

DISCIPLINE DECISION

REVIEWING PANEL: Greg Flude, Public Member
Jon Lemaire Registrant Member
Paul Repar, Registrant Member

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

B E T W E E N :

ONTARIO MOTOR VEHICLE)
INDUSTRY COUNCIL)
- and -)
HULLY GULLY (LONDON) LTD)
- and -)
JOHN MARCHAND)
)

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

Date of Decision: April 2, 2026

Findings: **Hully Gully (London) Ltd (the “Dealer”) has breached the following:**

- Sections 4(2) and 9(3) of the Code of Ethics, O. Reg. 332/08

John Marchand (“Marchand”) has breached the following:

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

Order:

1. The Dealer shall pay a fine in the amount of **\$5,500** no later than ninety (90) calendar days from the date of the Discipline Tribunal's Order.
2. The Dealer shall **offer** to all current and future salespersons, employed by the Dealer, to **fund** their completion of the MVDA Key Elements Course, no later than ninety (90) calendar days from the date of the Discipline Tribunal's Order.
3. Marchand shall successfully complete (with a passing grade of at least 80%) the MVDA Key Elements Course no later than ninety (90) calendar days from the date of the Discipline Tribunal's Order.

Overview

1. This matter proceeded on the basis of an Agreed Statement of Facts, dated January 21, 2026, a jointly proposed disposition and a waiver of oral hearing, pursuant to Rule 1.07 of the Rules of Practice before the Discipline Tribunal and the Appeals Tribunal. The Agreed Statement of Facts states in relevant part as follows:

Background

1. On or about April 1986, the Dealer was first registered as a motor vehicle dealer under the Act.
2. On or about April 28, 2022, Marchand was first registered as a motor vehicle salesperson under the Act. At all material times to this matter, Marchand has been a registered salesperson and General Manager. Marchand is currently the designated Person in Charge of the day-to-day activities of the Dealer.

Educational Resources

3. Since the Act was proclaimed in 2010, OMVIC has issued various educational materials, including publications, webinars and guidelines, reminding registrants of their all-in price and advertising obligations. Educational resources continue to be available on OMVIC's website.

Reminders to Comply

4. On or about December 20, 2023, a representative of the Registrar issued a formal letter to remind the Dealer to comply with its all-in price advertising obligations pursuant to s. 36(7) of O. Reg. 333/08 and the Code of Ethics.

Dealer's Non-compliance

5. On or about March 25, 2025, a representative of the Registrar (the "Inspector") attended the Dealer's premises to conduct an inspection of the Dealer's books and records. The following issues of non-compliance were discovered, as particularized below.

6. The Dealer advertised and sold two motorcycles to consumers. The Dealer failed to ensure its advertisements and the sale of the motorcycles, complied with advertising requirements, pursuant to s. 36(7) of O. Reg. 333/08 as well as the Code of Ethics.

A) 2024 Honda CBR650R

7. On or before February 1, 2025, the Dealer advertised a 2024 Honda CBR650R (VIN: *0063) with a selling price of \$11,499 plus taxes and licensing. The advertisement tag also listed additional fees for freight, "build & PDI" and admin. The advertisement also offered a financing rate of 8.99% for 72 months; however, it failed to include the cost of borrowing.

8. On or about February 1, 2025, the Dealer sold the 2024 Honda to a consumer. The retail bill of sale ("RBoS") indicated a base selling price of \$11,499 plus the following additional fees:

- i. Pre-Delivery fee \$295
- ii. Freight \$550
- iii. Admin fee \$119
- iv. Enviro fee \$11.10
- v. OMVIC fee \$12.50

9. As a result, the additional required fees amount to an overcharge of \$987.60 above the advertised price.

10. Thereby, the Dealer's advertisement was unclear, misleading and the advertised price of \$11,499 was not all-inclusive. This is contrary to section 36(7) of O. Reg. 333/08, as well as sections 4(2) and 9(3) of the Code of Ethics.

B) 2024 Honda XR150LR

11. On or before March 15, 2025, the Dealer advertised a 2024 Honda XR150LR (VIN: *0424) with a selling price of \$4,099 plus taxes and licensing. The advertisement tag also listed additional fees for freight, "build & PDI" and admin. The advertisement also offered a financing rate of 8.99% for 72 months; however, it failed to include the cost of borrowing.

12. On or about March 15, 2025, the Dealer sold the 2024 Honda to a consumer. The RBoS indicated a base selling price of \$4,099 plus the following additional fees:

- i. Pre-Delivery fee of \$285
- ii. Freight \$400
- iii. Admin fee \$119
- iv. Enviro fee \$11.10
- v. OMVIC fee \$12.50

13. As a result, the additional required fees amount to an overcharge of \$577.60 (includes a \$250 "discount") above the advertised price.

14. As such, the Dealer's advertisement was unclear, misleading and the advertised price of \$4,099 was not all-inclusive. This is contrary to section 36(7) of O. Reg. 333/08, as well as sections 4(2) and 9(3) of the Code of Ethics.

Salesperson's Non-compliance

15. In regard to the Dealer's non-compliance, Marchand failed to ensure that the Dealer conducted its business in compliance with the Act, its regulations, and the Code of Ethics and thus personally contravened sections 6(2) and 9(3) of the Code of Ethics.

Code of Ethics Violations

16. As particularized above, the Dealer has violated the following section of the Code of Ethics:

Disclosure and marketing

s. 4(2) A registrant shall ensure that all representations, including advertising, made by or on behalf of the registrant in connection with trading in motor vehicles, are legal, decent, ethical and truthful.

17. As particularized above, the Dealer and Marchand have violated the following section of the Code of Ethics:

Professionalism

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

18. As particularized above, Marchand has violated the following section of the Code of Ethics:

Accountability

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

Decision of the Reviewing Panel

2. Having reviewed and considered the Agreed Statement of Facts and written submissions provided by the Parties, the Reviewing Panel is satisfied that the evidence contained in the Agreed Statement of Facts substantiates the allegations that:

- a. the Dealer has breached Sections 4(2) and 9(3) of the Code of Ethics,
- b. John Marchand has breached Sections 6(2) and 9(3) of the Code of Ethics

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

Reasons for Decision

4. In reviewing the joint submission on penalty, the Reviewing Panel must determine if the proposed resolution is in the public interest or if it is so unhinged from the circumstances of the impugned behaviour that a reasonable person would believe that the justice system has broken down. In doing this analysis, the Reviewing Panel must bear in mind the aims of levying an administrative penalty: specific deterrence of the offender, general deterrence for the motor

vehicle sales industry, and rehabilitation and remediation for these particular offenders. Dealing with the last of these first, there is an education requirement for each of the personal applicants that, it is hoped, will educate and encourage regulatory compliance in the future.

5. In considering the monetary penalty, the Reviewing Panel notes the following:

Aggravating Factors

- a. There are two impugned trades at issue involving breaches of the all-in pricing regulations.
- b. The Dealer was issued a compliance letter 15 months prior to the impugned transactions

Mitigating Factors

- b. The Applicants have accepted responsibility for their actions as evidenced by entering into an agreed statement of facts and joint submission on penalty.
- c. This is the Applicants' first appearance before the Discipline Tribunal

6. Having considered all of the factors, the Reviewing Panel finds that the proposed penalty is in line with other penalties imposed by the Discipline Tribunal for similar behaviour. The amount is sufficient to signal to the industry that breaches of the regulations are serious offences.

7. The Panel is satisfied that the agreed upon penalty satisfies the sentencing principles of specific and general deterrence, maintains public trust, meets the objectives of rehabilitation and remedial action, and that the proposed penalty is in the public interest. The parties are thanked for working towards a resolution short of the need for a hearing.

Ontario Motor Vehicle Industry Council
Discipline Tribunal

Dated: April 2, 2026



Greg Flude, Public Member

On behalf of:
Jon Lemaire, Registrant Member
Paul Repar, Registrant Member