

## DISCIPLINE DECISION

REVIEWING PANEL: Deb Mattina, Public Member  
Paul Eros, Registrant Member  
Anne French, 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 - )  
1699908 ONTARIO LTD. )  
O/A ROCKCLIFF AUTO )  
- and - )  
DANNY G LOVATSI )  
)

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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:** October 24, 2025

**Findings:** **1699908 Ontario Ltd. o/a Rockcliff Auto (the “Dealer”) has breached the following:**

- Sections 4(2), 7(1), 9(1) and 9(3) of the Code of Ethics, O. Reg. 332/08

**Danny G Lovatsis (“Lovatsis”) has breached the following:**

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

## **Order:**

1. The Dealer shall pay a fine in the amount of **\$6,500** 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 Automotive Certification Course, no later than ninety (90) calendar days from the date of the Discipline Tribunal's Order.

## **Overview**

This matter proceeded on the basis of an Agreed Statement of Facts, dated August 20, 2025, a jointly proposed disposition and a waiver of oral hearing, pursuant to Rule 1.07 of the Rules of Practice before the Discipline Tribunal and the Appeals Tribunal. The Agreed Statement of Facts states in relevant part as follows:

## **Background**

1. The Dealer was first registered as a motor vehicle dealer under the Act in and around November 2006.
2. The Dealer has two business locations registered with OMVIC. The first location (the "Head Office Location") is at 53B August Ave, Toronto, ON, M1L 3M8, with a mailing address at 3264 Danforth Ave, Toronto, ON, M1L 1C3. The second location is at 3319 Danforth Ave, Toronto, ON, M1L 1B8.
3. Lovatsis was first registered as a motor vehicle salesperson in and around December 1984. At all material times, Lovatsis has been an Officer and the Person in Charge of the day-to-day activities of the Dealer.

## **Dealer's Non-Compliance:**

### **2015 Audi A4 Complaint:**

#### **A. The Dealer's Sale of the 2015 Audi A4**

4. On or about May 18, 2022, the Dealer purchased a 2015 Audi A4 (VIN# \*020929) (the "Audi").
5. The Dealer indicated that it did not immediately apply to the Ministry of Transportation (the "MTO") for a new permit for the Audi as the original registration information was not with the Audi upon its purchase by the Dealer.
6. On or about June 6, 2022, the Ministry of Finance registered a tax lien on the Audi, with the previous owner of the vehicle (the "Previous Owner") listed as the debtor (the "Tax Lien").
7. On or about August 2, 2022, a salesperson, acting on behalf of the Dealer, sold the Audi to a consumer ("Consumer A") at the Head Office Location.

8. On or about August 9, 2022, the Audi ceased to be registered under the Previous Owner's name with the MTO and became registered under the Dealer's name with the MTO. On or about the same day, the Audi was then registered under Consumer A's name with the MTO.
9. The failure by the Dealer to register the Audi under its own name with the MTO within six days of purchase is a contravention of s. 11(2) of the *Highway Traffic Act*.
10. The Dealer's sale of the Audi to Consumer A when it was subject to the Tax Lien was in contravention of s. 13 of the *Sale of Goods Act*.
11. As such, the Dealer has contravened sections 4(2) and 9(1) and (3) of the Code of Ethics by failing to register the Audi under its own name with the MTO within six days of its purchase and by failing to notice and ensure the discharge of the Tax Lien prior to the sale of the Audi.
12. The Dealer has made efforts to work with Consumer A and to secure the discharge of the Tax Lien.

## **B. Consumer A's Complaint**

13. On or about November 20, 2023, Consumer A filed a complaint with a Representative of the Registrar with regards to the issues mentioned above.
14. On or about December 15, 2023, a representative of the Registrar sent the Dealer a letter regarding Consumer A's complaint and requested the Dealer to provide, within 5 business days, a written response explaining the Dealer's position with respect to the complaint, the Dealer's offers to resolve the complaint, and other relevant information and documents.
15. On or about December 22, 2023, the Registrar's representative sent another email to the Dealer, requesting again the information and documents mentioned above.
16. On or about December 22, 2023, the Dealer responded by stating that it was working to resolve the issues raised by Consumer A's complaint.
17. On or about January 10, 2024, the Representative sent a further email to the Dealer and reminded the Dealer to provide the requested information and documents by January 12, 2024. The Dealer failed to provide the requested information and documents by this date.
18. On or about February 6, 2024, another representative of the Registrar attended the Head Office Location for a scheduled books and records inspection. On or about the same date, after the completion of the inspection, the Registrar's representative requested the Dealer to provide documents relating to the sale of various vehicles, including the Audi.
19. On or about February 8, 2024, the Dealer provided the Registrar's representative with the documents requested.

20. Although the Dealer has provided the documents relating to the Audi to a representative of the Registrar, its failure to do so by the initial deadline of December 22, 2023 or the updated deadline of January 12, 2024 is a contravention of section 14(3) of the Act as well as section 9(1) of the Code of Ethics.

**2011 Honda CRV Complaint:**

21. On or about March 20, 2024, a salesperson, acting on behalf of the Dealer, sold a 2021 Honda CRV (VIN# \*825857) to a consumer ("Consumer B") at the Head Office Location. The salesperson and Consumer B signed a bill of sale to facilitate the transaction and Consumer B provided a \$500 deposit.
22. On or about April 2, 2024, a representative of the Registrar received a complaint from Consumer B, who stated that she was still waiting for the vehicle to be ready for pickup. On or about the same date, a Carfax report for the vehicle was obtained. The Carfax report indicated an accident claim of \$10,725.00, which was not indicated on the bill of sale. This is a contravention of s. 42(19) of O. Reg. 333/08.
23. On or about April 12, 2024, the Dealer agreed to refund the deposit for the vehicle to Consumer B.
24. The Dealer's failure to disclose the \$10,725 accident claim in this bill of sale signed by Consumer B is a contravention of section 42(19) of O. Reg. 333/08 as well as sections 7(1) and 9(1) and (3) of the Code of Ethics.

**Lovatsis's Non-Compliance:**

25. With respect to the particulars contained herein, Lovatsis 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(1) and (3) of the Code of Ethics.
26. 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.

***Compliance***

s. 7(1) A registrant shall ensure that all documents used by the registrant in the course of a trade in a motor vehicle are current and comply with the law.

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

### **Professionalism**

s. 9(1) In carrying on business, a registrant shall not engage in any act or omission that, having regard to all of the circumstances, would reasonably be regarded as disgraceful, dishonourable, unprofessional or unbecoming of a registrant.

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.

28. As particularized above, Lovatsis 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**

Having reviewed and considered the Agreed Statement of Facts and written submissions provided by the Parties, the Reviewing Panel is satisfied that the evidence contained in the Agreed Statement of Facts substantiates the allegations that: (1) the Dealer has breached Sections 4(2), 7(1), 9(1) and 9(3) of the Code of Ethics, O. Reg. 332/08; and (2) Lovatsis has breached Sections 6(2), 9(1) and 9(3) of the Code of Ethics, O. Reg. 332/08.

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

### **Reasons for Decision**

In arriving at its decision, the Panel reviewed the facts of this case, submitted case law and decisions of the Discipline and Appeals Tribunal. The Panel is satisfied that the Penalty agreed to is consistent with previous decisions of this Discipline Tribunal, namely *OMVIC v. Maanis Paramount Auto Sales Ltd. et al* (2024), *OMVIC v. LC Autos Canada Limited et al.* (2024), and *OMVIC v. Streetside Motors Inc. et al.* (2025), as well as the Appeals Tribunal decision in *OMVIC v. Maanis Paramount Auto Sales et al.* (2025).

The Panel also reviewed the case law submitted and concluded that the penalty agreed to in this case does not bring the administration of justice into disrepute nor is it so unhinged as to make the public believe that the system has broken down.

Specifically, the Panel considered and applied the test set out in the Supreme Court's ruling in *Anthony-Cook*<sup>1</sup>. In that case, the Court said:

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<sup>1</sup> *R. v. Anthony-Cook*, 2016 SCC 43

Under the public interest test, a trial judge should not depart from a joint submission on sentence unless the proposed sentence would bring the administration of justice into disrepute or would otherwise be contrary to the public interest.<sup>2</sup>

The “public interest” test was adopted by the Divisional Court in the context of professional regulation in *Bradley*<sup>3</sup>:

Rejection denotes a submission so unhinged from the circumstances of the offence and the offender that its acceptance would lead reasonable and informed persons, aware of all the relevant circumstances, including the importance of promoting certainty in resolution discussions, to believe that the proper functioning of the justice system had broken down. This is an undeniably high threshold...<sup>4</sup>

The Panel accepted the submission that the registrants have taken responsibility for the misconduct, admitted their breach of the Code of Ethics and will undertake to avoid any future non-compliance.

The Panel acknowledges the diligent efforts on the part of the parties to reach a settlement agreement, saving the time and expense of a contested hearing.

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.

Ontario Motor Vehicle Industry Council  
Discipline Tribunal

Dated: October 24, 2025



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Deb Mattina, Public Member

On behalf of:

Paul Eros, Registrant Member  
Anne French, Registrant Member

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<sup>2</sup> *R. v. Anthony-Cook*, 2016 SCC 43 at para. 32

<sup>3</sup> *Bradley v. Ontario College of Teachers*, 2021 ONSC 2303

<sup>4</sup> *Bradley*, at para. 11