

DISCIPLINE DECISION

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 :

REGISTRAR, *MOTOR VEHICLE DEALERS ACT, 2002*

- AND -

EAST-COURT FORD LINCOLN SALES LIMITED

- AND -

KULDIP SAHI

- AND -

PUNIT "PRINCE" SIBAL

Pursuant to Rule 1.07 of the Rules of Practice before the Discipline Committee and the Appeals Committee, I, the Chair of the Discipline Committee, have reviewed and considered the written Agreed Statement of Facts and Joint Submission on Penalty together with both Parties' waiver of a Hearing to this Proceeding and provide the following Order:

Date of Decision: June 17, 2015

Findings: Breach of Sections 4 and 9 of the Code of Ethics

Order:

1. The Dealer is ordered to pay a fine in the amount of \$4,000 within 90 days of the date of the Discipline Committee Order.
2. Sibal is ordered successfully complete the OMVIC certification course (the "course") within 90 days of the date of the Discipline Committee Order.
3. The Dealer is ordered to offer all current and future sales staff, including managers and individuals in positions of authority at the Dealer, the opportunity to complete the OMVIC certification course (the "course"). Current sales staff will be offered the course within 90 days of acceptance of this offer. 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 or who are otherwise required to do so pursuant to the Act.



4. The Dealer, Sahi, and Sibal shall comply with the Act and Standards of Business Practice, as may be amended from time to time.

Written Reasons:

Reasons for Decision

Introduction

This matter proceeded on the basis of an Agreed Statement of Facts, Joint Submission on Penalty and the Parties' Waiver of Hearing, pursuant to Rule 1.07 of the Rules of Practice before the Discipline Committee and the Appeals Committee.

Agreed Statement of Facts

The parties to this proceeding agree that:

1. Eastcourt Ford Lincoln Sales Limited (the "Dealer") was first registered as a motor vehicle dealer in or around March 1983.
2. Kuldip Sahi ("Sahi") was first registered as motor vehicle salesperson in or around March 2002. At all material times, Sahi was an officer of the Dealer.
3. Punit "Prince" Sibal ("Sibal") was first registered as a motor vehicle salesperson in or around June 1992. Since in or around September 2009 Sibal has been identified, or identified himself as the General Manager and/or Person In Charge of the Dealer.
4. In the winter of 2008, OMVIC issued a Dealer Standard publication which highlighted some of the upcoming changes which would take place when the *Motor Vehicle Dealers Act, 2002* (the "Act") came into effect. This included the requirement for dealers to advertise an all-inclusive vehicle price and to disclose former daily rental vehicles in advertisements in a clear, comprehensible and prominent manner.
5. Once the Act came into effect, OMVIC the following Dealer Standard publications further reminded dealers of these requirements:
 - a. Spring 2010
 - b. Summer 2010
 - c. Spring 2011
 - d. Summer 2012
 - e. Winter 2013
 - f. Spring 2013
 - g. Fall 2013
 - h. Winter 2014



6. In addition to the above mentioned publications, OMVIC also issued the following bulletins reminding dealers of these advertising requirements:
 - a. January 2010 (2 separate bulletins)
 - b. April 2010 (2 separate bulletins)
 - c. February 2012
 - d. August 2012
 - e. April 2013
7. On or about June 24, 2009, the Registrar issued Notice of Complaint against the Dealer.
8. On or about January 11, 2012, the Discipline Committee issued a Discipline Decision, pursuant to a negotiated resolution of the above mentioned Notice. As per condition 4 of the Decision, the Dealer agreed to comply with the Code of Ethics and Standards of Business Practice, as may be amended from time to time.
9. By correspondence dated April 7, 2010, a representative of the Registrar reminded the Dealer of its obligation to disclose in advertisements former daily rental vehicles in a clear, comprehensible and prominent manner.
10. By correspondence dated May 4, 2010, a representative of the Registrar reminded the Dealer of its obligation to disclose in advertisements former daily rental vehicles in a clear, comprehensible and prominent manner.
11. By correspondence dated December 20, 2010, a representative of the Registrar reminded Sibal, on behalf of the Dealer, of the Dealer's obligation to promote an all-inclusive vehicle price in all advertisements.
12. During an inspection on or about September 29, 2014, a representative of the Registrar found the following incidents of advertising non-compliance:
 - a. On or before September 25, 2014, an advertisement was published by or on behalf of the Dealer for a 2013 Ford Taurus, Stock #A2874. On or about September 25, 2014, the Dealer sold this vehicle for \$504 above the advertised price. As such, the advertisement did not promote 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 since refunded the purchaser of this vehicle the amount they were charged over the advertised price.
 - b. On or before September 29, 2014, two advertisements were published on behalf of the Dealer which failed to disclose former daily rental units as such. This is contrary to sub-section 36(5) of Regulation 333/08, as well as sections 4 and 9 of the Code of Ethics.



By failing to comply with the following sections of the *Motor Vehicle Dealers Act, 2002*, (the "Act"):

Regulation 333/08:

36. Advertising:

(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;
- (b) used as a police cruiser or used to provide emergency services; or
- (c) used as a taxi or limousine.

(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, Sahi, and Sibal 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.

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 \$4,000 within 90 days of the date of the Discipline Committee Order.
2. Sibal agrees to complete the OMVIC certification course (the "course") within 90 days of the date of the Discipline Committee Order.



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3. The Dealer agrees to offer all current and future sales staff, including managers and individuals in positions of authority at the Dealer, the opportunity to complete the OMVIC certification course (the "course"). Current sales staff will be offered the course within 90 days of acceptance of this offer. 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 or who are otherwise required to do so pursuant to the Act.
4. The Dealer, Sahi, and Sibal agree to comply with the Act and Standards of Business Practice, as may be amended from time to time.

Decision of the Chair

Having reviewed and considered the Agreed Statement of Facts, the Chair of the Discipline Committee hereby concludes that the Dealer, Sahi and Sibal breached subsections 4 and 9 of the OMVIC Code of Ethics, as set out in Ontario Regulation 332/08, made under the *Motor Vehicle Dealers Act, 2002*. The Chair of the Discipline Committee also agrees with the Parties' Joint Submission on Penalty and, accordingly, makes the following Order:

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Ontario Motor Vehicle Industry Council
Discipline Committee



Catherine Poultney, Chair

