondent has proven that the past conduct of officers/directors Arman Jalili and Seima Zahiri affords reasonable grounds for belief that the business of the appellant will not be conducted in accordance with the law and with honesty and integrity, thereby disentitling the appellant to registration;
- iii. The respondent has not proven that the past conduct of Shaun Jalili or PCI affords reasonable grounds for belief that the business of the appellant will not be conducted in accordance with the law and with honesty and integrity;
- iv. The respondent has not proven that, having regard to the financial position of any or all of Arman Jalili, Seima Zahiri, Shaun Jalili and PCI, the appellant cannot reasonably be expected to be financially responsible in the conduct of its business;
- v. The respondent has proven that Arman Jalili and Seima Zahiri made false statements in support of the appellant's applications for registration and renewal;
- vi. The respondent has proven that Arman Jalili or Seima Zahiri failed to comply with requests for information made on behalf of the respondent; and
- vii. The respondent has not proven that the conduct of Arman Jalili, Seima Zahiri, Shaun Jalili or PCI amounts to the continued trade of motor vehicles in Ontario in contravention of the Act or its regulations.

- [5] Given my findings above, I find it appropriate to direct the respondent to approve the appellant's application, with conditions. While submissions were made seeking to order the reinstatement of the individual registration of Arman Jalili and Seima Zahiri, I decline to do so on the basis that they are not parties to this appeal and their individual registrations are not properly before the Tribunal as part of this appeal.

## PROCEDURAL ISSUES

### ***Appellant's motion to prevent the respondent from relying on the Notice of Further and Other Particulars ("NFOP")***

- [6] On the first day of the hearing, the appellant brought a motion seeking to prevent the respondent from relying on the NFOP, which was dated September 24, 2025, but which the appellant did not receive until September 29, 2025, due to its late production.
- [7] The appellant submitted that the late production was prejudicial as it had not had the opportunity to amend its Notice of Appeal in response to the new allegations set out in the NFOP.
- [8] The respondent submitted that the NFOP had been produced to address certain information and documents that the appellant had produced after the document production deadline.
- [9] I ordered that the respondent may rely on the NFOP.
- [10] I found that the NFOP was produced in late September 2025 in response to documents that the appellant disclosed to the respondent in this proceeding on September 11, 2025, which was itself after the disclosure deadline set out in the Case Conference Report and Order. I found that the late production in this case was prejudicial to the appellant. However, as there were four days off prior to the second day of the hearing, I ordered that the respondent could rely on the NFOP, but that the appellant could provide a further amended Notice of Appeal if they wished. I further ordered that the appellant would have the opportunity to file further documents in response to the NFOP and substitute a different witness for one of their listed witnesses, should it require a different witness to address the allegations in the NFOP. I found that this would allow the appellant to adequately prepare for the hearing and remedy the prejudice caused by the late-produced NFOP.

***Respondent's motion to call more witnesses than the number set out in the case conference report and order***

- [11] At the case conference on June 20, 2025, the Tribunal limited the number of witnesses that each party would be permitted to call at the hearing. The respondent was limited to seven witnesses and the appellant was limited to four witnesses. On the first day of the hearing, the parties arrived with the intention of calling 13 witnesses each and suggested that they would require additional hearing days. However, the appellant made no submissions with respect to its need to call additional witnesses and stated that it was content to be held to the four-person limit set out in the case conference report and order and withdrew its request for more witnesses. However, the respondent wanted to increase their number of witnesses.
- [12] The respondent submitted that all 13 witnesses that it had included on its list were necessary, that none were duplicative and that most of the testimony would deal with communications back and forth between the parties. The respondent submitted that six of its proposed witnesses had evidence relevant to alleged transactions that the appellant entered into at a time when it was not registered.
- [13] I found that increasing the number of witnesses would require more than the five days scheduled for the hearing and would therefore require an adjournment, which would prejudice the appellant. I ordered that the parties would be held to the limits set out in the Case Conference Report and Order and reminded the parties that the Tribunal can consider documentary evidence that has not been introduced by a witness. I also set out a schedule for the five days of the hearing, to ensure that both parties would have time with each witness.

***Appellant's motion to exclude the affidavit of Mike Bernard, sworn in another proceeding***

- [14] The respondent produced Volume 10 of its document brief in late September, 2025. Due to a technical problem, the appellant did not receive Volume 10 until September 29, 2025, two days prior to the hearing. Volume 10 contained the affidavit of Mike Bernard, which was sworn in an action between TD Bank and the appellant. On day two of the hearing, the respondent sought to introduce the affidavit as evidence through its witness, Ontario Motor Vehicle Industry Council (OMVIC) representative Thaya Gengatharan, as part of OMVIC's file related to the appellant. The appellant objected.
- [15] The respondent submitted that it was not aware of the action between TD Bank and the appellant until September 2025 and so produced the affidavit as early as

it was able in the circumstances. The respondent also submitted that as a party to the action with TD Bank, the contents of the affidavit were within the knowledge of the appellants.

- [16] The appellant submitted that neither Mr. Bernard, nor another representative of TD Bank could be produced for cross examination at this late date. In addition, the appellant submitted that as the action in which Mr. Bernard swore the affidavit had settled, the appellant did not have the opportunity to respond to the affidavit or to cross-examine Mr. Bernard in that action either. The appellant submitted that it would be prejudiced if the respondent was permitted to rely on the affidavit in these circumstances.
- [17] I found that given the late production and the lack of opportunity to respond to the affidavit or cross-examine Mr. Bernard, that the prejudice to the appellant in allowing the respondent to rely on the affidavit was significant. I ordered that the affidavit in its entirety would not be marked as an exhibit. However, there were various documents attached to the affidavit. I ordered that the respondent could put the individual documents to a witness if the documents could be identified by that witness.

### ***Respondent's motion to exclude privileged documents***

- [18] On the second day of the hearing, the respondent brought a motion to exclude certain documents relating to the negotiation between the parties of terms and conditions under which the appellant could become registered. The respondent relied on s. 15(2) of the *Statutory Powers Procedure Act*, which states that nothing is admissible in evidence at a hearing if it would be inadmissible in a court by reason of any privilege under the law of evidence. The respondent acknowledged that the documents in question were not marked "without prejudice" but that they were subject to settlement privilege regardless. The respondent relied on the Supreme Court of Canada's decision in *Sable Offshore Energy v. Ameron International* 2013 SCC 37 (CanLII) ("*Sable*").
- [19] The three part test for establishing settlement privilege requires:
- (1) A litigious dispute is in existence or within contemplation;
  - (2) The communications were made with the understanding that they would not be disclosed to the court if the negotiations failed; and
  - (3) The purpose of the communication was to attempt to effect a settlement.

- [20] The Tribunal must examine the communications between the parties as a whole, in context, in order to determine if settlement privilege applies.
- [21] The appellant argued that the documents in question were not privileged and relied on the Superior Court of Justice decision in *East Guardian SPV v. Mazur*, 2014 ONSC 6403 (CanLII) ("*East Guardian*"), which, it argued, pertained to similar documents to those in question. The Court in *East Guardian* found that the subjective belief of one party that a litigious dispute was within contemplation is not sufficient to meet the test.
- [22] In the alternative, the appellant argued that the respondent should be deemed to have waived its privilege in the relevant documents and relied on the Divisional Court decision of *Roynat Capital Inc. v. Repeatseat Ltd.*, 2015 ONSC 1108 (CanLII) ("*Roynat*").
- [23] I found that the test for settlement privilege was met in these circumstances. The communications in question occurred between counsel after the appellant's registration had expired and the respondent had concerns about the appellant's re-application for registration. I found that it would have been within the contemplation of both parties at that point that if the negotiation failed, this proceeding would be the result. The negotiation of terms and conditions was an attempt to reach a settlement or compromise under which the appellant could be registered and the parties could avoid this hearing. In that context, I find that the communications would have been made with the understanding that they would not be disclosed to the court if the negotiations failed. While the communications were not marked "without prejudice", that is not determinative. I found that on an examination of the communications as a whole, that settlement privilege applied.
- [24] In *Roynat*, the Court described how the principles of fairness and consistency guide when waiver of privilege is deemed to occur, stating that deemed waiver is limited to circumstances where the relevance of the evidence in question is high, and the principles of fairness and consistency require disclosure.
- [25] I was not persuaded that the documents in question in this situation, which related to the negotiation of terms and conditions between the parties, was highly relevant to the issues in dispute. I found that the principles of fairness and consistency did not require deemed disclosure in order to allow the appellant to adequately respond to the allegations in the NOP and the NOFP.
- [26] As a result, I ordered that the documents addressing the parties' negotiation of terms and conditions would not be admitted and would not be marked as exhibits.

***Appellant's motion for additional time to cross-examine Ms. Gengatharan***

- [27] At the end of the second day of the hearing, the appellant brought a motion seeking an additional two hours to cross-examine the respondent's witness, Ms. Gengatharan, which it submitted would require an additional hearing day. The appellant cited Rule 10.1(b) of the *Statutory Powers Procedure Act*, which states that a party may conduct cross-examinations of witnesses at a hearing reasonably required for a full and fair disclosure of all matters relevant to the issues in the proceeding. The appellant also relied on the decision of *Plante v. Economical Insurance Company*, 2024 ONSC 7171 and submitted that it was entitled to additional time to cross-examine the witness as it was relevant to the appellant's case.
- [28] The respondent did not agree to extending the appellant's time to cross-examine Ms. Gengatharan, as time restrictions had been placed on both parties.
- [29] I found that s. 10.1(b) of the *Statutory Powers Procedure Act* does not prevent the Tribunal from placing reasonable time limits on the cross-examination of witnesses. I set out the schedule for the hearing on October 1, 2025, based on the submissions of the parties and the relative time they wanted to spend with each witness. The cross-examination of Ms. Gengatharan occurred on October 6, 2025. I found that the appellant had sufficient time to plan its cross-examination with the time limits in mind. I limited the time for all witnesses in the hearing, which I found was the most fair and efficient way of proceeding.
- [30] I declined to order an extra hearing day to allow for further cross-examination of Ms. Gengatharan. However, we revisited the schedule for the third day of the hearing and found that it allowed for an additional 30-40 minutes for Ms. Gengatharan's cross-examination.

***Appellant's motion to exclude documents referring to a November 5, 2024 incident***

- [31] On the third day of the hearing, the respondent's witness, Mr. Jeff Donnelly, a representative of OMVIC, testified about an incident that took place at the OMVIC office on November 5, 2024, which resulted in a meeting at which privileged discussions took place. The respondent sought to rely on several OMVIC communications that summarized and followed up on the incident.
- [32] The appellant sought to exclude the documents from evidence on two bases. First, the appellant submitted that the documents were of low relevance and potentially very prejudicial to the appellant. In addition, the appellant submitted

that the documents would amount to a waiver of privilege and would require the appellant to lead evidence with respect to the privileged discussions that took place at the meeting. The appellant submitted that the privileged discussions were the same settlement discussions about which the respondent claimed privilege on the second day of the hearing. The appellant submitted that the respondent was attempting to waive privilege in a piece-meal fashion to exclude the documents that did not support its case while still relying on the documents that did.

[33] The respondent submitted that the documents in question would not amount to a waiver of settlement privilege over the terms and conditions communications.

[34] I was persuaded that the respondent's reliance on documents dealing with the November 5, 2024 incident would require the appellant to respond by leading testimony about the privileged discussions that took place on that date to explain the context. I further found that the relevance of the documents to the issues in dispute was low. In order to preserve the privilege claimed by the respondent surrounding the negotiation of the terms and conditions, I ordered that the documents referring to the November 5, 2024 incident would not be admitted and would not be marked as exhibits.

***Appellant's motion to exclude the June 26, 2025 cease-and-desist letter to Shaun Jalili***

[35] On the third day of the hearing, the appellant sought to exclude from evidence a letter written by Jeff Donnelly, OMVIC representative, who testified at the hearing, to Shaun Jalili. The letter was dated June 26, 2024 and provided notice to Shaun Jalili to cease and desist all communications with Maureen Harquail, Registrar and CEO of OMVIC.

[36] The appellant submitted that the document was not relevant as it referred to conduct of Shaun Jalili, not conduct of the appellant or the appellant's officers, Seima Zahiri or Arman Jalili. The appellant further submitted that as the letter was dated after the NOP, it could not be relevant to the allegations set out therein.

[37] The respondent submitted that Shaun Jalili is an "interested person" referred to in the NOP and, as such, his conduct is at issue in this hearing. The respondent further submits that the letter refers to the conduct of Shaun Jalili over several months.

[38] I was not persuaded to exclude this document on the basis that it was not relevant to the issues in dispute. The NOP alleges that Shaun Jalili is an “interested person” whose conduct affords reasonable grounds for belief that the appellant’s business will not be carried on in accordance with the law and with integrity and honesty. The document is at least somewhat relevant to that issue. I further found that the fact that the letter was dated after the NOP did not render the letter irrelevant as the letter could be related to a continuation of conduct alleged in the NOP.

***Respondent’s motion to exclude Bradley Manning from being called as a witness***

[39] On the fifth day of the hearing, the appellant sought to call Bradley Manning as a witness. Mr. Manning was not on the appellant’s witness list and so the respondent objected to Mr. Manning being called.

[40] The appellant submitted that it did not include Mr. Manning on its witness list as it did not realise his testimony would be relevant until Ms. Gengatharan testified about putting a flag on the appellant’s file in February 2024. It further submitted that it would be prejudiced if it was not able to present Mr. Manning’s independent testimony that OMVIC took steps to prevent the appellant and PCI from transferring vehicles.

[41] The respondent submitted that the fact that there were delays in transferring approximately 300 vehicles owned by PCI after its registration was revoked in February 2024, was not controversial.

[42] I was persuaded to allow Mr. Manning to testify. There was little prejudice to the respondent in allowing his testimony given the brief nature of his anticipated testimony and that the testimony was intended to confirm a procedure that was either not in dispute or was within the knowledge of the respondent. The potential prejudice to the appellant in not allowing Mr. Manning to testify was greater as it was intended to be independent confirmation of the appellant’s position.

***Parties’ motions to rely on chronology and supplemental book of authorities***

[43] At the end of the final day of the hearing, directly before the parties were to deliver their closing submissions, the appellant sought to produce a chronology, which was over 100 pages in length. It had not produced this document to the respondent.

- [44] Similarly, the respondent sought to produce a supplemental book of authorities, which was 185 pages in length. It had not produced this document to the appellant.
- [45] I gave the parties some time to exchange the documents and determine their positions on whether it was appropriate for me to rely on the chronology or the supplemental book of authorities in the circumstances.
- [46] The respondent submitted that it would be prejudiced by the appellant's reliance on its chronology given its length and its late production. The respondent did not have enough time to ensure its accuracy.
- [47] The appellant submitted that it would be prejudiced by the respondent's reliance on its supplemental book of authorities given its late production. The appellant did not have time to review the cases and respond to them.
- [48] In the circumstances, I was persuaded that it would be prejudicial to the respondent to allow the appellant to rely on a written chronology, as it would be akin to allowing only the appellant to make written submissions.
- [49] I was also persuaded that it would be prejudicial to the appellant to allow the respondent to rely on its supplemental book of authorities. The respondent's suggestion that the hearing be adjourned to allow the appellant time to respond to the authorities listed in the supplemental book of authorities would be no less prejudicial to the appellant, who has been unregistered and unable to do business since the expiration of its licence in October 2024.
- [50] I therefore ordered that the parties would not rely on the chronology or on the supplemental book of authorities.

## **ANALYSIS**

### ***Are Shaun Jalili and PCI "interested persons"?***

- [51] I find that both PCI and Shaun Jalili are interested persons in respect of the appellant.
- [52] Section 6(4) of the Act states that a person will be deemed to be an interested person in respect of another person if the person is associated with the other person or if, in the opinion of the Registrar:
- (a) the person has or may have a beneficial interest in the other person's business;

- (b) the person exercises or may exercise control either directly or indirectly over the other person; or
- (c) the person has provided or may have provided financing either directly or indirectly to the other person's business.

- [53] Section 1(2) of the Act states that one person is associated with another person if one person is a corporation of which the other person is an officer or director and also if two persons are associated with the same person.
- [54] The respondent submits that Shaun Jalili and PCI are both "interested persons" with respect to the appellant. It relies on the corporate profile reports for the appellant and PCI, the Director's Certificates for the appellant, PCI, Arman Jalili and Shaun Jalili, and the documents from TD Bank, which outline the loan facility agreement between the bank and the appellant and PCI as well as the repayment of the loan.
- [55] The appellant submits that PCI and Shaun Jalili are not interested persons in respect of the appellant. It submits that while Shaun Jalili was a salesperson for PAG, he was not a controlling mind behind the dealership. It further submits that Shaun Jalili did not provide financing to the appellant within the meaning of the Act. It relies on the testimony of Arman Jalili and John Mpardakis.
- [56] The corporate profile reports show that Arman Jalili has been an officer of the appellant since March 24, 2011 and an officer of PCI since December 7, 2004. I find that Arman Jalili was an officer of both the appellant and PCI, making PCI an associated person, and also an interested person, in respect of the appellant pursuant to s. 1(2) paragraph 7 of the Act.
- [57] The Director's Certificates for the appellant and PCI indicate that they were both motor vehicle dealers approved to operate from the same address, 60 Martin Ross Avenue, Toronto. The Director's Certificate of Shaun Jalili, who is the son of Arman Jalili and Seima Zahiri, shows that Shaun Jalili was in charge of the day-to-day operation of PCI, was an officer and director of PCI and had bank signing authority of PCI. It further shows that Shaun Jalili was registered as a motor vehicles salesperson at the appellant.
- [58] The corporate resolution of the appellant dated May 2, 2018, lists Arman Jalili and Seima Zahiri as Signing officers of the appellant and identifies Shaun Jalili as a signing officer, specifying him as the president of the appellant. I find that Shaun Jalili had the authority to sign banking documents on behalf of the

appellant between May 2, 2018 and October 31, 2024, when a new corporate resolution was signed.

- [59] The loan agreement documents dated March and October 2022 show that the appellant and PCI were co-borrowers on a \$30 million operating loan from TD Bank and that Shaun Jalili and Seima Zahiri were guarantors of the loan. John Mpardakis testified that both PCI and the appellant used the loan to finance the purchase of inventory. I find that by acting as a guarantor of the loan that the appellant used to conduct its business, Shaun Jalili qualifies as an interested person under the Act because he has, or may have, a beneficial interest in the appellant's business, pursuant to s. 6(4)(a) of the Act.

***Does the past conduct of Seima Zahiri, Arman Jalili, Shaun Jalili or PCI afford reasonable grounds for belief that the appellant's business will not be carried on in accordance with the law and with integrity and honesty?***

- [60] I find that the past conduct of Seima Zahiri and Arman Jalili affords reasonable grounds for belief that the appellant's business will not be carried on in accordance with the law and with integrity and honesty.
- [61] Under s. 6(1)(d)(iii), the onus is on the respondent to prove that the past conduct of Seima Zahiri, Arman Jalili or one of the interested parties affords reasonable grounds for belief that the appellant 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 appellant's past conduct makes it more likely than not that their 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 appellant's ability to conduct business under the Act with integrity, honesty, and in accordance with the law.
- [62] The respondent submits that it has shown reasonable grounds for belief based on the following allegations: the appellant, Arman Jalili, Seima Zahiri and the interested persons failed to notify the respondent of certain information in breach of the Act; Arman Jalili and Seima Zahiri, on behalf of the appellant, made false statements in support of their applications for registration; and the appellant has continued to engage in trading motor vehicles after the expiration of its registration, in contravention of the Act. The respondent further relies on the past

behaviour of Shaun Jalili and PCI, which resulted in the revocation of their registrations in February 2024.

- [63] The appellant submits that the respondent has not proven the incidents and allegations set out in the NOP and NOFP and that the respondent erred in failing to treat the October 25, 2024 re-application as a renewal application and has generally behaved unreasonably and in bad faith throughout its dealings with the appellant.

Failure to notify the respondent of certain information

- [64] I find that Arman Jalili and Seima Zahiri did not notify the respondent of certain information, as required by the Act.
- [65] Section 24(1)(b) of the Act requires a motor vehicle dealer that is a corporation to notify the registrar in writing of any change to its officers or directors within five days. Section 31(1)(a) of O. Reg 333/08 (the “regulation”) provides that a registrant under the Act must notify the registrar in writing, within five days, of any change to the information supplied by the registrant for the purpose of obtaining registration.
- [66] The respondent submits that the appellant did not meet the obligations set out above as it did not disclose to the respondent, in its yearly applications for registration, that Arman Jalili was an officer of the appellant between October 21, 2011 and March 2024 and it did not disclose to the respondent that both Arman Jalili and Shaun Jalili had signing authority for the appellant as of May 2018. In support of its position, the respondent relies on: the testimony of Ms. Dicks; the appellant’s October 21, 2011 application for registration; the appellant’s annual renewal application forms; the appellant’s October 25, 2024 re-application form; the appellant’s business change notice dated March 21, 2024; and the appellant’s corporate resolutions dated May 2, 2018 and October 31, 2024.
- [67] The appellant relies on the testimony of Arman Jalili.
- [68] I find that the October 21, 2011 application for registration does not disclose that Arman Jalili was an officer of the appellant. The appellant’s corporate profile report and the appellant’s March 21, 2024 business change notice both indicate that Arman Jalili was an officer of the appellant from the date of incorporation, which was March 24, 2011. The appellant’s renewal applications for the years 2012 to 2022 indicate under officers/ directors/ shareholders only Seima Zahiri.

- [69] I further find that Seima Zahiri was questioned extensively about Arman Jalili's involvement with the dealership upon submitting the original application in 2011. Seima Zahiri notified the respondent at that time that Arman Jalili was retired and was not going to be involved with the appellant in any way. I note that she did disclose at the time that her son, Shaun Jalili, was knowledgeable in the industry and would act as a consultant. Then in 2012, Seima Zahiri disclosed that Shaun Jalili was acting as a vice-president of the appellant.
- [70] Arman Jalili testified that while he was an officer of the appellant, he did not become involved in the day-to-day operation of the appellant until March 2024, after the registration of Shaun Jalili and PCI were revoked. At that time, the appellant took on many of the employees of PCI and there was more work to do.
- [71] I find that the extent of Arman Jalili's involvement in running the appellant is not relevant to whether or not he was an officer of the corporation. I find that the respondent has demonstrated that Seima Zahiri and Arman Jalili did not disclose that Arman Jalili was an officer of the appellant between October 2011 and March 2024, which was contrary to s. 24(1)(b) of the Act.
- [72] Similarly, the original application form and the subsequent renewal forms indicate that Seima Zahiri notified the respondent only that she was a signing officer for the appellant. No changes were indicated on the appellant's renewal applications for the years 2018 to 2022. However, the corporate resolution of the appellant dated May 2, 2018 shows that Arman Jalili and Shaun Jalili were signing officers of the appellant as of that date. I find that the appellant did not notify the respondent that Arman Jalili was a signing officer until the appellant submitted its business change form dated March 21, 2024 and that it did not notify the respondent that Shaun Jalili was a signing officer until the appellant submitted a copy of the May 2, 2018 corporate resolution to the respondent on October 30, 2024. This was in contravention of s. 31(1)(a) of the regulation.

#### False statements in the appellant's applications for registration and renewal

- [73] I find that Seima Zahiri, on behalf of the appellant, made a number of false statements in the appellant's applications for registration and renewal.
- [74] The respondent submits that the appellant's failure to report Arman Jalili as an officer of the appellant and to report Arman Jalili and Shaun Jalili as signing officers, as described above, also constituted Seima Zahiri making false statements on its original application for registration and on 13 subsequent applications for renewal. The respondent further submits that the appellant falsely represented that it had secure financing in place when it submitted its

October 25, 2024 re-application for registration, by providing it with an out-of-date financing agreement and omitting to provide the respondent with the documents related to the bank's demand for repayment or the subsequent forbearance agreements between the appellant and the bank.

- [75] The appellant submits that the respondent had previous knowledge of the financial information that the respondent claims the appellant omitted to provide. The appellant relies on: the affidavits of Shaun Jalili sworn March 15, 2024 and March 28, 2024, filed in Divisional Court in support of Shaun Jalili and PCI's motion for a stay pending appeal of the revocation of their licences; the affidavit of Sam Cosentino, Director-Enforcement for OMVIC, sworn March 25, 2024, and filed in response to the motion of Shaun Jalili and PCI; and the affidavit of Maureen Harquail, Registrar, sworn March 26, 2024, and filed in response to the motion of Shaun Jalili and PCI.
- [76] I find that the correspondence between the appellant and the respondent and the attached documents shows that on November 4, 2024, the appellant, in response to a request for all relevant documents pertaining to business loans, supplied copies of the July 15, 2022 lending agreement between TD Bank, the appellant, PCI and another related company and an amendment to the lending agreement dated October 19, 2022.
- [77] Upon requesting and receiving further documentation from the appellant, it became clear to the respondent that TD Bank had called in the loan and ceased its banking relationship with the appellant and its co-borrowers as of January 2024.
- [78] The appellant's position is that Shaun Jalili and PCI provided to the respondent information and documents relevant to TD Bank's decision to call in the loan in March 2024, in support of their motion for a stay and therefore the appellant was not required to give the respondent the same information in November 2024. I find that the appellant's financial situation was rapidly changing throughout 2024 and into March 2025, when it paid off the loan. Even if it was reasonable for the appellant to assume that the respondent knew about its financial situation in March of 2024, that does not explain why it chose to give the respondent the outdated and incomplete picture of the loan that it supplied to the respondent on November 4, 2024. I find that the documents provided by the appellant to the respondent on November 4, 2024 painted a misleading picture of the appellant's financial situation on that date. I find that this constitutes a false statement made in support of its application for registration.

- [79] I further find that the appellant's failure to report Arman Jalili as an officer of the appellant and to report Arman Jalili and Shaun Jalili as signing officers, as described above, on 13 subsequent applications for renewal provided misleading information to the respondent in support of its various applications for registration. I find that these constitute false statements made in support of the appellant's application for registration.
- [80] Therefore, I find that the respondent has demonstrated that Arman Jalili and Seima Zahiri made false statements in support of their various applications for registration and renewal.

The appellant has not continued to trade in motor vehicles after the expiration of its registration

- [81] I find that the respondent has not demonstrated that the appellant continued to trade in motor vehicles after the expiration of its registration.
- [82] Section 4(1)(a) of the Act prohibits a person from acting as a motor vehicle dealer unless the person is registered as such under the Act. A motor vehicle dealer means a person who trades in motor vehicles or who holds itself out as trading in motor vehicles. The Act defines "trade" as including buying, selling, leasing, advertising or exchanging an interest in a motor vehicle or negotiating or inducing or attempting to induce the buying, selling, leasing or exchanging of an interest in a motor vehicle.
- [83] The parties agree that in about November 2024, Arman Jalili, Seima Zahiri and John Mpardakis went to Montreal to register the appellant as a business in Quebec and obtain the necessary licences to sell motor vehicles in that province. The appellant's inventory was registered in Quebec. Arman Jalili testified that he physically brought the vehicle registrations to a lawyer in Quebec, who handled the Quebec registrations. Some of the vehicles were sold. While the appellant has an office at a motor vehicle dealership in Quebec, Arman Jalili confirmed that it does not have an employee working out of the Quebec office.
- [84] The respondent submits that the inventory was never moved to Quebec and any vehicle that was sold to a customer in Ontario never left Ontario. The respondent relied on documents detailing service in Ontario that was performed on some of the vehicles sold in this manner shortly before their sale. Investigator Patrick Lowell testified that he travelled to the appellant's office in Quebec in about February or March 2025 and was told that he could not view any of the appellant's vehicles at that location as they were located in Ontario.

- [85] The disagreement between the parties is whether the registration of the inventory in Quebec in order to facilitate their sale amounts to a trade in motor vehicles under the Act. The respondent submits that the registration of the vehicle in Quebec, while still owned by the appellant, amounts to an “exchange of interest” and this would qualify as a trade in motor vehicles.
- [86] The appellant submits that the trade in motor vehicles took place in Quebec, not in Ontario and the respondent has no jurisdiction over the trade of motor vehicles outside of Ontario. Shaun Jalili explained to the respondent, by way of emails and telephone calls, that he intended to transfer the inventory of PCI through Quebec in the manner described here. Arman Jalili testified that he learned from Shaun Jalili, at a family gathering, that the respondent had no objections to his plan to sell vehicles in Quebec in the manner described, so he decided to do it as well. The appellant submits that by not informing Shaun Jalili that it considered his plan to amount to the trade of motor vehicles in Ontario, and thus a contravention of the Act, the respondent behaved unreasonably. The appellant submits that it is procedurally unfair for the respondent to pursue the appellant for a plan that the appellant was upfront about, when the respondent could have advised it that the plan was problematic.
- [87] I am not persuaded that the transfer of vehicles through Quebec amounts to a trade of motor vehicles in Ontario. The onus of proof is on the respondent. The respondent did not direct me to any authority to suggest that the registration of a motor vehicle by the appellant in Quebec would amount to buying, selling, leasing, advertising, or an exchange of interest in the motor vehicle. In addition, the respondent’s evidence relating to the allegedly problematic transfers revolved around the fact that the vehicles did not leave Ontario and that some were eventually sold to Ontario customers. The respondent made submissions to the effect that if the appellant wanted to physically move its inventory to Quebec and run a dealership in that province, it would not have jurisdiction over that dealership. These submissions run counter to the submission that the problematic aspect of these transfers was the registration of the vehicles by the appellant in Quebec.
- [88] In addition, the respondent alleges that the appellant concocted the plan as a means of deceitfully and dishonestly circumventing the Act. I find that the appellant was transparent with the respondent about its intention to transfer motor vehicles in this manner. I acknowledge that it was Shaun Jalili who made inquiries with the respondent about the proposed transfers, not Arman Jalili or Seima Zahiri. However, the respondent also alleged that Shaun Jalili was an interested person and was closely involved in running the appellant’s business. I

have found that Shaun Jalili is an interested person in the appellant. Arman Jalili testified that he discussed the Quebec sales plan with Shaun Jalili. In these circumstances, I am not satisfied that Arman Jalili and Seima Zahiri, on behalf of the appellant, were attempting to circumvent the Act in a deceitful or dishonest way. In fact, I find that they were under the impression that the respondent had consented to the plan.

#### Past Conduct of Seima Zahiri and Arman Jalili

- [89] I find that the false statements made in support of the appellant's applications for registration and renewal, and failure to report certain information to the respondent in contravention of the Act, affords reasonable grounds to believe that the appellant's business will not be carried on in accordance with the law and with integrity and honesty, pursuant to s. 6(1)(d)(iii) of the Act.
- [90] The reporting requirements of the Act are vital to enable the Registrar to monitor registrants and enforce the Act.
- [91] I find that, as the only officers of the appellant, it was the responsibility of Arman Jalili and Seima Zahiri to ensure that the appellant met its obligations under the Act, including the obligations to inform the respondent of the identity of its corporate officers and of any changes to its signing officers. I therefore find that their failures to do so as described above establish reasonable grounds for belief that they will not meet their obligations under the Act in the future.
- [92] Therefore, I find that the false and misleading statements made by Arman Jalili and Seima Zahiri in support of the appellant's applications afford the respondent grounds to believe that the appellant's business will not be conducted with integrity and honesty and in accordance with the Act.

#### Past Conduct of Shaun Jalili and PCI

- [93] The respondent relies on the Tribunal decisions revoking the registration of Shaun Jalili and PCI in support of its claim that the past conduct of Shaun Jalili and PCI also afford reasonable grounds to believe that the appellant's business will not be conducted with integrity and honesty and in accordance with the Act. The respondent submits that Shaun Jalili was heavily involved in the appellant's business activities.

- [94] Mr. Mpardakis was the controller for both PCI and the appellant until PCI's registration was revoked in February 2024, at which time he worked solely for the appellant. He continues to work for the appellant on a part-time basis. Mr. Mpardakis testified that Shaun Jalili was in charge of the operation of PCI, which sold vehicles to retail customers, while Arman Jalili and Seima Zahiri were in charge of the operation of the appellant, which only sold vehicles wholesale, primarily to PCI. He further testified that the books of PCI and the appellant were always completely separate from each other and that after the registrations of Shaun Jalili and PCI were revoked, Shaun Jalili worked in an area of the building that remained closed off from Mr. Mpardakis and the remaining staff and they had no contact with Shaun Jalili.
- [95] Arman Jalili testified that he and Seima Zahiri attended at the appellant's offices most days for at least part of the day and that they made the decisions for the appellant, in consultation with each other. He filed the business change application in March 2024 to reflect his increased involvement in the day-to-day operation of the business after the revocation of the registration of PCI and Shaun Jalili. He further testified that he and Seima Zahiri negotiated replacement financing in 2024 when the bank called in its loan, without any help from Shaun Jalili.
- [96] While the appellant and PCI were co-borrowers in the past, this is no longer the case. I have been directed to no evidence that Shaun Jalili continued to be involved in the day-to-day operation of the appellant after his registration was revoked. While the parties agree that Shaun Jalili retained bank signing authority for the appellant until November 2024, Arman Jalili testified that Shaun Jalili never signed any cheques on behalf of the appellant. He further testified that as soon as they realized that Shaun Jalili should be removed as a signing officer, they did so.
- [97] Therefore, I find that the respondent has not established a nexus between the past conduct of Shaun Jalili or PCI and the ability of the appellant to conduct business under the *Act* serving the interests of the public.

#### Respondent's treatment of the October 25, 2024 re-application

- [98] I find that the respondent did not act unreasonably and in bad faith when it required the appellant to re-apply for registration.
- [99] Much of the appellant's evidence at the hearing concentrated on the appellant's allegation that the respondent, unreasonably and in bad faith, required it to re-

apply for registration when its registration expired on October 24, 2024, rather than allow it to submit a renewal application after the registration expiration date.

- [100] The appellant submits that certain pages from OMVIC's website are confusing, and also that it was unable to submit its renewal application on time due to problems with OMVIC's application portal. I find that the OMVIC record of the October 16, 2024 telephone call between Arman Jalili and an OMVIC representative shows that the issue with the portal was resolved at that time, leaving several days for the appellant to complete its application before the expiration date of October 24, 2024.
- [101] The appellant further submits that the testimony of Ms. Dicks and Ms. Gengatharan was not credible on the basis that their answers on cross-examination were not responsive to the questions and that they kept repeating their evidence with respect to the renewal and re-application process "like a mantra."
- [102] The respondent submits that it was following its usual process by requiring the appellant to re-apply and that it gave the appellant sufficient warning respecting the expiration of its registration.
- [103] Both Ms. Dicks and Ms. Gengatharan testified that any application received after the expiration of a registration is treated as a re-application rather than a renewal of an existing registration. I find that the evidence of Ms. Dicks and Ms. Gengatharan was credible. The answers given on cross-examination were responsive to the questions asked. I find that their testimony remained consistent throughout their cross-examination and any repetition of answers was due to repeated questions. I find that the testimony of Ms. Gengatharan and Ms. Dicks was clear that the respondent followed its own procedures when it required the appellant to submit a re-application form rather than a renewal form.
- [104] The appellant asked me to make an adverse inference due to the testimony of Ms. Gengatharan that she placed a flag, or note, on the appellant's file in February 2024, just after the registrations of Shaun Jalili and PCI were revoked. The appellant submits that the fact that the respondent did not advise the appellant of the flag at any time before Ms. Gengatharan's testimony is indicative of the respondent's handling of the appellant's application in a non-transparent and unfair manner. I did not find the presence of the flag relevant to any of the issues to be determined, so I decline to draw any inference due to the fact that it was not disclosed prior to the hearing. The flag was an internal memo that was placed on the file due to the revocations of the registrations of interested persons in respect of the appellant. The appellant agreed that it was aware in February

2024 that the registrations of Shaun Jalili and PCI were revoked. Being aware of that information, I disagree that the appellant would have gained some key insight or changed its behaviour if it knew that there was a note respecting the revoked registrations on its OMVIC file.

- [105] I give significant weight to the emails warning the appellant that its registration would expire on October 24, 2024 if it did not submit a renewal application before that date and the records showing that the respondent allowed its registration to expire in October 2023 as well. I further find that Mr. Mpardakis confirmed that he knew that the registration would expire on October 24, 2024. Although he stated that there was an application for renewal within 60 days on the portal, I find that the document in question was in fact called a re-application within 60 days of expiry. I find that Mr. Mpardakis was not entitled to expect the reapplication process in 2024 to proceed as quickly as it did in 2023, when the respondent was able to review and approve its re-application within a few hours.
- [106] Therefore, I do not find that the respondent's treatment of the appellant's re-application for registration was unfair or non-transparent.

***Having regard to the financial position of the appellant, Seima Zahiri, Arman Jalili, Shaun Jalili or PCI, can the appellant reasonably be expected to be financially responsible in the conduct of its business?***

- [107] I find that the respondent has not proven that the appellant cannot reasonably be expected to be financially responsible in the conduct of its business.
- [108] Section 6(1)(d)(i) and (ii) of the Act provide that an applicant seeking registration is entitled to registration or renewal of their registration unless the applicant is a corporation and:
- (i) having regard to its financial position or the financial position of an interested person in respect of the corporation, the applicant cannot reasonably be expected to be financially responsible in the conduct of its business, or
  - (ii) having regard to the financial position of its officers or directors or an interested person in respect of its officers or directors, the applicant cannot reasonably be expected to be financially responsible in the conduct of its business.
- [109] The onus is on the respondent to prove that the appellant cannot reasonably be expected to be financially responsible in the conduct of its business.

- [110] The respondent submits that in January 2024, the primary lender for the appellant demanded repayment of a \$30 million loan. The appellant was required to negotiate three forbearance agreements with the bank and then negotiated a final repayment in February 2025. The respondent submits that the appellant's inability to operate in a financially responsible manner is demonstrated by: the loan having been called in in January 2024, prior to the bank learning about the revocation of Shaun Jalili and PCI's registrations; the appellant, Arman Jalili and Seima Zahiri being unaware of the reason that the bank called in the loan; and the appellant, Arman Jalili and Seima Zahiri not having repaid the loan by October 2024 when the appellant's registration expired. I note that the respondent did not make submissions about the financial position of Shaun Jalili or PCI or its bearing on the appellant's financial responsibility.
- [111] The appellant submits that the fact that it was able to obtain new financing and repay the \$30 million loan in a little over a year indicates that the appellant is financially responsible. It submits that it would be unusual for a business to have the cash readily available to pay off a loan of \$30 million. It further submits that some of the delay in repaying the loan was caused by the respondent making it more difficult than usual for PCI to sell its inventory at auction after its registration was revoked. The appellant relies on the testimony of Arman Jalili, John Mpardakis and Bradley Manning, manager of Otoame, a wholesale motor vehicle auction.
- [112] Mr. Mpardakis testified in his capacity as the controller of the appellant. He also worked as the controller of PCI until its registration was revoked in February 2024. His role involved keeping a record of transactions and reporting on them to management. During his time working for PCI and the appellant, he was not aware of the appellant being in default of any loan or failing to meet its financial obligations. He testified that he had received correspondence from the bank in January 2022 indicating that the bank was calling in the loan. He testified that the correspondence did not indicate the reason the bank made this decision and at the time of the hearing, he remained unaware of the reason.
- [113] Arman Jalili testified that at the time of the hearing he remained unaware of the reason why the bank decided to call in the loan in January 2022. Arman Jalili testified that the bank was allowed to call in the loan any time, it did so and he and Seima Zahiri simply had to deal with it. He further testified that it took him some time to find alternative financing, which he did, without any assistance from Shaun Jalili, by mortgaging his home and the premises at which the appellant and PCI did business, which is owned by a corporation of which Seima Zahiri is the sole shareholder and officer.

- [114] I find that the appellant conducted business as a wholesale motor vehicle dealer between 2011 and 2024 and there was no evidence that it was in default of any loan or that it otherwise failed to conduct business in a financially responsible manner during that period. Mr. Mpardakis testified that the appellant was audited by the respondent in 2022 and no concerns were noted at that time. I find that the bank was within its rights to call in the loan at any time and it did so. While the bank likely did not do so without a reason, I have not been directed to any evidence that the reason was a default of the appellant. The appellant signed a loan agreement with a co-borrower (PCI) and therefore the appellant is not necessarily responsible for or privy to whatever default or conflict led the bank to call in the loan. While Arman Jalili was an officer of PCI, he testified that he had no involvement with its day-to-day business. I find the testimony of Arman Jalili credible as he has consistently given the same answer to the respondent's inquiries respecting the reason for the bank's demand for repayment, which is supported by the correspondence between the parties. I find that when the loan was called in, Arman Jalili and Seima Zahiri accepted that their relationship with the bank was over and that they would need to obtain new financing.
- [115] I further find that in November 2024, when the respondent first started collecting documents and information relating to the appellant's loan, the appellant's financial situation was in flux. So, while I find that the respondent was right to be concerned in November 2024, at the time that the NOP was issued, the appellant had successfully obtained new financing that was not connected to PCI or Shaun Jalili and had the remaining amount owing to the bank in trust and ready for repayment. The loan was not repaid in February 2025 because a dispute arose between the appellant and the bank respecting fees that the bank claimed the appellant owed. Shortly after the NOP was issued, the commercial dispute was resolved by way of settlement. I agree with the appellant's submission that the appellant, Arman Jalili and Seima Zahiri handled the repayment of the loan in a financially responsible manner. I give weight to Arman Jalili's testimony that when the appellant was no longer able to retain most of their employees, it paid them the severance that they were owed.
- [116] Arman Jalili testified that he tried to meet the obligations set out in the forbearance agreement and subsequent amendments. When he, on behalf of the appellant, was unable to meet milestones for refinancing, repayment and disclosure set out in a forbearance agreement, they negotiated a new agreement. I give significant weight to the testimony of Arman Jalili because it is supported by the forbearance agreement of March 2024, the subsequent amendments and the fact that the commercial dispute with the bank was ultimately resolved by way of settlement.

- [117] I was not directed to evidence respecting the financial position of Shaun Jalili or PCI, nor did the respondent make submissions respecting how their financial position might relate to the appellant's ability to be financial responsible. In addition, I accept the testimony of Arman Jalili that the replacement financing for the appellant is not connected to Shaun Jalili or PCI.
- [118] Therefore I find that the respondent has not established that the appellant cannot reasonably be expected to be financially responsible in the conduct of its business.

***Did Seima Zahiri and/or Arman Jalili make false and misleading statements in relation to the appellant's applications for registration?***

- [119] I find that Seima Zahiri and Arman Jalili made false and misleading statements in relation to the appellant's applications for registration.
- [120] Section 6(1)(d)(iv) of the Act provides that an applicant corporation is disentitled to registration as a motor vehicle dealer if an officer or director of the corporation makes a false statement or provides a false statement in an application for registration or for renewal of registration.
- [121] As set out above, I find that the respondent has demonstrated that Arman Jalili and Seima Zahiri made false statements in support of their various applications for registration and renewal. Arman Jalili is an officer of the appellant and Seima Zahiri is the director of the appellant.

***Did the appellant, Seima Zahiri or Arman Jalili fail to comply with requests for information made on behalf of the respondent?***

- [122] I find Seima Zahiri and Arman Jalili did not comply with certain requests for information made on behalf of the respondent.
- [123] Section 6(1)(g) of the Act provides that the Registrar may refuse registration or renewal if the applicant fails to comply with a request made by the Registrar under subsection 6(1.1). Under subsection 6(1.1), the registrar may request that the applicant provide information specified by the Registrar that is relevant to the decision to be made and verification, by affidavit or otherwise, of any information provided by the applicant to the Registrar.
- [124] The respondent submits that it requested a list of documents and information on March 26, 2025, to which it did not receive a response by the deadline of April 3, 2025. As per its NOFP, the respondent did receive responses to some, but not all

of the requests, on September 11, 2025. The parties agreed that the appellant produced the appellant's unaudited financial statements for the year ending June 2024, which were not prepared by September 11, 2025, prior to the start of the hearing.

- [125] The appellant submits that the respondent agreed, during a meeting on March 4, 2025, that it would not make any further document and information demands after the appellant provided the demands made during that meeting. The appellant submits that the respondent agreed to review the information it had and either register the appellant or issue an NOP. The appellant submits that the March 26, 2024 requests were made in breach of this agreement. The substance of the appellant's understanding of the agreement was documented by the appellant's counsel in a letter shortly after the meeting. While there was no written agreement, the respondent did not make any submissions or direct me to any evidence disputing the substance of the agreement.
- [126] The parties directed me to correspondence dealing with requests for documents and information between October 25, 2024 and the start of the hearing. Arman Jalili testified that he did his best to provide prompt replies to all requests. The correspondence generally supports this claim. However, I have found Arman Jalili was not forthcoming with the respondent about the state of the bank loan when he first disclosed it in November 2024. I find that Arman Jalili's initial misrepresentation about the bank loan, in addition to the general uncertainties relating to the appellant's finances at the time due to the loan having been called in, resulted in a high number of requests for documents by the respondent.
- [127] I find that the essence of the agreement reached between the parties was about the timing of issuing an NOP so that the appellant could file an appeal. I find that it did not relieve the respondent of its responsibilities to enforce compliance with the Act, including by requesting relevant documents from the appellant. The agreement also did not relieve the appellant from producing documents that the respondent requested in support of its application for registration. I find that the appellant was required to respond to any requests for relevant information, subject to the Act. I find that the appellant did not comply with certain requests, as set out below.

#### The appellant's inventory and garage register

- [128] The respondent requested a copy of the appellant's garage register, detailing all vehicles purchased and sold between January 2024 to October 2024, including dates and amounts. It submits that the partial garage register that it received

from the appellant did not include the amounts for which the vehicles were purchased and sold.

- [129] The appellant submits that it was not required to produce the garage register because the respondent's request was made in breach of the agreement of March 4, 2025.
- [130] While the appellant provided a garage register for the period of January to October 2024, I find that it did not include the amounts for which the vehicles were purchased and sold during this period, as requested.
- [131] The inventory held by the appellant during that period was relevant to the financial situation of the appellant and its ability to do business in a financially responsible manner. Therefore, I find that this was a relevant request that the appellant did not comply with.

#### Bank statements and financial statements

- [132] The respondent requested the appellant's financial statement for the year ending June 2024 and all bank statements and loan facilities related to the appellant, Seima Zahiri, Arman Jalili, and the related corporation, which owns the building out of which the appellant operates, between January 1, 2024 and March 26, 2025.
- [133] The appellant promised to provide the financial statement as soon as it was complete but refused to provide copies of the bank and loan statements for the appellant, Arman Jalili, Seima Zahiri and the related company from January 2024 to March 26, 2025. The appellant refused to provide them on the basis that they were not relevant.

I find that the appellant provided an unaudited financial statement for the year ending June 2024 shortly before the hearing. Arman Jalili testified at the hearing that the financial statement for the year ending June 2025 and the 2024 tax return had not yet been prepared, which I accept. He further explained that the 2024 financial statement and tax return took longer to prepare than usual because of the confusion that arose when Shaun Jalili and PCI had their registrations revoked. I find that the appellant did its best to provide the financial statements and tax returns as soon as they were available.

- [134] Whether the appellant was doing business in a financially responsible manner, and its ability to continue to do so, was central to the respondent's considerations

when determining whether to register the appellant. In the absence of financial statements covering the period from January 2024 to March 2025, I find that the appellant's bank statements were relevant to the respondent's decision.

[135] However, I find that Arman Jalili, Seima Zahiri and the related company provided the documents that were relevant to the decision, such as the documents related to their refinancing and the transfer from their personal savings to pay off the bank loan. The respondent has not established that its request for all of their personal bank account statements was relevant in the circumstances.

[136] Therefore, I find only that the bank and loan statements in the name of the appellant for the period January 2024 to March 2025 were relevant and that the appellant failed to comply with this relevant request.

***Have the appellant, Seima Zahiri, Arman Jalili, Shaun Jalili or PCI continued trading in motor vehicles while they were not registered?***

[137] I find that the respondent has not proven that the appellant, Seima Zahiri, Arman Jalili or the interested people continued trading in motor vehicles while they were not registered.

[138] Section 6(1)(e) of the Act provides that an applicant corporation is disentitled to registration as a motor vehicle dealer if the applicant or an interested person in respect of the applicant is carrying on activities that are in contravention of the Act or the regulations. For this allegation, the respondent relied on the allegation that the above-named individuals continued trade of motor vehicles in Ontario after their registration was revoked/expired.

[139] For the reasons already outlined above, the respondent has not proven that the appellant is disentitled to registration pursuant to s. 6(1)(e) of the Act as it has not proven that the appellant or an interested person continued trading in motor vehicles after the expiration or revocation of their registration.

***Conclusions***

[140] To summarize, I find that the appellant, Arman Jalili or Seima Zahiri:

- (i) Omitted to notify the respondent of information that was required under the Act, specifically that Arman Jalili was an officer of the appellant and that Arman Jalili and Shaun Jalili were signing officers of the appellant;
- (ii) Made false statements in applications for registration, specifically, in addition to the above-referenced omissions, Arman Jalili provided documents to the respondent on November 4, 2024, which gave an incomplete and inaccurate picture of the appellant's relationship with its primary lender and the state of its loan at the time; and
- (iii) Did not comply with requests to provide the bank and loan statements, in the name of the appellant only, for the period January 2024 to March 2025, or amounts for which its inventory was purchased and sold between January 2024 and October 2024.

### **Remedy**

- [141] For the following reasons, I find that it is appropriate to order the respondent to grant the appellant's registration with conditions.
- [142] The Tribunal has the statutory discretion to consider an appellant's circumstances and determine whether the public interest requires outright refusal of the registration, as proposed in the NOP, or whether the purpose of the *Act* can be adequately protected through the imposition of conditions.
- [143] The respondent submits that the public interest requires the outright refusal of the registration. The respondent submits that the appellant has demonstrated that it is ungovernable and that Arman Jalili and Seima Zahiri have tried to circumvent the requirements of the Act rather than comply with them. It relies on the testimony of Jeff Donnelly, a representative of OMVIC, who testified that Arman Jalili, Seima Zahiri and approximately 30 individuals employed by the appellant attended at the OMVIC reception area in order to demand a meeting. The respondent further relies on several emails dated around March 27, 2025 to the OMVIC board of directors, demanding a meeting.
- [144] The appellant submits that the imposition of conditions is not appropriate in this case, because it has already been punished for any misdeeds as a result of being unable to conduct business for the past year. The appellant submits that it was within its rights to complain about how OMVIC handled its file.
- [145] I give weight to Arman Jalili's testimony that the appellant has been a registered motor vehicle dealer since 2011 and has had no complaints filed against it with

OMVIC during the 13 years it was in business. OMVIC audited the appellant in 2021 and found no cause for concern.

[146] I find that the few instances of Arman Jalili and Seima Zahiri failing to provide requested documents or information do not support the respondent's submission that Arman Jalili was attempting to put outside pressure on the system rather than co-operating with the re-application process. Rather, I find that in addition to co-operating with the re-application process, Arman Jalili was dissatisfied with OMVIC's processes and the negative effects it was having on his business and made a number of requests for meetings to attempt to expedite matters.

[147] The appellant submits that the respondent made an error when it required the appellant to submit a re-application form and undergo a new application process when its registration expired, rather than allowing it to submit a renewal application, which would have been automatically granted. While I disagree with the appellant's submission, I find that Arman Jalili's attempts to communicate his position to the respondent and complain about what he perceived as an unfair process is not proof that he, or the appellant, are ungovernable.

[148] The imposition of conditions is not about punishing the appellant, as submitted by the appellant, but ensuring the protection of the purposes of the Act, including public protection. I am satisfied that the omissions and misrepresentations that were proven were made by the appellant out of a misapprehension of what information the respondent needed or had requested, rather than out of an intention to mislead the respondent. Based on the violations of the Act that the respondent has proven, I am satisfied that the purpose of the Act can be protected by imposing the following conditions:

- i. The appellant will provide the respondent with copies of the appellant's bank and loan statements from January 1, 2024 to April 1, 2025 and the amounts for which inventory was purchased and sold during the same period, within three weeks of the date of this decision;
- ii. The appellant will ensure that, going forward, Shaun Jalili is not an interested person, as defined in s. 6(4) of the Act, in respect of the appellant, including that Shaun Jalili shall not:
  - a. Have a beneficial interest in the appellant;
  - b. Exercise control, either directly or indirectly, over the appellant; or
  - c. Provide financing, either directly or indirectly, to the appellant.

- iii. The appellant will not purchase any vehicles from or sell any vehicles to Shaun Jalili or PCI except by way of auction that is open to motor vehicle dealers or to the public generally;
- iv. Both Arman Jalili and Seima Zahiri will complete the OMVIC certification course, at their own expense, within six months of this decision, and provide proof of completion to OMVIC; and
- v. The appellant will employ an employee with OMVIC certification whose job will include ensuring the appellant remains in compliance with the Act and with any requests for information made on behalf of the respondent, for a period of five years.

[149] The appellant sought an order directing the reinstatement of the registrations of Arman Jalili and Seima Zahiri on the basis that their registrations were revoked when the registration of the appellant expired. Arman Jalili and Seima Zahiri are not parties to this appeal. I was not directed to any authority I have to make directions respecting the registrations of individuals who have not filed an appeal. I therefore decline to make the order sought.

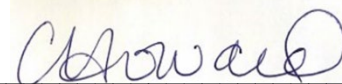
## ORDER

[150] Pursuant to s. 9(5) of the *Act*, I order the respondent not to carry out its NOP to refuse registration. I direct the respondent to approve the appellant's application for registration, and I order the following conditions be applied to the registration:

- i. The appellant will provide the respondent with copies of the appellant's bank and loan statements from January 1, 2024 to April 1, 2025 and the amounts for which inventory was purchased and sold during the same period, within three weeks of the date of this decision;
- ii. The appellant will ensure that, going forward, Shaun Jalili is not an interested person, as defined in s. 6(4) of the *Act*, in respect of the appellant, including that Shaun Jalili shall not:
  - a. Have a beneficial interest in the appellant;
  - b. Exercise control, either directly or indirectly, over the appellant; or
  - c. Provide financing, either directly or indirectly, to the appellant.

- iii. The appellant will not purchase any vehicles from or sell any vehicles to Shaun Jalili or PCI except by way of auction that is open to motor vehicle dealers or to the public generally;
- iv. Both Arman Jalili and Seima Zahiri will complete the OMVIC certification course, at their own expense, within six months of this decision, and provide proof of completion to OMVIC; and
- v. The appellant will employ an employee with OMVIC certification whose job will include ensuring the appellant remains in compliance with the Act and with any requests for information made on behalf of the respondent, for a period of five years.

**Released:** December 12, 2025



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**Caley Howard**  
Adjudicator