

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 -

KK MOTORS CANADA INC.

- and -

KAJENDRAN KASIPPILLAI

AGREED STATEMENT OF FACTS AND PENALTY

KK Motors Canada Inc and Kajendran Kasippillai 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. KK Motors Canada Inc (the "Dealer") was first registered as a motor vehicle dealer in or around July 2011. Kajendran Kasippillai ("Kasippillai") was first registered as a motor vehicle sales person in or around July 2011. At all material times, Kasippillai was the sole director of the Dealer.
2. On or about July 16, 2011, Kasippillai executed terms and conditions of registration on behalf of the Dealer. As per condition 7, the Dealer agreed to comply with the Code of Ethics. As per condition 23, the Dealer agreed it is under a positive obligation to disclose in writing on the bill of sale all material facts about the vehicles it sells.
3. During an inspection on or about November 3, 2011, a representative of the Registrar reviewed with Kasippillai, on behalf of the Dealer, the Dealer's terms and conditions of registration. Material fact disclosure was also reviewed at this time.

4. During an inspection on or about October 31, 2014, a representative of the Registrar found the following areas of non-compliance:
5. On or about May 6, 2014, the Dealer purchased a 2012 Nissan Rogue, (VIN JN8AS5MV9CW410531) with the following declarations:
 - a. Vehicle has been declared a total loss by the insurer
 - b. The manufacturers [sic] warranty has been cancelled
 - c. Repair estimate: 24,079.96
 - d. Brand ON: Salvage
 - e. Total distance travelled is unknown, but as of 4/08/2014 it was believed to be 34,000km. The total distance travelled is believed to be higher than the distance indicated. Odometer is unreadable.

On or about June 6, 2014, the Dealer sold this vehicle without providing the purchaser with written disclosure of a, b, and e. This is contrary to sub-sections 42(4), 42(20), 42(21), and 42(25) of Regulation 333/08, as well as sections 7 and 9 of the Code of Ethics. The Dealer has since provided OMVIC with a letter from the purchaser indicating they may have been made aware of the missing disclosure information at the time of purchase.

6. On or about May 9, 2014, the Dealer purchased a 2011 Volkswagen Jetta, (VIN 3VWDL7AJ5BM009556) with the following declarations:
 - a. Vehicle has been declared a total loss by the insurer
 - b. The manufacturers [sic] warranty has been cancelled
 - c. Repair estimate: 21,797.17
 - d. Brand ON: Salvage

On or about August 21, 2014, the Dealer sold this vehicle without providing the purchaser with written disclosure of a, and b. This is contrary to sub-sections 42(20), 42(21), and 42(25) of Regulation 333/08, as well as sections 7 and 9 of the Code of Ethics. The Dealer has since provided OMVIC with a letter from the purchaser indicating they may have been made aware of the missing disclosure information at the time of purchase.

7. On or about August 12, 2014, the Dealer purchased a 2008 Honda CR-V, (VIN 5J6RE48348L819807) with the following declarations:
 - a. Vehicle has been declared a total loss by the insurer
 - b. The manufacturers [sic] warranty has been cancelled
 - c. Repair estimate: 12,279.74
 - d. Total distance travelled is unknown, but as of 6/3/2014 it was believed to be 78,732km. The total distance travelled is believed to be higher than the distance indicated. Odometer is good.

On or about August 24, 2014, the Dealer sold this vehicle without providing the purchaser with written disclosure of a, b, and d. This is contrary to sub-sections 42(4)



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42(20), 42(21), and 42(25) of Regulation 333/08, as well as sections 7 and 9 of the Code of Ethics. The Dealer has since provided OMVIC with a letter from the purchaser indicating they may have been aware of the missing disclosure information at the time of purchase.

8. On or about September 11, 2014, the Dealer purchased a 2010 Dodge Grand Caravan, (VIN 2D4RN4DE8AR156030) with the following declarations:
 - a. Vehicle has been declared a total loss by the insurer
 - b. The manufacturers [sic] warranty has been cancelled
 - c. Repair estimate: 15,094.65
 - d. Total distance travelled is unknown, but as of 8/14/2014 it was believed to be 119,279km. The total distance travelled is believed to be higher than the distance indicated. Odometer is unreadable.

On or about October 8, 2014, the Dealer sold this vehicle without providing the purchaser with written disclosure of a, b, c, and d. This is contrary to sub-sections 42(4), 42(19), 42(20), 42(21), and 42(25) of Regulation 333/08, as well as sections 7 and 9 of the Code of Ethics. The Dealer has since provided OMVIC with a letter from the purchaser indicating they may have been aware of the missing disclosure information at the time of purchase.

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

Regulation 333/08:

42. Additional information in contracts of sale and leases:

4. If the motor vehicle is a used motor vehicle and the registered motor vehicle dealer cannot determine the total distance that the vehicle has been driven but can determine the distance that the vehicle has been driven as of some past date, a statement of that distance and date, together with a statement that the total distance that the vehicle has been driven is believed to be higher than that distance.

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.

20. If the manufacturer's warranty on the motor vehicle was cancelled, a statement to that effect.

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.

25. Any other fact about the motor vehicle that, if disclosed, could reasonably be expected to influence the decision of a reasonable purchaser or lessee to buy or lease the vehicle on the terms of the purchase or lease.



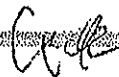
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It is thereby agreed that the Dealer and Kasippillai have breached the following sections of the Code of Ethics, as set out in Regulation 332/08:

7. 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.
9. 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 \$5,000. \$1,000 is due within 30 days of the date of the Discipline Committee Order and the remaining balance is due within 180 days of the date of the Discipline Committee Order.
2. Kasippillai agrees to successfully complete the OMVIC certification course within 90 days of the date of the Discipline Committee Order.
3. The Dealer agrees to offer all 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 and Kasippillai agree to comply with the Act and Standards of Business Practice, as may be amended from time to time.



Registrant's Initials

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 08 THIS 07 DAY OF _____, 2015

KAJENDRAN KASIPPILLAI
(please print)
Kajendran Kasippillai

[Signature]
(signature)

DATED AT 08 THIS 07 DAY OF _____, 2015

KAJENDRAN KASIPPILLAI
(please print)
Kajendran Kasippillai

[Signature]
(signature)

I have the authority to bind the corporation:
KK Motors Canada Inc.

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 08 THIS 07 DAY OF July, 2015

[Signature]

Mary Jane South,
Registrar, Motor Vehicle Dealers Act, 2002

[Signature]

Registrant's Initials

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

DATED AT London THIS 11 DAY OF July, 2015

C. Poultney

Catherine Poultney
Chair, Discipline Committee of the
Ontario Motor Vehicle Industry Council

Registrant's Initials