



Citation: Auto Cross Inc. and Tavakolli v. Registrar, *Motor Vehicle Dealers Act, 2002*, 2025 ONLAT MVDA 17173 and 17181

Licence Appeal Tribunal File Numbers: 17173 and 17181/MVDA

An appeal from a Notice of Proposal to Revoke Registration and an Immediate Temporary Suspension Order issued by the Registrar pursuant to the *Motor Vehicle Dealers Act, 2002*, S.O. c. 30, Sch. B.

Between:

Auto Cross Inc. and Mosayeb Tavakolli

Appellants

and

Registrar, *Motor Vehicle Dealers Act, 2002*

Respondent

CASE CONFERENCE REPORT & ORDER

CONSENT ORDER

ADJUDICATOR:

Jeffery Campbell, Vice-Chair

Date:

October 6, 2025

BACKGROUND

- [1] Auto Cross Inc. and Mosayeb Tavakolli (“Appellants”) filed Notices of Appeal on May 29, 2025, from the Notice of Proposal to Revoke Registration of the Appellants (“NOP”) and from the Immediate Temporary Suspension Order (“ITSO”) sent to the Appellants on May 26, 2025 by the Registrar (“Registrar” or “respondent”) under the *Motor Vehicle Dealers Act, 2002*, S.O. c. 30, Sch. B. (“Act”).
- [2] The NOP proposes to revoke the registration of the appellant Auto Cross Inc. as a motor vehicle dealer and the registration of the appellant Mosayeb Tavakolli as a motor vehicle salesperson.
- [3] The ITSOs suspended the registrations of both Appellants as a matter of public interest.
- [4] The parties advised the Tribunal that they had resolved the issues in dispute and the parties have consented to the registration of the Appellants as a motor vehicle dealer and as a motor vehicle salesperson under the *Act* on the terms and conditions set out in Terms and Conditions between the Appellants and the Registrar signed by the Appellants and the Registrar. The Terms and Conditions shall constitute Schedule A.
- [5] Further, the parties confirmed that pursuant to section 4.1 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S 2 (the “SPPA”), the parties waive the requirements of a hearing and consent to an Order of the Tribunal to confirm the Appellants’ registrations on the Terms and Conditions set out on Schedule A. A copy of the agreements signed by all parties is attached as Schedule A to this Order.

ON CONSENT OF ALL PARTIES, I ORDER:

- [6] Pursuant to s. 4.1 of the SPPA and on the consent of the parties, I dispose of this proceeding on the Terms and Conditions set out in the agreement signed by the parties, a copy of which is attached to this order as Schedule A, which Schedule A is incorporated and made part of this Order.

LICENCE APPEAL TRIBUNAL



Jeffery Campbell, Vice-Chair

Released: October 6, 2025

LAT File Number: 17173/MVDA and 17181/MVDA

TO: License Appeal Tribunal
Tribunals Ontario
General Services
15 Grosvenor Street, Ground Floor
Toronto, ON M7A 2G6

FROM: The Registrar, *Motor Vehicle Dealers Act, 2002*
Ontario Motor Vehicle Industry Council
65 Overlea Blvd., Suite 300
Toronto, ON M4H 1P1

FROM: Auto Cross Inc.
10 Le Page Crescent
Toronto, ON M3J 1Z9

AND FROM: Mosayeb Tavakolli

Pursuant to subsection 6(2) of the *Motor Vehicle Dealers Act, 2002* (the "MVDA"), Auto Cross Inc. (The "Dealer") and Mosayeb Tavakolli ("Tavakolli") (collectively the "Appellants") and the Registrar, *Motor Vehicle Dealers Act, 2002*, ("the Registrar"), in accordance with section 4.1 of the *Statutory Powers Procedure Act*, do hereby waive the requirements for a hearing and consent to an Order of the Licence Appeal Tribunal ("Consent Order") based upon the following terms and conditions:

GENERAL

1. The Notice of Proposal to Revoke registrations of the Appellants dated May 26, 2025, shall not be carried out.
2. The Appellants registration suspension shall continue, and the Appellants shall not reapply or seek reinstatement until such time that all the records that have been requested per Schedule "A" attached hereto and/or will be requested per paragraph 3 below have been provided to the Registrar.
3. Upon receiving the records listed under Schedule "A", any follow-up document requests or information shall be requested by the Registrar within a reasonable time and provided by the Appellants to the Registrar within 5 (five) business days of receiving the same.
4. The Appellants shall not reapply or seek reinstatement for any class other than as a Wholesaler.
5. Upon the Appellants complying with paragraphs 2 and 4, the Registrar shall not unreasonably withhold the Appellants' registration.
6. For the period of four (4) years from the date the Application is granted, the Dealer shall

not apply for a change in registration class. Should the Dealer wish to apply for a change in class after the restriction period, such application will be subject to a full review by the Registrar, including an assessment of the Dealer's eligibility to be registered as a General Dealer.

7. As a condition precedent to obtaining a Wholesaler registration, the Dealer shall provide an irrevocable Letter of Credit in the amount of \$20,000 in favour of the Motor Vehicle Dealers Compensation Fund from a financial institution under the Loan and Trust Corporations Act, which will remain in place for two years from either the date of registration termination or the last retail transaction of the Appellant's (the "**Closure of Business**"), whichever is earlier.
8. The Letter of Credit shall be in the form set out by the Registrar.
9. Should the financial institution give notice that the Letter of Credit is to be rescinded, the Dealer shall provide a replacement letter of credit before the expiry of the notice period.
10. The Dealer understands that the Registrar may release a portion of the funds held by the letter of credit before the Closure of Business, subject to the following:
 - The request must be made in writing to the Registrar;
 - The request must be made by all the owners, partners, officers, directors, and shareholders registered with the Appellant;
 - The request must be made no less than two years after the letter of credit was deposited with the Registrar; and
 - The Registrar shall retain the minimum holdback amount of \$5000, until the Closure of Business.
11. The Appellants consents and acknowledges that the Registrar has the discretion to approve the release of the Letter of Credit based on the Appellant's compliance record and other risk considerations that the Registrar deems appropriate at the time of the request.
12. As a condition precedent to obtaining a Wholesaler registration, Tavakolli shall successfully complete the Ontario Motor Vehicle Industry Council's MVDA Key Elements course and is responsible for all enrollment fees.
13. The suspension of Tavakolli shall only be lifted upon the completion of conditions as set out in paragraphs 2-7 and 12 above.
14. The Appellants shall not conduct business with any person acting as a motor vehicle dealer and trading in motor vehicles without first confirming that the person is registered as a motor vehicle dealer in accordance with the MVDA.
15. The Dealer shall maintain all books and records at its registered premises in accordance with the MVDA and pursuant to section 52 through to and including section 60 of Ontario Regulation 333/08.

- 16. The Appellants shall provide free access to books and records of the Dealer to an authorized representative of the Registrar in accordance with section 15 of the MVDA.
- 17. The Appellant shall not purchase a vehicle without first ensuring that the vehicle is registered to the seller and, if it is in Ontario, in the Ministry of Transportation (MTO) records.
- 18. The Appellant shall ensure that all vehicles purchased will be registered within 6 days in accordance with section 11 of the *Highway Traffic Act* (“HTA”).

ACKNOWLEDGMENT AND UNDERTAKING:

- 19. The Registrar is relying on the accuracy and completeness of all documents, statements or information provided by the Registrant in support of the Registrant’s application for registration.
- 20. The documents, information or statements provided to the Registrar are true to the best of the Registrant's knowledge, and belief; and that full answers to all questions, inquiries and requests made by the Registrar in connection with the Registrant’s application have been given.
- 21. The Registrar may take further administrative action, including a proposal to suspend or revoke registration, arising from any matters that have occurred or may occur related to honesty and integrity, financial responsibility or compliance with these Terms and Conditions.
- 22. Independent legal advice has been obtained, or the Registrant has had the opportunity to obtain independent legal advice respecting consent to the Terms and Conditions contained in this document.



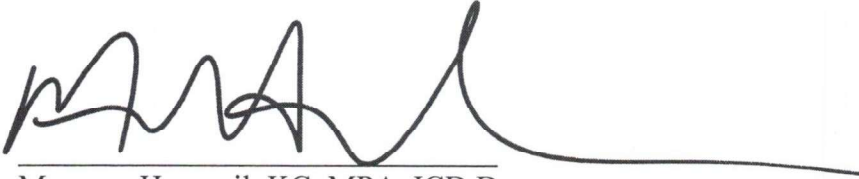
Auto Cross Inc. – name of Authorized Representative (signature)



Mosayeb Tavakolli (signature)

These Terms and Conditions are accepted by the Registrar, *Motor Vehicle Dealers Act, 2002*.

Signed in the City of Toronto, this 2nd day of October, 2025.

A handwritten signature in black ink, appearing to read 'M Harquail', with a long horizontal line extending to the right from the end of the signature.

Maureen Harquail, KC, MPA, ICD.D.

Registrar

Motor Vehicle Dealers Act, 2002

SCHEDULE A

OUTSTANDING INSPECTION DOCUMENTS

1. **Garage Insurance Policy:** Entire garage insurance policy, not the pink slip
2. **Interested Parties:** Any individual may have been a financially interested or invested party. This includes anyone with a personal or business loan to the dealership and their identities. For instance, on April 2, 2025, the dealer received a loan of \$ 1,000 from Attila Tavakolli. Is this person an interested party/any other persons who have provided similar loans?
3. **Auto Gard Warranty**
 - a. Please provide a written letter from Auto Gard confirming the outstanding balance as of April 1, 2025.
 - b. If payments are not up to date, please provide a written explanation indicating why and when they will be up to date.
 - c. If the payments are not current, please also provide a list of outstanding invoices with balances and the corresponding bill of sale.
4. **Bill of Sale and the Warranty Contract**

Please review the list below and provide copies of the Bill of Sale and the warranty contract for the following invoices, which were obtained from your warranty invoice document.

| Date | Invoice Number |
|-----------------|----------------|
| July 15, 2024 | 289586 |
| July 17, 2024 | 289695 |
| July 22, 2024 | 289904 |
| July 27, 2024 | 290141 |
| July 31, 2024 | 290333 |
| August 17, 2024 | 291050 |
| August 22, 2024 | 291248 |
| August 26, 2024 | 291409 |
| August 28, 2024 | 291509 |

| | |
|--------------------|--------|
| September 3, 2024 | 291714 |
| September 5, 2024 | 291811 |
| September 5, 2024 | 291812 |
| September 17, 2024 | 292366 |
| September 24, 2024 | 292658 |
| September 28, 2024 | 292843 |
| October 8, 2024 | 293255 |
| October 11, 2024 | 293368 |
| October 15, 2024 | 293494 |
| October 17, 2024 | 293615 |
| October 20, 2024 | 293743 |
| October 21, 2024 | 293766 |