

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

BETWEEN:

**ONTARIO MOTOR VEHICLE
INDUSTRY COUNCIL**

- and -

**1207036 ONTARIO LIMITED o/a
SIGN N DRIVE AUTO GROUP**

- and -

ASHIQ MUHAMMAD ALLI

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: 1207036 Ontario Limited o/a Sign N Drive Auto Group (the “Dealer’s Head Office”) has breached the following:

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

Ashiq Muhammad Alli has breached the following:

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

Order:

1. 1207036 Ontario Limited o/a Sign N Drive Auto Group (the “Dealer’s Head Office”) shall pay a fine in the amount of **\$5,000** no later than one hundred and eighty (180) calendar days from the date of the Discipline Tribunal’s Order.
2. Ashiq Muhammad Alli shall successfully complete the MVDA Key Elements Course no later than ninety (90) calendar days from the date of the Discipline Tribunal’s Order.
3. The Dealer’s Head Office shall **offer** to all current and future salespersons, employed by the Dealer, to **fund** their completion of the Automotive Certification 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 March 10, 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:

The allegations against 1207036 Ontario Limited o/a Motor City Auto Sales/The Approval Store/Sign N Drive (the “Dealer’s Ajax Branch”) contained in paragraphs 1 and 5 to 11 of the Notice of Referral to Discipline Tribunal (“NORD”), dated July 23, 2024, are hereby withdrawn.

Background:

1. 1207036 Ontario Limited o/a Sign N Drive Auto Group (the “Dealer’s Head Office”) was first registered as a motor vehicle dealer in and around June 2023.
2. Ashiq Muhammad Alli (“Alli”), also known as “Ash”, was first registered as a motor vehicle salesperson in and around February 2008. At all material times, Alli has been as a General Manager, Officer, and the Person in Charge of the day-to-day activities at the Dealer’s Head Office.

Prior OMVIC Inspections

3. From around March to May 2022, representatives of the Registrar conducted a remote inspection of the books and records of 1207036 Ontario Limited o/a Motor City Auto Sales/The Approval Store/Sign N Drive (the “Dealer’s Ajax Branch”). At all material times, Alli has been an Officer and the Person in Charge of the day-to-day activities of the Dealer’s Ajax Branch.
4. On or about May 13, 2022, the Registrar’s representatives reminded Alli of the Dealer’s Ajax Branch’s contract disclosure obligations as required pursuant to section 42 of O. Reg. 333/08.

5. On or about August 15, 2023, a representative of the Registrar attended the premises of the Dealer's Head Office for a scheduled new dealer inspection. The Registrar's representative reminded the Dealer's Head Office of its contract disclosure obligations as required pursuant to section 42 of O. Reg. 333/08.

Prior OMVIC Warning Letter

6. On or about March 21, 2024, the Registrar sent a warning letter to the Dealer's Ajax Branch to remind the Dealer's Ajax Branch and staff of its contract disclosure obligations under section 42 of O. Reg. 333/08.

Dealer's Non-Compliance:

7. On or about May 16, 2024, the Dealer's Head Office purchased a 2020 BMW X3 (VIN# *C26614) from another motor vehicle dealer. The vehicle had previously been used as a daily rental and had not been registered under an individual consumer's name prior to its purchase by the Dealer's Head Office.
8. On or about May 17, 2024, a salesperson, acting on behalf of the Dealer's Head Office, sold the 2020 BMW X3 to an individual consumer ("Consumer B"). The retail bill of sale included the words "prev use lease". However, the statement itself is ambiguous and does not indicate, in a clear, comprehensible and prominent manner, that the vehicle had previously been used as a daily rental, contrary to sections 40(2)(1) and 42(7)(i) of O. Reg. 333/08.
9. On or about June 20, 2024, a representative of the Registrar ("Representative B") received a complaint from Consumer B concerning the vehicle.
10. On or about the same date, Representative B noticed that the Dealer's Head Office had failed to disclose the vehicle's previous use as a daily rental in a clear, comprehensible and prominent manner on the retail bill of sale. Representative B informed Consumer B that she is entitled to a rescission of the agreement pursuant to section 50 of O. Reg. 333/08.
11. On or about June 20, 2024, the Consumer sent a registered letter to the Dealer's Head Office, requesting rescission of the agreement pursuant to section 50 of O. Reg. 333/08. The Dealer's Head Office received the registered letter on or about June 21, 2024.
12. On or about July 2, 2024, Representative B sent the Dealer's Head Office a letter regarding Consumer B's complaint and requested the Dealer's Head Office to provide, within 5 business days, various written statements and documents concerning this motor vehicle.
13. On or about July 9, 2024, Alli, acting on behalf of the Dealer's Head Office, responded to Representative B's request, stating that "[i]t was disclosed as previous lease on bill of sale" and that "she did have a complaint before and she took a compensation given by cheque, and signed our release of claim form, releasing us from any further issues".
14. On or about the same date, Representative B advised the Dealer's Head Office about the ambiguity of the disclosure on the retail bill of sale along with section 11 of the *Consumer*

Protection Act, 2002. Representative B also stated that Consumer B could not sign away her rights under section 50 of O. Reg. 333/08.

15. Further communications between Representative B, Consumer B, the Dealer's Head Office, and Counsel to the Dealer's Head Office took place in the months of July and August 2024 as the parties sought to reach a resolution on the matter.
16. On or about August 14, 2024, Counsel to the Dealer's Head Office informed Representative B that the Dealer's Head Office agreed to initiate the rescission process and take the vehicle back from the Consumer.
17. The Dealer's Head Office's failure to disclose, in writing on the retail bill of sale, the material fact that the vehicle had previously been used as a daily rental in a clear, comprehensible, and prominent manner, despite having knowledge of the fact, is a contravention of sections 40(2)(1) and 42(7)(i) of O. Reg. 333/08 as well as sections 7(1) and 9(3) of the Code of Ethics.

Alli's Non-Compliance:

13. Alli failed to ensure that the Dealer's Head Office 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.
18. As particularized above, the Dealer's Head Office has violated the following section of the Code of Ethics:

Compliance

s. 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.

19. As particularized above, the Dealer's Head Office and Alli 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.

20. As particularized above, Alli 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 7(1) and 9(3) of the OMVIC Code of Ethics; (2) Alii 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 Panel recognises that this is a relatively new dealership, and this matter is a first disciplinary action, nevertheless the Panel noted that multiple warnings had been issued which the Panel found troubling. However, 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.

Dated: May 13, 2025

Ontario Motor Vehicle Industry Council
Discipline Tribunal

A handwritten signature in blue ink, reading "Deb Mattina", is written over a horizontal line.

Deb Mattina, Public member
On behalf of:

Paul Eros, Registrant
Jon Lemaire, Registrant

