

DATE:2014-06-05FILE:8469/MVDACASE NAME:8469 v. Registrar, Motor Vehicle Dealers Act, 2002

An Appeal from a Notice of Proposal by the Registrar, *Motor Vehicle Dealers Act, 2002*, S.O. 2002, c. 30, Sch. B - to Refuse Registration

Sheik Alli

Appellant

-and-

Registrar, Motor Vehicle Dealers Act, 2002

Respondent

REASONS FOR DECISION AND ORDER

ADJUDICATOR: Richard Macklin, Vice-Chair

APPEARANCES:

For the Appellant: Anthony E. Bak, Counsel

For the Respondent: Elizabeth Maishlish, Counsel

Heard in Toronto: May 7, 2014

REASONS FOR DECISION AND ORDER

BACKGROUND

This is a hearing before the Licence Appeal Tribunal (the "Tribunal") arising out of a Notice of Proposal issued by the Registrar, *Motor Vehicle Dealers Act, 2002* (the "Registrar" and the "Act" respectively). The Notice of Proposal dated November 12, 2013, proposes to refuse registration of the Appellant as a motor vehicle salesperson under the Act.

FACTS

In the fall of 2012, the Appellant (hereafter the "Appellant" or "Mr. Alli"), then 22 years old, completed an individual application to become a registered salesperson. The Appellant's portion of the application was dated August 31, 2012. The application has a section that is filled out by the dealer entitled "Certificate of Dealer". That portion of the application was completed on September 15, 2012.

Questions 2 and 8 in Section D of the application form ask the following questions, to which the Appellant replied in the negative:

- 2. Has the applicant ever had a commercial, professional or business registration certification or licence of any kind refused, suspended, revoked or cancelled, or is the applicant currently [or have they ever been] a party to such a proceeding?
- 8. Has the applicant <u>ever</u> been found guilty or convicted of an offence <u>under any law</u> or are there any charges pending? Make sure to include those cases with a conditional, absolute discharge or stayed charges. Please note: This question refers to charges <u>under any law</u>. Accordingly, you may need to answer "yes" even if a criminal record (or other) check has come back clean.

[Emphasis in Original]

The application form also contains the following sections:

I confirm that I have not misrepresented or omitted any material facts in any document or statement made in support of this application. I understand that each statement is subject to verification. I understand it is a serious offence to knowingly provide false information in connection with this application. I further understand the provision of false, incomplete or misleading information, or the omission of information in this application or the documents submitted with it, may result in the refusal, suspension or revocation of registration.

[Emphasis in Original]

The following information is provided as a guideline only. All applicants are encouraged to review the relevant sections of the *Motor Vehicle Dealers Act, 2002* [the "Act"] and its regulations and to consult with a lawyer if they have any questions. After reviewing this information, please call OMVIC at 416-226-4500 (Toronto) or toll-free at 1-800-943-6002 for questions about completing this form.

Mr. Alli's file was assigned to Joan Murray, an employee of the Ontario Motor Vehicle Industry Council ("OMVIC"). Although Ms. Murray was the primary point of contact for Mr. Alli, she did not testify at the hearing of this appeal. The Registrar's evidence went in through Ms. Mary Jane South, OMVIC's Deputy Registrar.

Ms. South testified that Ms. Murray's first material involvement in Mr. Alli's matter occurred when she received a cursory criminal record check on Mr. Alli, via the MyBackCheck.com service. The MyBackCheck.com inquiry indicated that Mr. Alli's criminal record history was likely "not clear". The MyBackCheck.com inquiry further indicated that in order to obtain an accurate criminal record history for Mr. Alli, OMVIC would require Mr. Alli to submit his fingerprints to a local police agency. On a preliminary basis, the MyBackCheck.com inquiry indicated that Mr. Alli had a conviction for "DUI", based on an event that occurred in October 2011.

Ms. Murray also conducted a driver's licence inquiry which indicated that Mr. Alli's licence had been suspended and that he was currently restricted to driving with an interlock system (in-car breathalyzer).

Ms. Murray contacted Mr. Alli on September 20, 2012 and sought an explanation for the negative answer to question 8, in light of the licence suspension and likely existence of a criminal record.

Mr. Alli responded to Ms. Murray's request for an explanation, with a letter dated October 2, 2012. That letter stated as follows:

The day I submitted the OMVIC application for a salesperson, I completed it hurriedly just minutes before coming up to the suite to hand it in. So the question which asked if my licence was ever suspended or revoked, I thought it was asking if it was suspended currently since I am currently applying to be a salesperson, which mine is not, it was in the past. So I do apologize for that, it was my fault to rush through the question without properly reading it.

As for the finger prints that was required, I have attached the receipt which I did a few days ago, until the results come in. This is a result of a DUI I had in May 2011 and then went to a gun range in July 2011, and apparently I had a criminal record from the DUI which I was not aware of until now, which I called my Lawyer and confirmed it is so. So because of the criminal record I should not have handled any firearms, even at a range. So I answered no to ever having a criminal background as I did not even know I did have one for a DUI until now.

In addition, Mr. Alli submitted a letter, dated October 2, 2012, from his brother, Ashiq. Ashiq Alli is the owner of Motor City Auto Sales ("Motor City"). Ashiq Alli was the person who signed the "Certificate of Dealer" portion of the Appellant's application for a salesperson's licence.

The brothers had intended that Mr. Alli would be a salesperson at Motor City, if Mr. Alli was able to obtain his salesperson's licence. In regards to the concerns raised by OMVIC in respect of the incorrect answer to question 8, Ashiq Alli stated as follows:

I Ashiq Alli, owner of Motor City Auto Sales/The Approval Store, is aware of Sheik Alli's criminal background and previous suspension. His criminal background reason is very minor to me since it was nothing compared to being a real criminal; and as for his DUI, he will not be driving my cars on the lot, he has his own car, and he is currently valid to drive, so that is not a concern to me either. I do gave [*sic*] consent for him to work as a salesperson for my Dealership as I believe that he has the ability to do well in the business after knowing him for a while. He knows a lot about cars and is very friendly with people so he will do well if you allow him to register under Motor City Auto Sales/The Approval Store. If you have any questions please feel free to call 416-454-6556.

On December 17, 2012, OMVIC received the complete criminal record (CPIC) results for Mr. Alli. Those results indicated that Mr. Alli has a relatively extensive criminal record, in light of his age, comprised of the following:

DATE AND PLACE OF DISPOSITION	CHARGE	DISPOSITION
2010-06-16 OSHAWA ONT	ASSAULT CBH (DURHAM REG PS 223491)	CONDITIONAL DISCHARGE & PROBATION 15 MOS & DISCRETIONARY PROHIBITION ORDER SEC 110 CC FOR 5 YEARS
2011-11-03 OSHAWA ONT	DRIVING WITH MORE THAN 80 MGS OF ALCOHOL IN BLOOD SECT 253 (1) (B) CC (WHITBY OPP OP11174079)	\$1500 & PROH DRIV 12 MOS
2012-04-04 NEWMARKET ONT	POSS OF FIREARM OR AMMUNITION CONTRARY TO PROHIBITION ORDER SECT 117.01 (1) CC (YORK REGION PS 30041125)	\$700 & MANDATORY PROHIBITION ORDER SEC 109 CC

In the face of the discrepancies between the previous answers provided by Mr. Alli and his actual criminal record, the Alli brothers provided OMVIC with another explanation letter, this one dated December 17, 2012, which stated as follows:

December 17th 2012

To whom this may concern,

Listed below are the following criminal charges that have been reviewed:

1) **Assault causing bodily harm** – this particular incident had occurred one evening at my home with my ex-girlfriend and during an argument. I had bumped into her and she fell leaving her with a bruise and the neighbour had called the cops due to the loud argument and it escalated from there on – this charge was a "**conditional discharge**" and I did not know it would have been on my record due to the "**discharge**" statement.

2) **<u>DUI</u>** – I was aware of my charge but did not know it was a criminal charge with the recently new driving laws at that period of time.

3) **Possession of firearms** – this was a probation charge due to my recent **DUI** and it was a mis-communication with my probation officer where I had attended a Gun Range with a few friends and family for a birthday occasion and everyone were monitored at the facility by registered officers standing by our sides while operating the firearms. My probation stated no unauthorized firearms of any sort in possession – I figured that meant personal firearm being in possession while walking on a public street, not when I was being monitored by officers at a registered facility.

I had disclosed on the OMVIC application, criminal charges as NONE; due to filling out the personal sections of the application downstairs in the lobby on the way up in handing it in, it did not cross my mind of a criminal record while filling out the application until a few detailed questions from OMVIC came up and I looked into details of my charges with my lawyer so there would not be any confusion in the future.

I am aware of all the listed charges and hope to be granted a sales licence for the future to take on a new career after just graduating from Seneca College in the International Business Administration Program.

TRANSCRIPT EVIDENCE

OMVIC filed the transcripts from two of the three criminal sentencing proceedings that Mr. Alli has been involved in (Driving While Impaired and Possession of Firearms Contrary to a Prohibition Order). As noted above, Mr. Alli was convicted and sentenced on the Driving While Impaired charge on November 3, 2011. He was self-represented on that day. Based on the "on-the-record" exchanges that took place, it is apparent that Mr. Alli was fully aware that he was pleading guilty to a *Criminal Code* charge and that that charge would have negative ramifications for his future career choices, including obtaining a job in car sales. Specifically, the following exchanges took place on that day:

Courtroom Clerk: Sheik Alli stands charged on or about the 12th day of June, in the year 2011, at the City of Pickering, in the said region, did operate a motor vehicle having consumed alcohol in such a quantity that the concentration thereof in his blood exceeded 80 milligrams of alcohol in 100 millilitres of blood, **contrary to Section 253 (1) (b) of the** <u>**Criminal Code**</u>. The <u>Highway Traffic Act</u> provides that upon conviction of the offence with which you are charged, in the circumstances indicated therein, your driver's licence shall be suspended forthwith for the period prescribed by statute. How does the crown elect to proceed?

Ms. Pollock: Summarily, please.

Courtroom Clerk: Thank you. And to the charge as read how do you plead, guilty or not guilty?

Mr. Alli: Guilty.

The Court: Okay. Mr. Alli, this is your opportunity, sir. You are welcome to say anything that you would like to with respect to the penalty to be imposed in this matter.

Mr. Alli: I just had one quick question. The over 80, it's a criminal record that goes on my record?

The Court: That's correct. Yes, sir.

Mr. Alli: Well, I was just wondering if there's any way to get around something because I'm a third-year student studying at Seneca College, international business. I have one more semester left. My goal when I started it, my dad is in Guyana back home and he does import/export of a foam factory he has based there. He usually travels back and forth to Miami and Florida where he gets his goods and sells. So my - kind of my goal was to kind of get into the business trade with dad and when I'm done in December, actually, I was hoping to get hands-on with him, probably travel back and forth, get into the business fad. And I know America is one of the places he uses - he does his main business. And I know a criminal record would actually affect me. Well, mostly affect me from getting in and out. I don't know if there is anything we can possibly do, but I understand my acts on the driving and over 80 was definitely dangerous. I actually did not plan on driving that night. I drove to my family friend's house and there was an altercation there so everyone was asked to leave the property before anything else happens. So I was kind of forced out, but it's still my choice to drive the car and what happened. But I actually did not have intentions of driving home. I was parked and everything. And I was just hoping there was something else can happen. I actually live on my own also in the basement and I applied for OSAP and I don't know if there is anything less that can happen with the fine. But I understand it's there for a reason.

The Court: Right. And do you have any income apart from OSAP at this point in time, Mr. Alli?

Mr. Alli: No. One more thing, sorry. I also on my breaks, like spring breaks and summer when I'm off of school, I usually have a part-time job at Canada Motor Car which I usually be the lot attendant. I deliver and pick up cars for them and that's where I used to have my monies kind of saving up for the following tuition, plus OSAP. After my final semester, I had a job offer as a salesperson there, so I guess this will definitely affect it, but there's always consequences for every decision.

[Emphasis Added]

In respect of the Possession of Firearms Contrary to a Prohibition Order charge, Mr. Alli pleaded guilty, was convicted and sentenced on April 4, 2012. This was only five months prior to his filling out his salesperson's application! On this occasion, Mr. Alli was represented by counsel, but was present when the *Criminal Code* charges against him were read into the record. In speaking to the sentence, the prosecutor alluded to the first finding of guilt relating to Mr. Alli - the assault causing bodily harm charges. The prosecutor also made submissions in regard to the Prohibition Order having flowed from the assault causing bodily harm sentence. During the proceedings on April 4, 2012, Mr. Alli spoke to his sentence in a manner that clearly indicated his awareness that he was pleading guilty to a *Criminal Code* charge:

Courtroom Clerk: Sheik Omar Alli, you stand charged on or about the 20th day of July in the year 2011 at the Town of Whitchurch-Stouffville in the Regional Municipality of York, did without lawful excuse possess a firearm, namely various handguns and long guns, while prohibited from doing **so by reason of an order made under Section 110 (1)(a) of the** *Criminal Code*. The Crown elected to proceed summarily on April the 4th, 2012. How do you plead to the charge, sir, guilty or not guilty?

Sheik Alli: Guilty.

Ms. Hutchinson: ... Your Honour, the facts by way of background is the gentleman had a finding of guilt in which he received a conditional discharge to a charge of assault causing bodily harm, but in the course of that he was also given a prohibition order that was to take place for - last for five years. That occurred on June 16th, 2010.

The Court: Yes, that's what I understand it to be as well. Alright Mr. Alli, will you stand, please, sir. Is there anything that you wish to say before I impose sentence here? What's your plan, what are you going to be doing this time next year?

Sheik Alli: Hopefully have a part-time job by the next two months, because I'm actually done school next month, hopefully full-time in - in the business field, not - I haven't picked anything particular yet, but I'll be coming out with a diploma, so ...

The Court: Have you ever gone to this range before?

Sheik Alli: No, never went to a gun range.

The Court: And what were you thinking?

Sheik Alli: I know you're supposed to take a government – a piece of government ID, so I thought that's why they would check your background upon going. I just figured because it's - you're monitored in an environment - in an enclosed environment it's not a problem, because with the pro – prohibition I thought it meant walking around with an illegal firearm in your own possession on the streets, which which I really thought, and its turned out not to be that way.

[Emphasis Added]

REGISTRAR'S POSITION

The Registrar takes the position that this is an extreme case of non-disclosure on the Appellant's part. The Appellant did not accurately complete his application in regard to his criminal history. Even when confronted with the inaccuracies in this regard, the truth only came out in dribs and drabs. OMVIC has over 23,000 registrants and cannot police each of them on an individual basis. The application form was the Appellant's first opportunity to prove his trustworthiness to the Registrar and the Appellant failed this test miserably.

The disclosure question in the application, relating to the existence of a criminal record (Question 8) is clearly worded and captures a wide range of findings, including conditional discharges. If the Appellant was unable to understand this question, the Registrar asks rhetorically, how will he be able to understand more complicated documents that will arise in his dealings as a salesperson?

The Registrar further points out that, as disclosed in the transcripts, the Appellant was painfully aware that he had pleaded, been found guilty and punished in respect of three sets of Criminal Code offences.

The Appellant was also aware that these findings would affect his ability to earn a livelihood, including in the car sales industry. The Appellant's three separate *Criminal Code* proceedings all took place within 25 months prior to his OMVIC application and these proceedings would have been emblazed in his memory at the time of the application. Failing to disclose these conspicuous proceedings was thus either done knowingly or amounted to wilful blindness on the Appellant's part.

Then there is the matter of the breach of the firearms Prohibition Order. The Appellant was unable to understand terms and conditions when his liberty was on the line. It follows, submits the Registrar, that he will likely be unable to understand terms and conditions in the car business.

The Appellant cannot even get smaller details straight, submits the Registrar. Thus, when he attempted to come clean about his criminal past, in his letter dated December 17, 2012, he stated that the firearms prohibition flowed from his drinking and driving conviction when, in fact, it flowed from the assault causing bodily harm conviction.

The weaknesses in the Appellant's car sales application don't stop at the Appellant, according to the Registrar. The Appellant's brother is the owner of the dealership where the Appellant intends to work. The dealer has an obligation to check an applicant's answers prior to signing the "Certificate of Dealer" section of the application (see Exhibit 3, Tab 3, p. 20). Based on the non-disclosure in this case, the Registrar submits that the Appellant's brother did a terrible job in this regard and later attempted to minimize the Appellant's failings by stating "[h]is criminal background is very minor to me since it was nothing compared to being a real criminal".

The Registrar based its case primarily on the Appellant's non-disclosure of his criminal record. The Registrar points out, however, that the record on its own amounts to grounds upon which a regulator could doubt the Appellant's honesty, integrity and ability to comply with the law.

The Registrar further points out that the Appellant, based on all of the foregoing, is a poor candidate for a licence with terms and conditions.

Finally, the Registrar pointed to a further concern that the Appellant had likely breached the driver's licence condition that requires him to drive cars equipped with an in-car breathalyzer. The Appellant, in his sentencing hearing on the drunk driving charges described his part-time job at Canada Motor Car as that of a "lot attendant" and stated that the job entailed "delivering and picking up cars" (see Exhibit 4, Tab 1, p. 8 (page 6 of the transcript)). On the fingerprint form that he filled out, on September 25, 2012, the Appellant described his current employment as "lot attendant" (see Exhibit 3, Tab 10, p. 48). The requirement that the Appellant only activate a car with an in-car breathalyzer was imposed on November 3, 2011. Thus, the Registrar submits, there is a strong circumstantial case that the Appellant was "delivering and picking up cars", as part of his job as a "lot attendant", up to and after September 25, 2012, while required to only drive cars that were equipped with in-car breathalyzers.

The vast majority of cars that are for sale on the market, that the Appellant would have been "delivering and picking up", would not have an in-car breathalyzer as one of their features. Thus, the Registrar submits, there is a strong circumstantial case that in this time period, the Appellant was driving cars that were not equipped with an in-car breathalyzer and was thus in breach of the conditions of his driver's licence.

APPELLANT'S POSITION

The Appellant acknowledges that he made mistakes on his application but states that he did not do so maliciously. He submits that the failure to fully disclose all facts on an application is not an absolute liability offence. The Appellant states that he has now fully disclosed what he was required to disclose on his application and he should not be deprived of a job as a car salesman, based on mistakes he made in the past. He further submits that his criminal convictions came attached with conditions (i.e. that he not drive for 12 months) and that he complied with each of them, other than the Prohibition Order. Thus, it is submitted, he is a good candidate for a licence as a salesperson, with conditions.

The Appellant submits that he has matured in the last two years and has been criminal charge and conviction free in that time period. He has worked part-time in the car business and has a clean record in terms of *Consumer Protection Act* offences or other breaches of business legislation.

The Appellant points out that the Registrar has assumed the worst about him, but did not see fit to call Ms. Murray who was the OMVIC employee who dealt with him first hand. Absent this "best evidence", it is unreasonable to impute any motives to Mr. Alli's carelessness.

In terms of the circumstantial evidence regarding the Appellant's breaching the in-car breathalyzer condition on his driver's licence, the Appellant notes that he was not cross-examined on this point. He thus submits that it is unfair for the Registrar to make submissions in this regard, without having given Mr. Alli a chance to explain himself while he was in the witness box.

Finally, the mere existence of a criminal past is not a basis, the Appellant submits, upon which he should be denied a licence. A number of salespeople in the car industry have criminal records. Thus, it is submitted, there is nothing about the Appellant's criminal history that reflects adversely on the Appellant's prospects of being a good car salesman and earning an honest living.

THE LAW

Regarding the right to registration, the Act states:

- 6. (1) An applicant that meets the prescribed requirements is entitled to registration or renewal of registration by the registrar unless,
 - (a) the applicant is not a corporation and,
 - (i) having regard to the applicant's financial position or the financial position of an interested person in respect of the applicant, the applicant cannot reasonably be expected to be financially responsible in the conduct of business,
 - (ii) the past conduct of the applicant or of an interested person in respect of the applicant affords reasonable grounds for belief that the applicant will not carry on business in accordance with law and with integrity and honesty, or
 - (iii) the applicant or an employee or agent of the applicant makes a false statement or provides a false statement in an application for registration or for renewal of registration;

Refusal to register, etc.

 Subject to section 9, the registrar may refuse to register an applicant or may suspend or revoke a registration or refuse to renew a registration if, in his or her opinion, the applicant or registrant is not entitled to registration under section 6.

Conditions

- (2) Subject to section 9, the registrar may,
 - (a) approve the registration or renewal of a registration on such conditions as he or she considers appropriate; and
 - (b) at any time apply to a registration such conditions as he or she considers appropriate.

In Registrar, Motor Vehicle Dealers Act v. Unity-A-Automotive Inc. et al., (2009), 98 O.R. (3d) 468 (Div.Ct.), the Tribunal's Order that a refused applicant be granted a motor vehicle sales licence was overturned on appeal. The Tribunal had excused the applicant's failure to disclose prior criminal convictions on the basis of his unfamiliarity with the law and literacy problems. In allowing the Registrar's appeal, the Divisional Court made clear that the Act does not create a subjective test in terms of the failure to disclose nor does it create a requirement that the Registrar establish that an applicant for registration knowingly acted outside the law. Specifically, the Court stated as follows at paragraphs 21 and 22:

[21] The Tribunal appears to have excused the respondent's omission to reveal the prior convictions on the basis of his unfamiliarity with the law and his literacy problems. The member seems to take the position that ignorance of the law is an excuse, when he says [at para. 55],

Omissions caused by a dealer or salesperson failing to understand the requirements, *when they are aware requirements exist*, cannot be condoned.

(Emphasis added)

[22] However, the legislation does not create a subjective test to determine whether the applicant for registration knowingly acts outside the law. The legislation asks whether the conduct of the applicant affords reason to believe he or she will not act within the law and with honesty and integrity in the future. As this court observed [at para. 34] in Prestige Toys, above, "Conduct does not require evidence of deceit or even of wilful blindness".

The Registrar, and the Tribunal, must take a failure to provide information on a licence application seriously. As stated by Member Blais in *Tarek Osman v. Registrar, Motor Vehicle Dealers Act*, [2011] O.L.A.T.D. No. 194, at page 9:

28. Whether or not the Applicant provided full and correct information to the Registrar is a crucial matter in assessing the honesty of an applicant, as this information is clearly intended to be relied upon by the Registrar. If any information is intentionally concealed, or if false information is given, the Registrar has good reason to have serious concerns that the applicant will withhold information or provide false information in the future in his dealings with the Registrar or with others and thus, perhaps, with members of the public.

29. A motor vehicle salesperson deals with members of the public who are purchasing or selling products of substantial value, and who depend upon the salesperson not to misrepresent the value or quality of the vehicles. By withholding or falsifying information, motor vehicle salespersons are in a position to take advantage of a vulnerable consumer and the public.

APPLICATION OF LAW TO FACTS

In this appeal, the Registrar has met its onus of proof and established that the conduct of the Appellant affords it grounds to believe that the Appellant will not carry on business, as a car salesman, in accordance with law and with integrity and honesty. The Registrar has also established that the Appellant made a false statement in his application for registration.

In fact, the Appellant made a series of false statements and was guilty of serious omissions. These omissions led to the full extent of his significant, relative to his age, criminal record only coming out in dribs and drabs. Question 8, in respect of the facts in this case, is extremely straightforward. Based on how recent the Appellant's criminal convictions were, relative to the date of his application, his criminal history should have been disclosed, in full, at the time of the application. The full extent of the record was not even disclosed by the Appellant after the inaccuracy of his response was first put to him in October of 2012. It was not until OMVIC had gone to the effort of enlisting the Appellant's assistance, so that a full CPIC report could be obtained, that the Appellant came clean about this issue.

The answer to question 8 is not the beginning of a process where an applicant can fail to disclose and hope that either no one will catch the omission or that, if caught, the applicant can rest assured that he or she will be given a second chance, in any event. To excuse the Appellant's conduct in this case, would render question 8 meaningless.

The Tribunal has also considered whether the Appellant ought to be registered as a salesperson with conditions attached to that registration. The only conditions suggested by the Appellant, for the Tribunal's consideration, were that his employer be notified of the Tribunal's Order and that the Appellant have stringent reporting requirements to his employer. On the facts of this case, the Appellant's prospective employer, his brother, maintained a cavalier attitude towards the Appellant's criminal charges. Thus, the Tribunal cannot see how conditions, that are dependent on the prospective employer, will serve to protect the public or could be seen to assuage the significant concerns the Registrar holds regarding Mr. Alli's honesty and integrity.

ORDER

Pursuant to the authority vested in it under the provisions of the Act, the Tribunal directs the Registrar to carry out the Proposal to not register the Appellant as a salesperson.

LICENCE APPEAL TRIBUNAL Richard Macklin. Vice-Chair

Released: June 5, 2014