DISCIPLINE DECISION

REVIEWING PANEL: Sherry Darvish, Discipline Tribunal Chair, Public Member

Mike Ball, Registrant Chris Pinelli, Registrant

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

ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL)
- and -)
OLYMPIC MOTORS (ON) II CORPORATION o/a AUTO VALUE HYUNDAI))
- and -)
RALPH SCHEUERMANN)
- and -)
TARIK ANTHONY DILLON)

BETWEEN:

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: March 13, 2025

Findings: Olympic Motors (ON) Il Corporation o/a Auto Value Hyundai (the "Dealer") has breached the following:

Sections 4(2) and 9(3) of the Code of Ethics, O. Reg. 332/08

Ralph Scheuermann has breached the following:

Sections 6(2) and 9(3) of the Code of Ethics, O. Reg. 332/08

Tarik Anthony Dillon has breached the following:

Sections 6(2) and 9(3) of the Code of Ethics, O. Reg. 332/08

Order:

- 1. Olympic Motors (ON) II Corporation o/a Auto Value Hyundai (the "Dealer") shall pay a fine in the amount of **\$2,800** no later than <u>ninety (90) calendar days</u> from the date of the Discipline Tribunal's Order.
- 2. Ralph Scheuermann ("Scheuermann") shall successfully complete the MVDA Key Elements Course no later than <u>ninety (90) calendar days</u> from the date of the Discipline Tribunal's Order.
- 3. Tarik Anthony Dillon ("Dillon") shall successfully complete the MVDA Key Elements Course no later than <u>ninety (90) calendar days</u> from the date of the Discipline Tribunal's Order
- 4. The Dealer shall **offer** to all current and future salespersons, employed by the Dealer, to **fund** their completion of the Automotive Certification Course, no later than <u>ninety</u> (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 January 17, 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:

Background:

- 1. Olympic Motors (ON) II Corporation o/a Auto Value Hyundai (the "Dealer") was first registered as a motor vehicle dealer under the Act in and around July 2014.
- 2. Ralph Scheuermann ("Scheuermann") was first registered as a salesperson under the Act in and around September 2018. At all material times, Scheuermann has been a General Manager and Person in Charge of the day-to-day activities of the Dealer.
- 3. Tarik Anthony Dillon ("Dillon") was first registered as a salesperson under the Act in and around March 2024. At all material times, Dillon has been a salesperson of the Dealer.

OMVIC Publications

4. 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. 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

5. During an inspection on or about September 25, 2020, a representative of the Registrar reminded the Dealer of its obligation to advertise all-inclusive prices pursuant to section 36(7) of O. Reg. 333/08.

Dealer's Non-Compliance:

- 6. On or before June 27, 2024, the Dealer published an advertisement for a silver 2020 Hyundai Ioniq Electric Ultimate, stock# AV722432A, (VIN# ***060828), with an advertised price of \$ \$23,510, plus taxes and licensing. It was indicated that the advertised price applied to finance deals only.
- 7. On or about June 27, 2024, a representative of OMVIC (the "Representative") made inquiries about the vehicle, while posing as a member of the public (also known as a 'mystery shop').
- 8. Dillon provided the Representative with a finance worksheet, which indicated that the following fees had been added above the vehicle's advertised price.
 - a. \$298 Nitro and Etching fee
 - b. \$895 Vehicle Security fee
- 9. Dillion did not expressly inform the Representative that these fees related to options that could be declined.
- 10. As a result, the Dealer's advertised vehicle price was not all-inclusive. This is contrary to section 36(7) of O. Reg. 333/08, as well as sections 4(2) and 9(3) of the Code of Ethics.

Scheuermann's Non-Compliance:

11. Scheuermann as a Person in Charge, failed to ensure that the Dealer conducted its business in compliance with the Act, its regulations, and the Code of Ethics and thus personally contravened sections 6(2) and 9(3) of the Code of Ethics through Dillion's failure to expressly inform the Representative of the optional nature of the fees.

Dillon's Non-Compliance:

12. In regard to the above-noted vehicle, Dillon engaged in the trade of a vehicle in a manner that is contrary to sections 4(2) and 9(3) of the Code of Ethics and also caused the Dealer to contravene the Act, its regulations, and the Code of Ethics and thus personally contravened sections 6(2) and 9(3) of the Code of Ethics through his failure to expressly inform the Representative of the optional nature of the fees.

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

Disclosure and marketing

- s. 4(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.
- 14. As particularized above, the Dealer, Scheuermann and Dillon have violated the following section of the Code of Ethics:

Professionalism

- s. 9(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.
- 15. As particularized above, Scheuermann and Dillon has violated the following section of the Code of Ethics:

Accountability

s. 6(2) A registered salesperson shall not do or omit to do anything that causes the registered motor vehicle dealer who employs or retains the salesperson to contravene this Regulation or any applicable law with respect to trading in motor vehicles.

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: (1) the Dealer has breached subsections 4(2) and 9(3) of the OMVIC Code of Ethics; (2) Scheuermann has breached subsections 6(2) and 9(3) of the OMVIC Code of Ethics; (3) Dillon has breached subsections 6(2) 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 and was 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: March 13, 2025

S. Darvish

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Sherry Darvish, Discipline Tribunal Chair, Public member On behalf of:

Chris Pinelli, Registrant Mike Ball, Registrant