

DISCIPLINE DECISION

REVIEWING PANEL: Deb Mattina, Public Member
Paul Eros, Registrant
Jon Lemaire, Registrant

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 -)
CARS BAY INC.)
O/A ONTARIO CARS)
)
)

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: May 13, 2025

Findings: **Cars Bay Inc. o/a Ontario Cars (the “Dealer”) has breached the following:**

- Sections 5(16), 7(1), 9(1) and 9(3) of the Code of Ethics, O. Reg. 332/08

Order:

1. Cars Bay Inc. o/a Ontario Cars (the “Dealer”) shall pay a fine in the amount of **\$6,500** no later than one (1) year 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 MVDA Key Elements 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 April 11, 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:

Withdrawals:

1. The allegations contained in paragraphs 6, 7, 12-15 of the Notice of Referral to Discipline dated March 2, 2024, are hereby withdrawn.

Background:

2. Cars Bay Inc. o/a Ontario Cars (the "Dealer") was first registered as a motor vehicle dealer under the Act in or around October 25, 2018.
3. Noor Mahmood ("Mahmood") was first registered as a salesperson under the Act on or about February 16, 2005.
4. Mahmood's registration as a salesperson expired on or about March 19, 2024, because he failed to renew it.
5. Mahmood submitted an Individual Reapply application on or about January 14, 2025, that was approved on or about March 19, 2025.

OMVIC Publications

6. Since the Act was proclaimed in 2010, OMVIC has issued various educational materials, including publications, webinars and guidelines, reminding registrants of their all-in pricing obligations and to disclose all material facts about the vehicles they sell. The dates of said publications are attached hereto as Schedule "A". Educational materials continue to be available on OMVIC's website.

Direct Correspondence with Dealer

7. During an inspection in May 2019, a representative of the Registrar discovered certain material facts non-disclosures. Moreover, the Registrar received consumer complaints regarding the condition and misrepresentation of motor vehicles sold. As a result of these violations, the Registrar issued a warning letter to the Dealer in July 2019, advising the Dealer to adhere to the disclosure requirements outlined in section 42 of of O. Reg. 333/08.

Dealer's Non-Compliance:

8. On January 9, 2025, an Inspector attended the Dealer's premises to conduct an inspection of its books and records. The following issues of non-compliance were discovered as part of the inspection, as particularized below.

Unregistered Salesperson

9. Between on or about April 2024 and on or about August 2024, Mahmood sold the following vehicles to customers on behalf of the Dealer despite not being registered as a salesperson under the Act:
 - i. April 28, 2024: 2017 Ford F-150 (VIN ***D64146)
 - ii. June 11, 2024: 2012 Chevrolet Camaro (VIN ***191826)
 - iii. June 11, 2024: 2015 Nissan Versa (VIN ***370813)
 - iv. June 18, 2024: 2015 Kia Rondo (VIN ***122510)
 - v. June 23, 2024: 2015 Nissan Pathfinder (VIN ***678902)
 - vi. June 23, 2024: 2009 Audi A4 (VIN ***015383)
 - vii. July 28, 2024: 2015 Mercedes CLA (VIN ***229695)
 - viii. August 11, 2024: 2016 Acura MDX (VIN ***504934)
10. This is contrary to section 4(3) of the Act, as well as section 9(1) and 9(3) of the Code of Ethics, Ontario 332/08.

Non-disclosure violation:

11. On or about June 11, 2024, the Dealer sold a 2012 Chevrolet Camaro (VIN ***191826) to a consumer. This vehicle had previously incurred accident damage for which repairs were valued at \$5,234 and \$10,564. The Dealer failed to provide the purchaser with written disclosure of the vehicle's accident repair history. This is contrary to sections 42(19) of Ontario Regulation 333/08, as well as sections 7(1) and 9(3) of the Code of Ethics.
12. On or about August 23, 2024, the Dealer sold a 2017 Nissan Titan S (VIN ***528695) to another motor vehicle dealer. This vehicle had previously incurred in accident with a cost of repair on the amount of \$6,622. The Dealer failed to disclose this information on the bill of sale. This is contrary to sections 5(16), 7(1) and 9(3) of the Code of Ethics.

As particularized above, the Dealer has violated the following section of the Code of Ethics:

Disclosure of information in contracts of sale and lease

s. 5 A registered motor vehicle dealer who enters into a contract to sell or lease a motor vehicle to a person who is also a registered motor vehicle dealer shall ensure that the following information is disclosed in the contract:

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

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

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.

(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.

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 the Dealer has breached subsections 5(16), 7(1), 9(1) and 9(3) of the OMVIC Code of Ethics.

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

Reasons for Decision

The Reviewing Panel received and considered comprehensive written materials from the Parties. While the Panel made note of a prior discipline decision they were left satisfied that the proposed resolution has no risk of being contrary to the public interest. The outcome is clearly connected to the admitted breaches of the Code of Ethics and consistent with other outcomes ordered in this Tribunal in similar cases. In such circumstances, disposition under Rule 1.07 is appropriate and ordered accordingly.

Ontario Motor Vehicle Industry Council
Discipline Tribunal

Dated: May 13, 2025



Deb Mattina, Public member
On behalf of:

Paul Eros, Registrant
Jon Lemaire, Registrant

