

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 -

PAUL SADLON MOTORS INCORPORATED

- and -

PAUL SADLON

- and -

PAUL SADLON JR.

AGREED STATEMENT OF FACTS AND PENALTY

Paul Sadlon Motors Incorporated and Paul Sadlon and Paul Sadlon Jr. have breached the following:


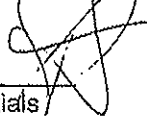
Section 4 of the Code of Ethics, Regulation 332/08

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



SUMMARY OF AGREEMENT

The parties to this proceeding agree that:

1. Paul Sadlon Motors Incorporated (the "Dealer") was registered as a motor vehicle dealer in or around February 1983. Paul Sadlon ("Sadlon") was first registered as a motor vehicle salesperson in or around April 1983. At all material times, Sadlon was a director of the Dealer. Paul Sadlon Jr. ("Sadlon Jr.") was first registered as a motor vehicle salesperson in or around October 1996. At all material times, Sadlon Jr. was an officer and general sales manager of the Dealer.

 
Registrant's Initials

2. In or before April 2013, to in around November 2013, Jody Hillier was involved in the trade of motor vehicles without the benefit of registration. This is contrary to section 4 of the Act.
3. In or before April 2013, to in around November 2013, Alan Puddicombe was involved in the trade of motor vehicles without the benefit of registration. This is contrary to section 4 of the Act.
4. On or before October 25, 2013, the Dealer advertised a 2013 Chevrolet Equinox (VIN 2GNFICEK9D6223316) with a selling price of \$23,988. On or about October 25, 2013, the Dealer sold this vehicle for \$440 above the advertised price. As such, this advertisement did not feature an all-inclusive price, contrary to sub section 36(7) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics. Moreover, the Dealer failed to disclose former daily rental in the advertisement, contrary to sub section 36(5) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics. The Dealer has subsequently provided the consumer with a refund for the amount paid in additional fees.
5. Between on or before Oct 28, 2013, to on or before November 2, 2013, the Dealer advertised 3 vehicles without disclosing their former daily rental use in the advertisement. This is contrary to sub section 36(5) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics.
6. On or before October 31, 2013, the Dealer advertised a 2013 Kia Rio (VIN KNADN4A33D6216511) with a selling price of \$13,988. On or about October 31, 2013, the Dealer sold this vehicle for \$1,112 above the advertised price. As such, this advertisement did not feature an all-inclusive price, contrary to sub section 36(7) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics. The Dealer has subsequently provided the consumer with a refund for the amount paid in additional fees. The Dealer has subsequently provided the consumer with a refund for the amount paid in additional fees.
7. On or before November 4, 2013, the Dealer advertised a 2010 Kia Soul (VIN KNDJT2A23A7151575) with a selling price of \$14,988. On or about October 23, 2013, the Dealer sold this vehicle for \$440 above the advertised price. As such, this advertisement did not feature an all-inclusive price, contrary to sub section 36(7) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics. The Dealer has subsequently provided the consumer with a refund for the amount paid in additional fees.
8. On or before November 5, 2013, the Dealer advertised a 2008 Chevrolet Aveo (VIN KL1TG65638B182549) with a selling price of \$8,998. On or about November 5, 2013, the Dealer sold this vehicle for \$469 above the advertised price. As such, this advertisement did not feature an all-inclusive price, contrary to sub section 36(7) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics. The Dealer has subsequently provided the consumer with a refund for the amount paid in additional fees.

 
Registrant's Initials

9. On or before November 12, 2013, the Dealer advertised a 2011 Ford Focus (VIN 1FAHP3FN4BW156406) with a selling price of \$13,988. On or about November 12, 2013, the Dealer sold this vehicle for \$952 above the advertised price. As such, this advertisement did not feature an all-inclusive price, contrary to sub section 36(7) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics. The Dealer has subsequently provided the consumer with a refund for the amount paid in additional fees.
10. On or before November 13, 2013, the Dealer advertised a 2013 Cadillac XTS (VIN 2G61T5S34D9201415) with a selling price of \$59,998. On or about November 13, 2013, the Dealer sold this vehicle for \$2,464 above the advertised price. As such, this advertisement did not feature an all-inclusive price, contrary to sub section 36(7) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics. The Dealer has subsequently provided the consumer with a refund for the amount paid in additional fees.
11. On or before November 13, 2013, the Dealer advertised a 2010 GMC Sierra (VIN 1GTSKUEA6AZ1155882) with a selling price of \$20,988. On or about November 13, 2013, the Dealer sold this vehicle for \$440 above the advertised price. As such, this advertisement did not feature an all-inclusive price, contrary to sub section 36(7) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics. The Dealer has subsequently provided the consumer with a refund for the amount paid in additional fees.
12. On or before November 19, 2013, the Dealer advertised a 2012 Chevrolet Suburban (VIN 1GNSKJE78CR291241) with a selling price of \$37,988. On or about November 19, 2013, the Dealer sold this vehicle for \$440 above the advertised price. As such, this advertisement did not feature an all-inclusive price, contrary to sub section 36(7) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics. Moreover, the Dealer failed to disclose former daily rental in the advertisement, contrary to sub section 36(5) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics. The Dealer has subsequently provided the consumer with a refund for the amount paid in additional fees.

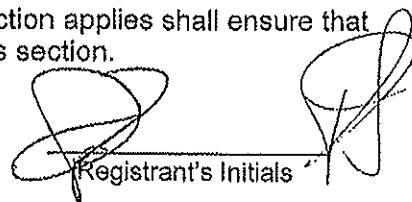
By failing to comply with the following regulations under the *Motor Vehicle Dealers Act, 2002*:

Unregistered salesperson

4. (3) A motor vehicle dealer shall not retain the services of a salesperson unless the salesperson is registered in that capacity.

Advertising

36. (1) A registered motor vehicle dealer to whom this section applies shall ensure that any advertisement placed by the dealer complies with this section.


Registrant's Initials

(5) If any of the following is true of a motor vehicle, an advertisement that attempts to induce a trade in the specific vehicle shall indicate, in a clear, comprehensible and prominent manner, that the vehicle was previously,

(a) Leased on a daily basis, unless the vehicle was subsequently owned by a person who was not a registered motor vehicle dealer.

(7) If an advertisement indicates the price of a motor vehicle, the price shall be set out in a clear, comprehensible and prominent manner and shall be set out as the total of,

(a) the amount that a buyer would be required to pay for the vehicle; and

(b) subject to subsections (9) and (10), all other charges related to the trade in the vehicle, including, if any, charges for freight, charges for inspection before delivery of the vehicle, fees, levies and taxes.

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



4. A registrant shall be clear and truthful in describing the features, benefits and prices connected with the motor vehicles in which the registrant trades and in explaining the products, services, programs and prices connected with those vehicles.

(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.

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 \$12,000 within 90 days of the date of the Discipline Committee Order. The fine is payable to the Ontario Motor Vehicle Industry Council.
2. Sadlon Jr. agrees to successfully complete the OMVIC certification course, within 90 days of the date of the Discipline Committee Order. The Dealer will pay all costs associated with this.
3. The Dealer agrees to offer all registered salespeople the opportunity to complete the OMVIC certification course, within 90 days of the date of the Discipline Committee Order. The dealer will pay all costs associated with this. Future sales staff will be offered the course within 90 days if being retained in this capacity by the Dealer. The Dealer will pay all costs associated with this. It is understood between the parties this clause does not apply to sales staff who have completed the course or who are otherwise required to do so pursuant to the Act.

 
Registrant's Initials

4. The Dealer agrees to ensure that all future advertising is in compliance with *Motor Vehicle Dealers Act, 2002* and Standards of Business Practice, as may be amended from time to time.
5. The Dealer agrees to comply with the *Motor Vehicle Dealers Act, 2002* and Standards of Business Practice, as may be amended from time to time.

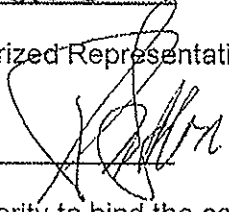
By signature below, I acknowledge that I have read and understand the penalty outlined herein and agree to the said terms and/or conditions and that I exercised my right to be represented by Counsel or agent in this matter. I understand, acknowledge and consent to waive the requirement for a hearing 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 BARRIE THIS 12th DAY OF MARCH, 2015

PAUL SADLON

(please print)

Name of Authorized Representative


(signature)

I have the authority to bind the corporation:

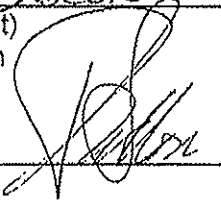
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DATED AT BARRIE THIS 12th DAY OF MARCH, 2015

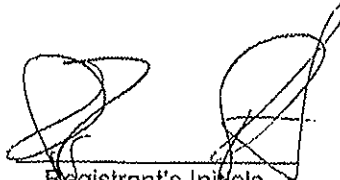
PAUL SADLON

(please print)

Paul Sadlon


(signature)

Paul Sadlon

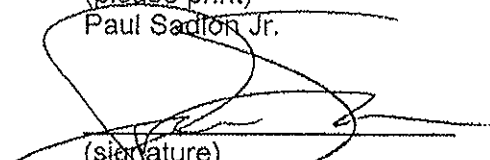

Registrant's Initials

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DATED AT Barrie THIS 12th DAY OF March, 2015

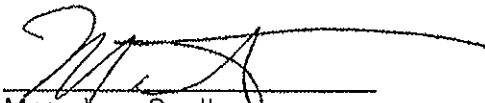
PAUL SADLON JR

(please print)
Paul Sadlon Jr.


(signature)
Paul Sadlon Jr.

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 13th DAY OF March, 2015


Mary Jane South,
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 London THIS 20 DAY OF March, 2015

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


Registrant's Initials