

**DISCIPLINE COMMITTEE OF THE ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL**

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

**BETWEEN:**

**REGISTRAR, MOTOR VEHICLE DEALERS ACT, 2002**

- and -

**STREETSVILLE AUTO GROUP INCORPORATED o/a  
STREETSVILLE AUTO GROUP**

- and -

**ZUBAIR SYED**

**AGREED STATEMENT OF FACTS AND PENALTY**

Streetsville Auto Group Incorporated o/a Streetsville Auto and Zubair Syed have breached the following:

Section 7 of the Code of Ethics, Regulation 332/08

Section 9 of the Code of Ethics, Regulation 332/08

**SUMMARY OF AGREEMENT**

The parties to this proceeding agree that:

1. Syed Zubair o/a South Lake Motors was first registered as a motor vehicle dealer in or around June 2008. Zubair Syed ("Syed") was registered as a motor vehicle salesperson in or around October 2006. At all material times Syed was the sole proprietor of South Lake Motors.

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2. Streetsville Auto Group Incorporated o/a Streetsville Auto (the "Dealer") was first registered as a motor vehicle dealer in or around May 2017. At all material times, Syed was the Director, as well as the Person in Charge of the Dealer.
3. On or about May 25, 2017, Syed executed terms and conditions of registration on behalf of the Dealer. As per condition 18, the Dealer agreed it was under a positive obligation to disclose to purchasers all material facts about the vehicles it sells. The Dealer further agreed to undertake to research the histories of the vehicles it sells and in the case of a previously damaged vehicle, to provide purchasers with as much detail as possible with respect to the nature and severity of the damage.

**OMVIC publications:**

4. In the winter of 2008, OMVIC issued a Dealer Standard publication advising registrants of the up and coming changes to the Act, including the requirement for dealers to provide purchasers with written disclosure of a vehicle's accident repair history ("disclosure").
5. After the Act was proclaimed, OMVIC further issued the following Dealer Standard publications reminding registrants of the disclosure requirements:
  - a. Summer 2011
  - b. Summer 2012
  - c. Summer 2013
  - d. Issue #4 2014
  - e. Issue #4 2016
6. Furthermore, OMVIC issued the following bulletins which also reminded registrants of the disclosure requirements:
  - a. January 2010
  - b. December 2013

**Direct correspondence with Registrant[s]:**

7. During an inspection of South Lake Motors on or about January 9, 2012, Syed was reminded of registrants' obligation to provide purchasers with written disclosure of all material facts about the vehicles they sell.

**Dealer non-compliance:**

8. During an inspection of the Dealer on or about September 29, 2017, a representative of the Registrar found the following non-compliance issues:
  - a. On or about June 6, 2017, Syed, on behalf of the Dealer, purchased a 2009 Ford Explorer, (VIN 1FMEU23869UA38079), declared as an accident repair and insurance loss vehicle. In addition to this, a vehicle history report indicates it sustained \$20,199 in damage. On or about July 24, 2017, Syed, on behalf of the Dealer, sold this vehicle without disclosing the dollar amount of damage the



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vehicle had sustained. This is contrary to sections 42(19) and 42(25) of Regulation 333/08, as well as sections 7 and 9 of the Code of Ethics.

- b. On or about June 6, 2017, Syed, on behalf of the Dealer, purchased a 2008 Honda Civic (VIN 2HGFA15288H116143) declared as an accident repair and insurance loss vehicle. In addition to this, a vehicle history report indicates it sustained \$7,013 in damage. On or about August 26, 2017, Syed, on behalf of the Dealer sold this vehicle without disclosing the dollar amount of damage the vehicle had sustained or the fact that it had been declared and insurance loss. This is contrary to sections 42(19), 42(21), and 42(25) of Regulation 333/08, as well as sections 7 and 9 of the Code of Ethics. Syed, on behalf of the Dealer, has since reached out to the consumer and advised them of their vehicle history.
9. The Dealer has failed its due diligence requirement with respect to thoroughly researching the histories of the vehicles it sells, and in doing so is non-compliant with its terms and conditions of registration, as well as section 9 of the Code of Ethics.
10. As the Person in Charge of the Dealer, Syed has failed to ensure the Dealer is conducting business in compliance with the Act, Code of Ethics, as well as the Dealer's terms and conditions of Registration. As such, Syed's conduct is non-compliant with section 9 of the Code of Ethics.

By failing to comply with the following sections of the Act:

Regulation 333/08:

*42. Additional information in contracts of sale and leases:*

19. If the total costs of repairs to fix the damage caused to the motor vehicle by an incident exceed \$3,000, a statement to that effect and if the registered motor vehicle dealer knew the total costs, a statement of the total costs.

21. If the motor vehicle was declared by an insurer to be a total loss, regardless of whether the vehicle was classified as irreparable or as salvage under section 199.1 of the Highway Traffic Act, a statement to that effect.

It is thereby agreed that the Dealer and Syed have breached sections 7 and 9 of the Code of Ethics, as set out in regulation 332/08:

*Compliance*

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.

*Professionalism*



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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.

**JOINT SUBMISSION ON PENALTY:**

1. The Dealer agrees to pay a fine in the amount of \$1,750 no later than **August 31, 2018**.
2. Syed agrees to successfully complete the Automotive Certification Course (the "Course") no later than **August 31, 2018**.
3. The Dealer agrees to offer all current and future sales staff the opportunity to complete the Course. Current sales staff will be offered the Course within 90 days of the date of the Discipline Committee Order. Future sales staff will be offered the Course within 90 days of being retained in this capacity by the Dealer. The Dealer will incur all costs associated with this. It is understood between the parties this clause does not apply to sales staff who have completed the Course after January 1, 2009, or who are otherwise required to do so pursuant to the Act.
4. The Dealer agrees it will disclose all material facts about the motor vehicles for purchase or lease to its customers. The Dealer further agrees to disclose all material facts on the Bill of Sale, in writing. The Dealer will ensure compliance with the disclosure obligation notwithstanding whether or not the vehicle has been branded through MTO. For greater certainty, a material fact is one that if disclosed could affect the decision of a reasonable person to purchase or lease the vehicle or affect the purchase price. In the case of damaged vehicles, the Dealer further agrees to disclose as much detail as possible regarding the nature, severity, and dollar value of the damage. The Dealer undertakes to research the history of all the motor vehicles under trade to ensure all material facts are disclosed.
5. The Dealer agrees to comply with the Act, Code of Ethics, and Standards of Business Practice, as may be amended from time to time.



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By signature below, I acknowledge that I have read and understand the penalty outlined herein and agree to the said terms and/or conditions and that I exercised my right to be represented by Counsel or agent in this matter. I understand, acknowledge and consent to waive the requirement for a hearing and to request an Order from the Chair of the Discipline Committee that includes this Agreed Statement of Facts and Penalty as a final settlement of this matter.

DATED AT 1:13pm THIS 7<sup>th</sup> DAY OF June, 2018

Justin Dico  
(please print)

[Signature]  
(signature)

By signature below, I acknowledge that I have read and understand the penalty outlined herein and agree to the said terms and/or conditions and that I exercised my right to be represented by Counsel or agent in this matter. I understand, acknowledge and consent to waive the requirement for a hearing and to request an Order from the Chair of the Discipline Committee that includes this Agreed Statement of Facts and Penalty as a final settlement of this matter.

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(please print)

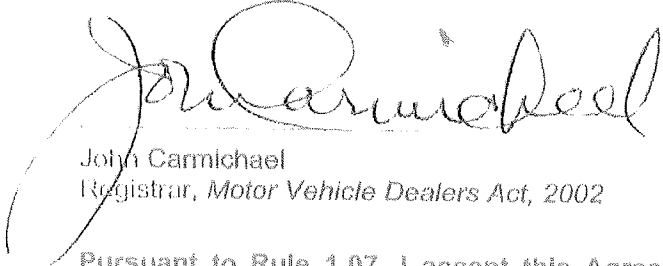
[Signature]  
(signature)

I have the authority to bind the corporation:  
Streetsville Auto Group Incorporated o/a Streetsville Auto

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By signature below the Registrar agrees, acknowledges, understands and consents to the final settlement of this matter by way of this Agreed Statement of Facts and Penalty.

DATED AT Toronto THIS 7 DAY OF June, 2018



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

Pursuant to Rule 1.07, I accept this Agreed Statement of Facts and Penalty from the Parties identified above:

DATED AT ANCASTER THIS 29<sup>th</sup> DAY OF AUGUST, 2018



Paul Burroughs  
Chair, Discipline Committee of the  
Ontario Motor Vehicle Industry Council

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