Tribunals Ontario | **Tribunaux décisionnels Ontario**

Licence Appeal Tribunal | Tribunal d'appel en matière de permis

Citation: Gear Six Automotive Inc., Ruwini Jayakody and Senduran Suthaharan v. Registrar, *Motor Vehicle Dealers Act, 2002*, 2026 ONLAT MVDA 18413

File Number: 18413/MVDA

In the matter of an appeal from a Notice of Proposal to revoke registrations issued by the Registrar pursuant to the *Motor Vehicle Dealers Act, 2002*, c. 30, Sch. B.

Between:

Gear Six Automotive Inc.

and

Ruwini Jayakody

and

Senduran Suthaharan

Appellants

and

Registrar, Motor Vehicle Dealers Act, 2002

Respondent

DECISION AND ORDER

Adjudicator: Bernard Trottier, Member

Appearances:

For the Appellants: Michael Burokas, Counsel

For the Respondent: Nanieka Narang, Counsel

Heard: September 22 to 25, 2026, by videoconference

OVERVIEW

[1] Pursuant to a Notice of Proposal dated February 26, 2026, the Registrar, *Motor Vehicle Dealers Act, 2002* (the "Registrar") proposes to revoke the registration of Gear Six Automotive Inc. ("Gear Six") as a motor vehicle dealer, and the registrations of Ruwini Jayakody and Senduran Suthaharan as motor vehicle salespersons, under the *Motor Vehicle Dealers Act, 2002*, S.O. 2002, c. 30, Sched. B (the "*Act*"). The three appellants were all named in the single Notice of Proposal.

[2] The Notice of Proposal identifies that Jayakody is registered under the *Act* as the director of Gear Six and, therefore, is responsible for overseeing the operations of the business. Suthaharan is an employee of Gear Six. Together, Gear Six, Jayakody and Suthaharan are referred to as the "appellants".

[3] The appellants each submitted appeals of the Notice of Proposal to the Licence Appeal Tribunal (the "Tribunal") on March 12, 2026.

[4] At the start of the hearing, the Registrar withdrew the following particulars from the Notice of Proposal:

a. Para. 11, regarding a condition of Gear Six's registration to hold $25,000 in trust, related to the transactions for a 2019 Land Rover Range Rover, vehicle identification number ("VIN") ***9459; and

b. Para. 31, regarding a condition of Gear Six's registration to hold $20,600 in trust, related to the transactions for a 2018 Toyota Sequoia, VIN ***8633.

[5] Accordingly, I do not consider paras. 11 and 31 of the Notice of Proposal as part of this Appeal.

ISSUES IN DISPUTE

[6] The issues in dispute are:

a. Does the past conduct of Jayakody afford reasonable grounds for belief that she will not carry on business in accordance with law and with integrity and honesty, thereby disentitling her to registration as a motor vehicle salesperson pursuant to s. 6(1)(a)(ii) of the *Act*?

b. Does the past conduct of Suthaharan afford reasonable grounds for belief that he will not carry on business in accordance with law and with integrity and honesty, thereby disentitling him to registration as a motor vehicle salesperson pursuant to s. 6(1)(a)(ii) of the *Act*?

c. Does the past conduct of Jayakody, as the director of Gear Six, afford reasonable grounds for belief that Gear Six's business will not be carried on in accordance with the law and with integrity and honesty, thereby disentitling it to registration as a motor vehicle dealer pursuant to s. 6(1)(d)(iii) of the *Act*?

d. If I find that the appellants are disentitled to registration, then I must determine whether to direct the Registrar to carry out its proposal or whether to substitute my opinion for that of the Registrar, which may include attaching conditions to my order and their registrations.

RESULT

[7] I find that the Registrar has satisfied its burden of proving that Jayakody's past conduct affords reasonable grounds for belief that Jayakody will not carry on business in accordance with law and with integrity and honesty, and that Gear Six's business will not be carried on in accordance with the law and with integrity and honesty.

[8] I find that the Registrar has satisfied its burden of proving that Suthaharan's past conduct affords reasonable grounds for belief that he will not carry on business in accordance with law and with integrity and honesty.

[9] I find that the public interest cannot be adequately protected by ordering an alternative penalty to revocation and by attaching terms and conditions to their licences.

[10] I therefore direct the Registrar to carry out its proposal to revoke the registrations of the appellants.

PROCEDURAL ISSUES

The Registrar shall call no more than 10 witnesses

[11] The Case Conference Report and Order, dated May 20, 2026 (the "CCRO"), ordered that the parties would be entitled to call no more than six witnesses each to give evidence at the four-day hearing. The CCRO ordered that the parties were to exchange their initial witness lists 45 days after the case conference, and their final witness lists 10 days before the start of the hearing. The *Licence Appeal Tribunal Rules, 2023*, (the "Rules") and the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22 (the "*SPPA*") apply to this proceeding.

[12] The appellants submitted their list of six proposed witnesses on July 15, 2026. On August 28, 2026, the Registrar filed a Notice of Motion seeking permission to call a total of 12 witnesses. On September 11, 2026, 11 days before the hearing, the Registrar submitted a list of 10 proposed witnesses. The appellants did not consent to the Motion, which was heard in writing before the hearing, before a different adjudicator. In its Motion Order, dated September 21, 2026, the Tribunal denied the Registrar's motion for permission to call six additional witnesses (for a total of 12), without restricting my discretion to hear additional witnesses at the hearing under Rule 9.3 and the *SPPA*.

[13] At the start of the hearing, the Registrar requested to call 11 witnesses, including a buyer/seller of two vehicles who was not on its list of 10 witnesses it provided on September 11, 2026. The Registrar argued that it has the onus to prove its case, and that the Tribunal has a duty to hear all relevant testimony. The appellants objected to the Registrar's request, arguing that they would consent to the list of 10 witnesses served on September 11, 2026, but that they would be prejudiced in not having time to prepare

their case regarding this proposed 11th witness. The appellants argued that procedural fairness requires that I order an adjournment if I were to allow this 11th witness.

[14] Rule 9.3 states that if a party fails to comply with any Rule, direction or order with respect to the exchange or production of witness lists, the party may not call a witness who is not included on a witness list filed in compliance with the Rules, direction or order to give evidence without the permission of the Tribunal. Rule 9.3 also sets out factors the Tribunal may consider in making its determination whether to allow the witnesses to testify.

[15] Under Rule 9.3, because the appellants did not oppose the calling of the 10 witnesses on the respondent's witness list of September 11, 2026, I allowed the respondent to call these 10 witnesses.

[16] I note that the Registrar's witness list included Carmelo Zambri, the Ontario Motor Vehicle Industry Council ("OMVIC") investigator who interviewed the proposed 11th witness, and that his interview notes, an interview recording, and an email from the proposed witness were produced to the appellants and were submitted as part of the Registrar's evidence brief. I find that the Registrar could have included this 11th proposed witness in its list of September 11, 2026, but that it chose not to. I find that adding a witness to the list at the start of the hearing would be prejudicial to the appellants, because they would not have time to prepare their cross-examination. I find that the testimony of the OMVIC investigator, the interview notes and the email are sufficient to provide an evidentiary record regarding the transactions for this buyer/seller and these two vehicles. To enable timely adjudication of this matter, I decline to order an adjournment. To avoid prejudice to the appellants, I deny the Registrar's request to call the proposed 11th witness to testify at the hearing.

The Registrar's request to admit late-filed evidence is denied

[17] At the start of the hearing, the Registrar requested to admit an email exchange between OMVIC and York Regional Police into evidence. The Registrar submitted that

this email exchange was not served previously on the appellants, and that it only came to the Registrar's attention in July of 2026. The Registrar argued that it has the onus to prove its case, and that the Tribunal has a duty to weigh all relevant evidence. The appellants objected to the request to file this evidence, on the grounds that this email exchange was unknown to the appellants, that the late production is unreasonable, and that the admission of this late evidence would be prejudicial to their case.

[18] Rule 9.3 states that if a party fails to comply with any Rule, direction or order with respect to disclosure, exchange, production, or inspection of documents or things, that party may not rely on the document or thing as evidence without the permission of the Tribunal. Rule 9.3 also sets out factors the Tribunal may consider in making its determination whether to allow the party to rely on the documents or things.

[19] The CCRO ordered that all documents that the parties intended to rely on as evidence be produced no later than 45 calendar days after the case conference (i.e., by June 27, 2026) and that any responsive documents be produced no later than 60 days after the case conference (by July 12, 2026). Firstly, I find that the email exchange was not reasonably within the knowledge of the appellants, because they only became aware of it at the start of the hearing. Secondly, I find that the Registrar's reason for non-compliance with the CCRO is not reasonable, because it had between July and September of 2026 to serve this information on the appellants, and to request permission from the Tribunal to serve it after the production deadline, yet it did neither. Thirdly, I find that the admission of this information would be prejudicial to the appellants, because they would not have time to review it before the start of the hearing. The Tribunal is required to ensure timely resolution of the merits of the proceeding, and I decline to order an adjournment to allow the appellants to review this information. Under Rule 9.3, I deny the Registrar's request to admit this information into evidence.

Registrar's Notice of Further and Other Particulars is admitted

[20] On the second day of the hearing, during examination of a witness, the appellants raised a motion that the Registrar not be allowed to admit its Notice of Further and Other

Particulars (“NFOP”), dated September 13, 2026, into evidence. The NFOP is dated only nine days before the start of the hearing, on a Sunday, and was received by the appellants only on September 14, 2026. The appellants argue that the Notice of Proposal, dated February 26, 2026, constitutes the case the parties need to meet, and that this addendum to the Notice of Proposal does not afford the appellants sufficient time to know the case they need to meet.

[21] The Registrar objected to the appellants’ procedural motion after the start of the hearing, and after nine of its witnesses had already testified. The Registrar argues that the NFOP alleges that Gear Six contravened terms and conditions of its registration, and that Gear Six contravened sections of Ontario Regulation 333/08 (the “Regulation”) in the trade of five vehicles. The Registrar argues that the allegations in the NFOP are already contained within an Information and Summons, with charges laid at the Ontario Court of Justice on November 15, 2025, and that these particulars are within the knowledge of the appellants and within the Registrar’s evidence brief. The Registrar argues, further, that the Notice of Proposal, dated February 26, 2026, refers to the charges laid against each of the appellants, for each of the five vehicles, and indicates that the charges were currently before the court.

[22] I find that the NFOP provides information regarding allegations that are already within the Information and Summons, therefore these allegations are within the knowledge of the appellants. I find, also, that the Registrar has referred to these allegations in its Notice of Proposal dated February 26, 2026. For this reason, I see no prejudice to the appellants in including allegations in the NFOP, which are in the Information and Summons, in the hearing record.

[23] However, I note that the NFOP also includes two allegations that Gear Six failed to disclose out-of-province registration history to a purchasing/financing dealer, and that these allegations are not contained in the Notice of Proposal or in the Information and Summons. I will not admit these two allegations, and I will disregard these allegations in my analysis, because they were not previously put to the appellants, and relying on

them would prejudice Gear Six. Collectively, I refer to the Notice of Proposal, dated February 26, 2026, and the NFOP, dated September 13, 2026, as the "NOP".

ANALYSIS

The Law and the Onus

[24] The *Act* and the Regulation prescribe registration requirements for motor vehicle dealers and salespersons in Ontario, to ensure that the public receives honest, ethical and competent services. To achieve that, the *Act* prohibits anyone from acting as a dealer or salesperson unless that person holds a registration granted under the *Act* by the Registrar. Once registration is granted, the Registrar may suspend, revoke, or attach conditions to a registration in circumstances specified in the *Act*.

[25] Section 6 of the *Act* sets out a number of conditions which may disentitle an applicant or registrant from registration. If the Registrar believes that a registrant is no longer entitled to registration under s. 6, the Registrar may propose to revoke the registrant's registration pursuant to s. 8 of the *Act*. The onus is on the Registrar to prove, on a balance of probabilities, the facts relied on in support of its position that the appellants are not entitled to registration.

[26] Under s. 6(1)(a)(ii) of the *Act*, the onus is on the Registrar to prove that the past conduct of a registrant affords reasonable grounds for belief that they will not carry on business in accordance with the law and with integrity and honesty. Under s. 6(1)(d)(iii) of the *Act*, the onus is on the Registrar to prove that the past conduct of a corporate registrant's officers or directors affords reasonable grounds for belief that the registrant's business will not be carried on in accordance with the law and with integrity and honesty. The standard of "reasonable grounds for belief" was set out by the Court of Appeal in *Ontario (Alcohol and Gaming Commission of Ontario) v. 751809 Ontario Inc. (Famous Flesh Gordon's)*, 2013 ONCA 157 (CanLII) ("*Famous Flesh Gordon's*"). The respondent does not have to show that the appellants' past conduct makes it more likely than not that

business will not be carried out as required, but only that its belief to that effect is based on more than mere suspicion and on compelling and credible information.

[27] Under s. 9(5) of the *Act*, following a hearing I may by order direct the Registrar to carry out its proposal or substitute my opinion for that of the Registrar. In that regard, I may attach conditions to my order or to a registration.

[28] A hearing of a notice of proposal is a hearing *de novo* in which the Tribunal does not owe deference to the Registrar's decision. Thus, even if I find that the appellants are not entitled to registration for any of the reasons set out in the entitlement provisions of the statute, I must still consider whether revocation is the appropriate remedy.

Gear Six Background

[29] The following information regarding the appellants was submitted into evidence by the Registrar and was uncontested by the appellants. Based on an OMVIC Director's Certificate, dated July 7, 2026, Jayakody has been the officer of Gear Six since April 13, 2018, and Gear Six was first registered as a motor vehicle dealer on December 17, 2018. Based on two other OMVIC Director's Certificates, also dated July 7, 2026, Jayakody was first registered as a motor vehicle salesperson on December 17, 2018, and Suthaharan was first registered as a motor vehicle salesperson on June 25, 2019. The Registrar also submitted into evidence OMVIC's standard Terms and Conditions ("T&Cs") attached to Gear Six's registration, pursuant to s. 6(2) of the *Act*, signed by Jayakody on December 17, 2018.

[30] At the hearing, Jayakody provided the following testimony on Gear Six's background that was uncontested by the Registrar. Jayakody testified that Gear Six has sold 650 to 700 vehicles since it was established; Jayakody and Suthaharan are the only two persons currently employed at Gear Six; Jayakody oversees most of the financial and operational aspects of the dealership, and Suthaharan conducts most of the sales transactions.

Summary of the allegations in the NOP

[31] The allegations in the NOP are summarized as follows:

a. That, at all material times, Gear Six's registration was subject to the T&Cs of its registration, specifically Clause 23 wherein Gear Six agreed to the following:

> 23. The Registrant will maintain bank accounts that are compliant with section 59 of Ontario Regulation 333/08.

b. That Gear Six facilitated fraudulent transactions with respect to the trade of five vehicles;

c. That Suthaharan, on behalf of Gear Six, purportedly entered into contracts with private sellers to purchase the five vehicles using amounts not withdrawn from Gear Six's bank account and supposedly paid in cash;

d. That Gear Six failed to withdraw funds paid in connection with the trades for the five vehicles from a non-trust account, contrary to section 59(3)(b) of the Regulation and Clause 23 of Gear Six's T&Cs of registration;

e. That Suthaharan, on behalf of Gear Six, entered into bills of sale ("BOSs") with another dealer, Canadian Automotive Reality Inc., operating as Vos Motors ("Vos Motors"), to arrange financing for the end customers for the five vehicles through Vos Motors;

f. That Gear Six purportedly collected deposits from the end customers for the five vehicles, to be paid on delivery, in cash;

g. That for one of the five vehicles, Gear Six furnished documents that contained a false VIN, rendering the vehicle fraudulent, and therefore Gear Six furnished documents with false information to affect all subsequent transfers of ownership in the vehicle with the Ministry of Transportation of Ontario ("MTO");

h. That for two of the five vehicles, the vehicles were previously exported outside of Canada, rendering the transactions purportedly conducted by Gear Six impossible, and therefore Gear Six furnished documents that contained false registration history to affect all transfers of ownership in the vehicle with the MTO;

i. That for two other vehicles, the purchases of the vehicles were never authorized by the seller, rendering the transactions fraudulent, and therefore Gear Six furnished documents that contained false authorizations to affect all transfers of ownership in the vehicle with the MTO;

j. That for three of the vehicles, Gear Six's garage register contained alteration to the entries, thereby obstructing, concealing or altering relevant information during the execution of a warrant, contrary to s. 19(9) of the *Act*.

k. That Gear Six falsified information and documents relating to 15 trades (three trades for each of the five vehicles), contrary to s. 26 of the *Act*;

l. That Gear Six furnished false information and documents relating to 15 trades (three trades for each of the five vehicles), contrary to s. 27 of the *Act*;

m. That Jayakody failed to take reasonable care to prevent the corporation from committing an offence of falsifying information and documents relating to a trade on 15 counts, contrary to s. 26 of the *Act*, and furnishing false information and documents relating to a trade on 15 counts, contrary to s. 27 of the *Act*.

[32] The NOP contains, also, allegations specific to each of the five vehicles that I analyze in the sections of this decision specific to each vehicle.

I will not consider the NOP's allegations of falsifying information and documents, contrary to s. 26 of the Act

[33] The NOP alleges, with respect to the five vehicles, that Gear Six facilitated fraudulent transactions, that Gear Six falsified information and documents contrary to s. 26 of the *Act*, and that Jayakody failed to take reasonable care to prevent the corporation from committing an offence of falsifying information and documents, contrary to s. 26 of the *Act*. In its closing arguments, the Registrar argued that it is not asking the Tribunal to make findings of fraud, which are separate charges before the court. Rather, the Registrar argues that the evidence demonstrates that there are reasonable grounds to believe that the appellants will not carry on business in accordance with law and with integrity and honesty, thereby disentitling them to registration.

[34] The appellants argued, citing *Hodge v. Registrar Real Estate and Business Brokers Act*, 2022 ONSC 7206 (CanLII), at part IV, para. 17, that as a matter of procedural fairness, a person who will be affected by a decision is entitled to notice of the case to be met. The appellants argued that the Registrar, by stating that the Tribunal does not need to make findings of fraud, is attempting to change the particulars of the NOP during the hearing. The appellants requested that I give little weight to the Registrar's evidence regarding the allegations of fraudulent transactions and falsified information and documents, because it has moved the target. The appellants objected, further, that the Registrar alleges falsification of documents, and signatures on those documents, without calling a hand-writing expert. The appellants argued that the Tribunal cannot rely on witnesses without expertise to opine on who hand-wrote signatures and other information on those documents, if they are not qualified to provide those opinions.

[35] I agree with the Registrar that I do not need to make findings of fraud to find whether there are reasonable grounds to believe that the appellants will not carry on business in accordance with law and with integrity and honesty. However, the allegations of facilitating fraudulent transactions are before me, and I will consider them in my analysis.

[36] I agree with the appellants that the Registrar has not called a witness qualified to provide opinions of the authenticity of signatures and the authorship of hand-written information on various documents. For this reason, I will not consider allegations of falsifying documents under s. 26 of the *Act*. At the same time, this determination does not preclude me from analyzing whether the appellants furnished false information or documents, contrary to s. 27 of the *Act*, which is set out distinctly from the prohibitions against falsifying information or documents under s. 26.

Vos Motors background

[37] Ozair Quraishi, General Manager of Vos Motors, testified that Vos Motors is a motor vehicle dealer that accepted referrals from Gear Six to allow customers to obtain vehicle financing. For all five vehicle deals in this proceeding, the end-customers of the vehicles were referred by Gear Six to Vos Motors to obtain financing. Gear Six sold the vehicles wholesale to Vos Motors, who then sold the vehicles to each customer. Vos Motors arranged financing through its arrangements and relationships with banks, which Gear Six did not have.

[38] Quraishi testified that for its services, Vos Motors would collect a “reserve” or referral fee of $1,200 to $2,000 per vehicle from the banks/lenders. He testified that Vos Motors conducts business with 1,400 other OMVIC-registered dealers and has not had any issues of loan defaults with them. He testified that for four of the Gear Six deals, the end-buyer loans went into default, and Vos Motors had to repay the banks. Quraishi testified that Vos Motors repaid the banks a total of $271,510.74. He testified, further, that Vos Motors never recovered those amounts from Gear Six, and therefore Vos Motors sustained net losses of $265,948.49 for these four transactions. Quraishi testified that Vos Motors reported matters to York Regional Police, and that it no longer conducts any business with Gear Six. These statement of facts in Quraishi’s testimony were not contested by the appellants.

The transactions for each vehicle and the allegations in the NOP

[39] Due to the number of transactions that form the basis of the NOP, and the different allegations of contraventions of the *Act* and the Regulation for each, I analyze the allegations according to each vehicle. For concision, I refer only to the last four digits of the VIN.

2019 Land Rover Range Rover (VIN 9459)

[40] For the 2019 Land Rover Range Rover (VIN 9459), I find that Suthaharan furnished documents that contained false information regarding the seller "RK" to affect all subsequent transfers of ownership with the MTO, because I find, on a balance of probabilities, that RK was not a registered dealer, and the subsequent Applications for Vehicle Registrations ("AVRs") were false documents. As a result, I find that Gear Six furnished false information and documents relating to (a) the purchase of the vehicle from RK, (b) the sale of the vehicle to Vos Motors, and (c) the sale of the vehicle to the end-customer "MR", contrary to s. 27 of the *Act*.

[41] I find, also, that Jayakody failed to take reasonable care to prevent Gear Six from committing an offence of furnishing false information and documents relating to the trade of the vehicle, contrary to s. 27 of the *Act*, because she is the sole director of Gear Six and responsibility for compliance with the statute rests with her. I find, further, that Gear Six facilitated fraudulent transactions with respect to the trade of the vehicle, because the Registrar has demonstrated that RK was never a dealer registered with OMVIC.

[42] The Registrar directed me to four AVRs for the vehicle, filed with the MTO through Service Ontario ("SO") offices, as follows:

a. April 16, 2021, filed at SO office #073, indicating that RK first registered the vehicle as a new vehicle, with an odometer reading of 2,200 km;

b. June 2, 2022, filed at SO office #081 under a Gear Six Dealer Authorization Letter ("DAL") authorization, transferring the registration from RK to Gear Six, odometer reading of 82,764 km, signed by Suthaharan but without RK's dealer number and not signed by RK;

c. June 6, 2022, transferring the registration from Gear Six to Vos Motors under a DAL, odometer reading of 86,322 km, signed by Suthaharan; and

d. June 6, 2022, transferring the registration from Vos Motors to end-customer MR, odometer reading of 86,322 km, signed by a representative of Vos Motors and by MR.

[43] Suthaharan testified that he submitted the AVRs dated June 2, 2022 and June 6, 2022 at SO office #081, and that the signatures next to his name were his. Suthaharan testified that he purchased the vehicle from RK, paid him in cash, provided a receipt to RK, and found the end-buyer, MR. He testified that he obtained a copy of the driver's licences of both RK and MR, arranged a vehicle safety inspection, and, through the United Car Dealers Association ("UCDA") dealer portal, performed a lien check, an AutoCheck (for accident history) and an Ontario History Search (for previous registrations). He testified, further, that Vos Motors performed its own due diligence on the vehicle and gave him the green light to execute the transactions.

[44] Suthaharan testified that he completed the OMVIC salesperson certification course and has been registered as a salesperson since 2019. He testified that he is aware that a dealer has a duty to ensure that a vehicle is eligible to be registered in Ontario, but that he is not aware of any specific diligence measures detailed in the Regulation or Gear Six's T&Cs. He testified also that, in 2022, he was not aware of the obligation to pay for vehicles out of a non-trust account, but that he is aware now.

[45] Jayakody testified that, in June of 2022, Gear Six performed appropriate background checks on the vehicle, using the diligence tools at their disposal. She testified that she was not aware, at that time, of the requirement under s. 59(3)(b) of the Regulation and Clause 23 of Gear Six's T&Cs of registration to pay for a vehicle with funds withdrawn from a non-trust account, even though she had completed the OMVIC dealer and salesperson certification courses and signed Gear Six's T&Cs in 2018. She testified that is now aware of this requirement and would comply going forward. She testified that she worked closely with Suthaharan, and that she trusted him to conduct

vehicle transactions appropriately. She testified, also, that responsibility for compliance with the statute rests with her, as the director of Gear Six.

[46] The appellants argue that the evidence does not bear out that they were negligent in their legal obligations to prevent a vehicle with a false VIN from entering the Ontario marketplace. The appellants argue that Vos Motors, as a registered dealer, has the same obligations as Gear Six, yet Vos Motors did not find any issues with the vehicle's VIN or previous registrations when they agreed to wholesale the vehicle. The appellants argue that they took copies of the driver's licences of both RK and MR, and conducted UCDA searches for liens, accident claims and VIN history, as evidence of the diligence they performed. The appellants argue that the Registrar has not particularized any specific due diligence actions that are required by the Regulation, what level of due diligence is expected of registrants, and how the appellants might have fallen short.

[47] The appellants argue that there is nothing in the *Act* or the Regulation that prohibits cash transactions, nor do they mandate the form of receipts. Suthaharan testified that many Gear Six customers, including MR, were unable to get to a bank during their work hours to obtain bank drafts, and that obtaining a bank draft could take as long as a week, and for those reasons they preferred dealing in cash. The appellants argue that a lack of bank records is not a specific allegation in the NOP. They argue, citing *F.H. v. McDougall*, 2008 SCC 53 (CanLII), [2008] 3 SCR 41, at para. 31, that in Ontario professional discipline cases, the balance of probabilities requires that proof be "clear and convincing and based upon cogent evidence", and that the Registrar has not presented clear and convincing evidence of wrongdoing by the appellants in conducting trades in cash.

[48] The appellants argue that, just because Suthaharan and Jayakody neglected s. 59(3)(b) of the Regulation and Clause 23 or Gear Six's T&Cs of registration, related to use of a non-trust account, it does not mean they will be dishonest in the future.

[49] Stephanie Puma, Manager of Claims Investigations with TD Insurance ("TDI"), testified that their customer, MR, claimed that the Land Rover was stolen from him, and

he submitted an insurance claim for the loss of the vehicle. Puma testified that, based on the evidence TDI collected, the VIN submitted with the claim was not valid. Puma testified that TDI confirmed with Jaguar Land Rover North America LLC ("Land Rover") that no vehicle with the claimed VIN was ever manufactured by Land Rover. The Registrar directed me to TDI's investigation report, dated July 23, 2024, where TDI investigated the vehicle's two key fobs and found that Land Rover had no record of manufacturing one key fob, and the second key fob had an unusual error code. The TDI report indicates, further, that MR was unable to provide proof to TDI that he had actually paid a deposit to Vos Motors or to Gear Six. Puma testified that, because the MR failed to provide accurate information regarding the VIN, and because MR failed to provide proof that he made a down payment to Gear Six, MR's insurance claim with TDI was denied. Steve Stayen, mediation manager for National Bank of Canada ("National Bank"), testified that MR's secured loan with National Bank went into default on February 13, 2025, and that MR owed National Bank $65,714.73. Puma testified that, because of their investigation, TDI filed an OMVIC complaint against Gear Six in 2024.

[50] The Registrar directed me to the following documents obtained from the MTO on April 22, 2025, which were not disputed by the appellants:

a. A New Vehicle Information Statement ("NVIS") dated September 11, 2018, indicating that RK bought the vehicle on behalf of Jaguar Land Rover Waterloo, a registered dealer, on that date; and

b. A purchase agreement between RK and Jaguar Land Rover Waterloo, dated April 15, 2021, indicating that RK purchased the vehicle for $109,470, including fees and taxes, less $10,000 in deposits paid.

[51] Carmelo Zambri, OMVIC Investigator, testified that he contacted Stephen Broeckel, General Manager of Jaguar Land Rover Waterloo, to inquire about RK's reported purchase of the vehicle. Broeckel testified that he conducted a search of the VIN in Land Rover's dealer database, called "CRM At Retailer", and he concluded that a vehicle with the VIN ending in 9459 was never manufactured by Land Rover. He also

conducted a search of RK, and they had no record of RK in their customer, employee or contact database. Broeckel testified that Jaguar Land Rover Waterloo never provides an NVIS to a retail customer, because for a new vehicle purchase, they arrange the licensing and registration for the customer and submit the NVIS to SO directly. He testified, also, that it would be very unusual to have a 2019 vehicle (manufactured in 2018) to be first registered with the MTO in 2021. He testified, further, that the purchase agreement had other red flags, including that the font did not match that used by Jaguar Land Rover Waterloo, the vehicle option packages listed on the purchase agreement were not offered on 2019 Land Rovers, and the financing terms of $1,117.89 per month did not add up, even remotely, for the $99,720.98 reportedly financed over the loan term. In his view, the NVIS and the 2021 purchase agreement for the 2019 Land Rover (VIN 9459) were false documents.

[52] The Registrar directed me to a UCDA wholesale bill of sale ("BOS") provided by Gear Six, dated May 31, 2022, indicating that RK sold the vehicle to Gear Six for $68,000, inclusive of fees and taxes. RK is identified on the BOS as a selling dealer with an OMVIC registration number ending in the digits 0809. The BOS is signed by RK and Suthaharan. At the hearing, Zambri testified that an OMVIC search revealed that RK was never registered as a dealer with OMVIC.

[53] On July 8, 2025, the appellants, through their counsel, provided Zambri a hand-written receipt, dated May 31, 2022, indicating that Gear Six paid RK $68,000 in cash for the vehicle. On September 11, 2025, Zambri obtained a search warrant of Gear Six's premises, for records related to the vehicle. Upon the execution of the search warrant, on September 17, 2025, Zambri found (among other documents) the following:

a. A copy of RK's driver's licence, showing an expiration date of August 9, 2021, as well as the driver's licence of MR;

b. The garage register logbook (a handwritten register in which dealers are required to note each vehicle into and out of the dealership) indicating alterations to the odometer reading for the vehicle, in that a previous hand-

written reading was whited out and a new reading was written over top; and

c. A hand-written receipt, dated June 6, 2022, indicating that MR paid Gear Six $25,000 as a down payment in cash for the vehicle.

[54] Zambri testified that he requested corroborating bank statements as part of his search warrant, and that, as of the hearing, Gear Six has not produced bank statements related to the transactions for the 2019 Land Rover Range Rover (VIN 9459) or for any of the other vehicles listed in the NOP.

[55] The Registrar argues that the appellants ignored safeguards and allowed a vehicle with a false VIN to enter the Ontario marketplace, resulting in significant losses for Vos Motors and MR. The Registrar argues that the appellants failed to apply diligence expected of a registered dealer, through the following actions or inactions:

a. Suthaharan completed a wholesale BOS with RK, even though RK has never been registered as a dealer;

b. Suthaharan accepted as identification for RK a driver's licence that was expired;

c. Suthaharan failed to include RK's OMVIC dealer registration number and failed to obtain RK's signature on the AVR that was submitted under Gear Six's DAL at the SO office; and

d. Gear Six transacted in cash only, and did not transact via bank accounts, as required under s. 59(3) of the Regulation, and Clause 23 of the T&Cs of Gear Six's registration.

[56] The Registrar argues that, by mid-2022, Gear Six had been in business for over three years, and that Jayakody and Suthaharan had both completed OMVIC certification courses and should have been aware of the T&Cs of Gear Six's registration. The

Registrar argues that Jayakody and Suthaharan were negligent in their responsibilities as a dealer and as salespersons.

[57] I accept Broeckel's testimony that the NVIS and purchase agreement between Jaguar Land Rover Waterloo were false documents, because the appellants have not directed me to any evidence that RK was ever employed by, or a customer of, Jaguar Land Rover Waterloo. I find, therefore, that RK never bought the vehicle from Jaguar Land Rover Waterloo. The appellants question whether Broeckel's testimony, that the claimed VIN ending in 9459 was a false VIN, is conclusive, because they question whether the CRM At Retailer system contains an exhaustive list of all Land Rover VINs in North America. I find that Land Rover North America's independent corroboration that they never manufactured a vehicle with the claimed VIN, and TDI's evidence that the key fobs were not manufactured by Land Rover, corroborate, on a balance of probabilities, that the vehicle was likely stolen, and a false VIN ending in 9459 was attached to the vehicle subsequently.

[58] The question before me is whether Gear Six furnished false information and documents, including a false VIN, to affect all subsequent transfers of ownership with the MTO, contrary to s. 27 of the *Act*.

[59] I find, on a balance of probabilities, that Suthaharan furnished false information and documents relating to the seller RK for the trade of the Land Rover (VIN 9459), for the following reasons:

a. RK was never registered as a dealer, yet the wholesale BOS, dated May 31, 2022 and signed by Suthaharan, indicated that RK was registered as a selling dealer with an OMVIC registration number ending in the digits 0809. Suthaharan did not direct me to any evidence regarding how he obtained RK's registration number, therefore I conclude that this dealer number is false. I find, also, that RK's expired driver's licence is not sufficient identification of RK's status as a dealer. Because RK was never

registered as a dealer, I conclude that the wholesale BOS was a false document; and

b. Although Suthaharan indicates on the wholesale BOS that RK is a selling dealer, he did not include RK's selling dealer number or RK's signature on the AVR that he submitted to SO on June 2, 2022. Because of these omissions, I conclude that this AVR submitted by Suthaharan was a false document.

[60] I find that Suthaharan's false information and documents relating to seller RK affected all of Gear Six's subsequent transfers of ownership in the 2019 Land Rover Range Rover (VIN 9459) with the MTO. Therefore, I find that Gear Six furnished false information and documents relating to the trades of the vehicle, contrary to s. 27 of the *Act*. I find, also, that as the director of Gear Six, Jayakody failed to take reasonable care to prevent the corporation from committing an offence of furnishing false information and documents relating to trades for the 2019 Land Rover Range Rover (VIN 9459), contrary to s. 27 of the *Act*, because responsibility for compliance with the statute rests with her.

[61] I find that, because Gear Six furnished false information and documents relating to seller RK for the trade of the 2019 Land Rover (VIN 9459), Gear Six facilitated fraudulent transactions with respect to the trade of the vehicle.

[62] Although I find that the 2019 Land Rover (VIN 9489) was likely stolen and had a false VIN, I find that the Registrar has not particularized any specific due diligence actions required of a dealer in the Regulation to determine whether the vehicle's VIN was valid. A dealer does not have the investigative powers or resources that OMVIC or TDI has. For this reason, I do not find that Gear Six knowingly furnished documents that contained a false VIN, rendering the vehicle fraudulent, and that Gear Six knowingly furnished documents with false VIN information to affect all subsequent transfers of ownership in the vehicle with the MTO.

[63] Regarding the garage registry, the NOP alleges, for the 2019 Land Rover (VIN 9459), that on September 17, 2025, during the execution of a search warrant at Gear Six's premises, an OMVIC investigator observed that the garage register contained alterations to odometer readings, contrary to s. 19(9) of the *Act*.

[64] I do not find that there is sufficient evidence before me that the appellants altered the entry for the odometer reading in the garage register entry to attempt to obstruct an investigator executing a warrant, contrary to s. 19(9) of the *Act*. I note that Gear Six's garage register contains whited-out entries for many vehicles, across the fields for names, addresses, odometer readings, makes, models, colours, and dates into and out of stock. While the whited-out entries may indicate poor record-keeping, I do not find, on a balance of probabilities, that the appellants were attempting to obstruct the execution of the search warrant related to this vehicle.

[65] Suthaharan and Jayakody both testified that they were not aware of every section of the Regulation, and in particular the requirement to withdraw funds to pay RK from a non-trust account under s. 59(3)(b) of the Regulation. Suthaharan and Jayakody conceded that they did not conducted transactions for this vehicle in compliance with s. 59, but that would comply with s. 59 going forward. I find that Gear Six failed to withdraw funds paid to RK in connection with the trade from a non-trust account, contrary to s. 59(3)(b) of the Regulation and Clause 23 of Gear Six's T&Cs of registration.

2020 Toyota Sienna (VIN 7017)

[66] I find that, in May of 2020, the 2020 Toyota Sienna (VIN 7017) was exported to China, rendering the purchase and sale of the vehicle conducted by Gear Six in June of 2022 impossible. Therefore, I find that, on a balance of probabilities, Gear Six furnished documents that contained false registration history to affect all subsequent transfers of ownership of the vehicle, contrary to s. 27 of the *Act*, because the vehicle was never in Gear Six's possession.

[67] Zambri testified that, during his investigation into the 2019 Land Rover (VIN 9459), Quraishi of Vos Motors brought four additional vehicles involving Gear Six to his attention, including the 2020 Toyota Sienna (VIN 7017). The Registrar directed me to the following documents obtained from the MTO on August 19, 2025:

a. An NVIS, dated April 24, 2020, indicating that the vehicle was registered as a new vehicle to Performance Toyota, a registered dealer in St. Catharines;

b. An AVR, dated April 24, 2020, indicating that Performance Toyota sold the vehicle to “YC”, signed by YC and a representative of Performance Toyota;

c. Three AVRs filed with SO office #081 under Gear Six DAL authorizations, transferring the registration from YC to Gear Six and from Gear Six to Vos Motors, both dated June 16, 2022, and from Vos Motors to “AD” dated June 17, 2022; and

d. A supplementary AVR transferring the registration to “RR”, signed by RR on June 17, 2022.

[68] The Registrar directed me to a Carfax report, dated August 6, 2025, obtained by OMVIC, indicating that the vehicle was exported from Canada to China in May of 2020, as reported by the Canada Border Service Agency (“CBSA”). The Registrar argues that Gear Six could not have wholesaled the vehicle to Vos Motors in 2022, because the vehicle was exported in 2020.

[69] The Registrar directed me, further, to the following documents, obtained by OMVIC from Vos Motors, related to Vos Motors’ wholesale trade of the vehicle:

a. A wholesale BOS, dated June 10, 2022, indicating that Gear Six sold the vehicle to Vos Motors for a total of $65,962.62;

b. A retail BOS, dated June 11, 2022, indicating that Vos Motors sold the vehicle to AD, with an amount of $61,366.41 to be financed;

c. A payment sheet dated June 17, 2022, indicating that Vos Motors owed Gear Six $55,962.62 (the purchase price less the $10,000 Gear Six indicated they collected from AD as a down payment); and

d. A cancelled cheque dated June 17, 2022, from Vos Motors to Gear Six for $55,962.62.

[70] The Registrar directed me to the following documents obtained during Zambri's execution of the search warrant on September 17, 2025, all pertaining to the vehicle:

a. A UCDA wholesale BOS, dated May 28, 2022, indicating that YC sold the vehicle to Gear Six for $46,000, all inclusive. YC is listed as a selling dealer with an OMVIC registration number ending in 0426. The BOS shows signatures of both YC and Suthaharan, and it indicates that the appellants conducted a Carfax search, but no UCDA lien search, AutoCheck or Ontario VIN history search;

b. A vehicle inspection report, dated September 30, 2021 (eight months prior to the reported sale), ostensibly performed by 905 Auto Care in Brampton;

c. A hand-written receipt dated May 28, 2022, indicating that Gear Six paid YC $46,000 in cash, showing signatures of YC and Suthaharan;

d. A hand-written receipt dated June 17, 2022, indicating that AD paid Gear Six a down payment of $10,000 in cash, showing signatures of AD and Suthaharan; and

e. A copy of the driver's licence of YC.

[71] Zambri testified that an OMVIC search indicated that YC was never registered as a dealer. The Registrar directed me, also, to the entry for this vehicle in the Gear Six garage registry, indicating that a previous entry had been whited out and YC's name and address, and the 2020 Toyota Sienna odometer reading, make, model, VIN, colour and date into/out of stock were written over top.

[72] Quraishi testified that the loan to AD went into default, and that there was no vehicle to repossess. Vos Motors was required to pay Royal Bank of Canada (RBC) $59,310.97. Quraishi testified that RBC no longer conducts business with Vos Motors as a result of transactions involving Gear Six.

[73] YC testified that he purchased the vehicle new from Performance Toyota in 2020. He testified that he has bought and sold five or six other vehicles, in addition to the 2020 Toyota Sienna, on behalf of a friend's company in China, where he acted as the purchasing agent. YC testified that, in total, he has bought and sold about 15 vehicles under an agency agreement, all before the end of 2022. He testified that all these transactions were reported to the CBSA.

[74] Regarding the 2020 Toyota Sienna and Gear Six, YC testified the following:

a. That he exported the vehicle to China in May of 2020;

b. That he has never met anyone at Gear Six, before or after the reported sale, and that he did not sell the vehicle to Gear Six;

c. That it was not his signature on the wholesale BOS or the cash receipt, both dated May 28, 2022;

d. That it was not his signature on the AVR dated June 16, 2022; and

e. That he never provided a copy of his driver's licence to Gear Six.

[75] The Registrar argues that there is compelling and credible evidence that Gear Six's records of the acquisition of the vehicle are unreliable, and that any assertions made by the appellants that they actually sold the vehicle to Vos Motors and AD cannot be true, because the vehicle had been exported to China over two years previously.

[76] The appellants argue that YC is not credible as a witness because he bought and sold vehicles while not registered as a dealer. The appellants argue that he is cooperating with the Registrar to avoid consequences with OMVIC and law enforcement, and that his denials of having sold the vehicle to Gear Six should be given little or no weight. I assign little weight to this argument of the appellants, because both YC and Zambri testified, under oath, that there is no such arrangement between YC and OMVIC, and the Carfax/CBSA report confirms that the vehicle was exported to China.

[77] Suthaharan testified that he bought the vehicle from YC, took a copy of YC's driver's licence, arranged the vehicle inspection with 905 Auto Care, and obtained YC's signatures on the BOS, the cash receipt and the AVR.

[78] I assign weight to YC's testimony that he exported the vehicle to China in 2020, because it is corroborated by the Carfax and CBSA reports, and the appellants have not directed me to any documentary evidence that they actually had the vehicle in their possession. I also assign weight to YC's testimony that he never met with anyone at Gear Six regarding the vehicle in 2022, because I accept that the vehicle was already exported in 2020, based on the Carfax and CBSA reports that are uncontroverted by documentary evidence from the appellants.

[79] At the hearing, Suthaharan provided no explanation as to why the vehicle inspection report of 905 Auto Care predates the reported sale by eight months. I do not accept Suthaharan's testimony that he met YC and presented the transaction documents and obtained the YC's signatures that he purports to have obtained, because the CBSA reported that the vehicle had long been exported. I find, also, that Suthaharan could not have obtained YC's OMVIC dealer registration number for the wholesale BOS, because YC was never registered as a dealer.

[80] Because I find that Gear Six never had the vehicle in its possession, I find that Suthaharan furnished false documents for the 2020 Toyota Sienna (VIN 7017), including the AVRs, the BOSs, the vehicle inspection report and the hand-written cash receipts, that affected all of Gear Six's subsequent transfers of ownership of the vehicle with the MTO. Therefore, I find that Gear Six furnished false information and documents relating to the trades of the vehicle, contrary to s. 27 of the *Act*. I find, also, that as the director of Gear Six, Jayakody failed to take reasonable care to prevent the corporation from committing an offence of furnishing false information and documents relating to trades for the 2020 Toyota Sienna (VIN 7017), contrary to s. 27 of the *Act*, because responsibility for compliance with the statute rests with her.

[81] I find that, because Gear Six furnished false information and documents relating to the trade of the 2020 Toyota Sienna (VIN 7017), Gear Six facilitated fraudulent transactions with respect to the trade of the vehicle.

[82] The NOP alleges that on September 17, 2025, during a search warrant conducted at the Gear Six premises, the OMVIC investigator observed that the garage register contained alterations to the entries for the 2020 Toyota Sienna (VIN 7017) regarding the name, address, odometer reading, make, style, serial number, colour, date into stock and date out of stock, contrary to s. 19(9) of the *Act*. Section 19(9) of the *Act* states that

> [n]o person shall obstruct an investigator executing a warrant under this section or withhold from him or her or conceal, alter or destroy anything relevant to the investigation being conducted pursuant to the warrant.

[83] Because I find that the vehicle was never in Gear Six's possession and YC never sold them the vehicle, I find that the entries in Gear Six's garage registry regarding the 2020 Toyota Sienna were all altered in a manner that would obstruct a future investigation, including the execution of a warrant. I find, therefore, that Gear Six contravened s. 19(9) of the *Act* for this vehicle.

[84] I accept YC's testimony that he was never paid by Gear Six for the vehicle, in cash or otherwise, because he had already exported it to China. Suthaharan and Jayakody conceded that they did not conducted transactions for this vehicle in compliance with s. 59 of the Regulation, but that they would comply with s. 59 going forward. I find that Gear Six failed to withdraw funds paid to YC in connection with the trade from a non-trust account, contrary to s. 59(3)(b) of the Regulation.

2018 Toyota Sequoia (VIN 8633) and 2019 Lexus LX570 (VIN 1140)

[85] I find, on a balance of probabilities, that Gear Six never had possession of the 2018 Toyota Sequoia (VIN 8633) (the "Sequoia") and the 2019 Lexus LX570 (the "Lexus"), because of the statements of buyer/seller AT to OMVIC that he never delivered the vehicles to Gear Six, and because the subsequent transaction documents are uncorroborated by any buyers or inspection garages. For this reason, I find that Gear Six furnished documents that contained false registration history to affect all subsequent transfers of ownership, contrary to s. 27 of the *Act*.

[86] The appellants argue, citing *R. v. Khelawon*, 2006 SCC 57 (CanLII), [2006] 2 SCR 787 ("*Khelawon*"), that AT's statements to OMVIC are hearsay, and that they are inadmissible as evidence. The appellants argue that AT's statements were not made under oath, and that AT's participation in possibly an illegal scheme to export vehicles could compel him to make statements in exchange for favourable treatment by OMVIC and law enforcement. The appellants argue that, because AT has not appeared as a witness, they have no way to cross-examine him and test whether his statements are true.

[87] The Registrar counters that, under s. 15(1) of the *SPPA*, the Tribunal may admit any oral testimony or document as evidence at a hearing, whether or not given or proven under oath or admissible in a court, if it is relevant to the subject-matter of the proceeding, and the Tribunal may act on such evidence. I agree with the Registrar, that under s. 15(1) of the *SPPA*, hearsay evidence is presumptively admissible at a tribunal, which is not a court, and that the direction regarding hearsay in *Khelawon* does not apply. The questions

of AT's statements to OMVIC go to weight, but not to admissibility, which I address in my analysis.

[88] The Registrar directed me to the following documents obtained from the MTO on August 19, 2025, which were uncontested by the appellants:

Sequoia

a. An AVR, dated January 15, 2018, indicating that Attrell Toyota, a registered dealer in Brampton, sold the new Sequoia to AT, signed by AT and a representative of Attrell Toyota;

b. A Letter of Authorization ("LOA"), undated, where AT authorizes Nicola Morganelli of Vos Motors to replace the lost vehicle permit for the Sequoia; and

c. AVRs filed with SO office #081 under Gear Six DAL authorizations, transferring the registration of the Sequoia from AT to Gear Six, from Gear Six to Vos Motors, and from Vos Motors to "AV", all dated September 13, 2022.

LX570

d. An AVR, dated September 30, 2019, indicating that Performance Lexus, a registered dealer in St. Catharines, sold the new LX570 to AT, signed by AT and a representative of Performance Lexus;

e. An LOA, undated, where AT authorizes Nicola Morganelli of Vos Motors to replace the lost vehicle permit for the LX570; and

f. AVRs filed with SO office #081 under Gear Six DAL authorizations, transferring the registration of the LX570 from AT to "TR", from TR to Gear

Six, from Gear Six to Vos Motors, and from Vos Motors to “GA”, all dated September 14, 2022.

[89] The Registrar directed me, further, to the following documents obtained during OMVIC’s execution of the search warrant on September 17, 2025, pertaining to the two vehicles:

Sequoia

a. A UCDA wholesale BOS, dated September 13, 2022, listing AT as the seller with an OMVIC registration number ending in 0715. The BOS shows signatures of both AT and Suthaharan;

b. A vehicle inspection report, dated September 8, 2022, performed by SS Autowerks in Mississauga;

c. A receipt dated September 13, 2022, indicating that Gear Six paid AT $63,000 in cash, showing signatures of AT and Suthaharan;

d. A receipt dated September 14, 2022, indicating that AV paid Gear Six a cash down payment of $20,600, showing signatures of AV and Suthaharan; and

e. Copies of the driver’s licences of AT and AV.

LX570

f. A UCDA wholesale BOS for the LX570, dated September 2, 2022, listing TR as the seller with an OMVIC registration number ending in 0714. The BOS shows signatures of both TR and Suthaharan;

g. A receipt dated September 2, 2022, indicating that Gear Six paid TR $81,000 in cash for the LX570, showing signatures of TR and Suthaharan;

h. A vehicle inspection report, dated September 4, 2022, performed by 905 Auto Care in Brampton;

i. A receipt dated September 15, 2022, indicating that GA paid Gear Six a down payment of $25,000 in cash for the LX570, showing signatures of GA and Suthaharan; and

j. Copies of the driver's licences of AT, TR and GA.

[90] Zambri testified that he interviewed AT as part of his investigation, and that AT was never registered as a dealer with OMVIC. The Registrar directed me to Zambri's interview notes, where AT stated that, in 2018 and 2019, he needed work and he agreed to purchase several new vehicles for a fee, on behalf of an individual who claimed to be a dealer in Mississauga who exported vehicles to China. He stated to Zambri that he delivered the vehicles to this individual the same day that he purchased them from various new vehicle dealerships.

[91] I find that AT's statement to Zambri, that he delivered several vehicles to the Mississauga dealer the same day he purchased them, is credible and compelling, because I see no reason why, or means by which, an otherwise under-employed person, not registered as a dealer, would buy several new vehicles other than to deliver them to someone else. For this reason, I find that AT's statement that he delivered the Sequoia and the Lexus, in 2018 and 2019, to the Mississauga dealer the same day he bought them, also credible and compelling, and I find that Gear Six could not have purchased the two vehicles from AT in 2022.

[92] I assign little weight to the appellants' argument that AT's participation in possibly an illegal scheme to export vehicles could compel him to make statements in exchange for favourable treatment by OMVIC and law enforcement. Zambri testified, under oath, that no such arrangement between AT and OMVIC was made. The appellants do not persuade me that AT would benefit in providing his statements to OMVIC, because he was never registered as a dealer and no charges against AT have ever been laid.

[93] The Registrar directed me, further, to email correspondence between Zambri and AT, dated August 26, 2025, where Zambri asked AT to verify the authenticity of the Morganelli LOAs, and to provide the address where AT reportedly delivered the vehicles. In his reply, AT provided a specific address of a delivery yard in Mississauga. He stated, also, that he had no knowledge of the LOAs, that he had no knowledge of Morganelli, that his home address and phone number in the LOAs were incorrect, and that he did not sign the LOAs. I assign weight to this email correspondence, because it is consistent with his earlier statement to Zambri, and I find that the Registrar has demonstrated that there would be no reason for AT to have any interaction with Morganelli or Vos Motors regarding the two vehicles in 2022.

[94] The Registrar argues that the replacement vehicle permits were obtained using disputed information, and that there is compelling and credible evidence that Gear Six's records of the acquisition of the vehicles are unreliable. The Registrar argues that any assertions made by the appellants that they bought the vehicles from AT cannot be true, because AT says that he delivered the vehicles to a yard in Mississauga the same day that he bought them on behalf of the unregistered Mississauga dealer. The Registrar argues, also, that Suthaharan identified AT as an OMVIC-registered dealer on the two wholesale BOSs, when the evidence is that AT was never registered as a dealer. The Registrar argues that Gear Six's transactions documents for the Sequoia and the Lexus, including the LOAs, the AVRs filed by Suthaharan to SO, the wholesale BOSs, the inspections reports and the cash receipts, contain false registration history, because AT was not registered as a dealer and Gear Six never had possession of the two vehicles.

[95] Suthaharan testified that he bought the Sequoia and LX570 from AT, took a copy of AT's driver's licence, arranged safety inspections of the two vehicles, and obtained AT's signatures on the BOSs, the AVRs and the cash receipt for the Sequoia.

[96] I find, on a balance of probabilities, that Gear Six never had possession of the Sequoia and the LX570, because of AT's statements to Zambri that he never delivered the vehicles to Gear Six and because of AT's statement that he did not authorize Morganelli to replace the lost vehicle permits for the two vehicles. Because I find that Gear

Six never had possession of the 2018 Toyota Sequoia (VIN 8633) and the 2019 Lexus LX570 (VIN 1140), I find that Suthaharan furnished documents that contained false registration history to affect all subsequent transfers of ownership, including the AVRs filed with SO, the BOSs, the vehicle inspection report and the hand-written cash receipts, that affected all of Gear Six's subsequent transfers of ownership of the vehicle with the MTO. Therefore, I find that Gear Six furnished false information and documents relating to the trades of the vehicle, contrary to s. 27 of the *Act*. I find, also, that as the director of Gear Six, Jayakody failed to take reasonable care to prevent the corporation from committing an offence of furnishing false information and documents relating to trades for the 2018 Toyota Sequoia (VIN 8633) and the 2019 Lexus LX570 (VIN 1140), contrary to s. 27 of the *Act*, because responsibility for compliance with the statute rests with her.

[97] I find that, because Gear Six furnished false information and documents relating to the trade of the 2018 Toyota Sequoia (VIN 8633) and the 2019 Lexus LX570 (VIN 1140), Gear Six facilitated fraudulent transactions with respect to the trade of the vehicles.

[98] The Registrar directed me to the garage registry entry for the LX570, which indicated that the name and address of the seller had been whited out and replaced with the information of TR. Because I find that the LX570 was never in Gear Six's possession, I find that the appellants altered the garage register entries to the seller's name, address and date out of stock, to obstruct or conceal future investigations, contrary to s. 19(9) of the *Act*.

[99] The NOP alleges that for the LX570, Gear Six failed to hold the deposit of $25,000 in trust, contrary to s. 58(4) of the Regulation and in breach of the T&Cs of Gear Six's dealer registration, in addition to the allegations that Gear Six failed to withdraw funds paid in connection with the trades for the both the Sequoia and the Lexus from a non-trust account, contrary to s. 59(3)(b) of the Regulation and Clause 23 of Gear Six's T&Cs of registration.

[100] Section 58(4) of the Regulation requires that if a registered dealer receives, from a purchaser towards the purchase of a vehicle, a deposit that is greater than $10,000, the

dealer shall hold the entire deposit in trust until the purchase is concluded. In the execution of the warrant, OMVIC found a receipt dated September 15, 2022, indicating that GA paid Gear Six a down payment of $25,000 in cash for the LX570, showing signatures of GA and Suthaharan.

[101] Suthaharan and Jayakody conceded that they did not conducted transactions for this vehicle in compliance with s. 58 and s. 59 of the Regulation, but that they would comply with s. 58 and s. 59 going forward. I find that, for the 2019 Lexus LX570 (VIN 1140), Gear Six failed to hold the claimed deposit from GA in trust until the purchase was concluded, contrary to s. 58(4) of the Regulation. I find that, for the 2018 Toyota Sequoia (VIN 8633) and the 2019 Lexus LX570 (VIN 1140), Gear Six failed to withdraw funds they claimed they paid to AT in connection with the trade from a non-trust account, contrary to s. 59(3)(b) of the Regulation.

2019 Land Rover Range Rover (VIN 3394)

[102] I find, on a balance of probabilities, that Gear Six never had possession of the 2019 Land Rover Range Rover (VIN 3394) on April 28, 2022, because of the evidence before me that Fournier Leasing Company Limited ("FLCL") exported the vehicle to the USA on February 22, 2022. For this reason, I find that Gear Six furnished documents that contained false registration history to affect all subsequent transfers of ownership, contrary to s. 27 of the *Act*.

[103] The Registrar directed me to the following documents obtained from the MTO on August 19, 2025:

a. An AVR, dated February 24, 2022, transferring the registration from the vehicle's original owner to FLCL, signed by representatives of the previous owner and FLCL;

b. An AVR, filed with SO office #120, dated March 15, 2022, requesting a replacement for the vehicle's lost permit, signed by Richard Izzo, President of FLCL;

c. An LOA, dated March 28, 2022, signed by “TYR” purporting to be the owner of FLCL, authorizing “GK” to replace the vehicle’s lost permit;

d. An AVR, filed with SO office #048, dated March 28, 2022, requesting a replacement for the vehicle’s lost permit, signed by GK, purporting to represent FLCL;

e. An AVR, filed with SO office #392, dated April 28, 2022, requesting a replacement for the vehicle’s lost permit, signed by “JP” purporting to represent FLCL;

f. A third-party LOA, dated April 30, 2022, authorizing “LS” to replace the vehicle’s lost permit on behalf of SP, signed by LS and SP;

g. An AVR, filed with SO office #076, dated April 30, 2022, requesting the vehicle’s lost permit, signed by LS on behalf of SP; and

h. AVRs filed with SO office #081 under Gear Six DAL authorizations, transferring the registration of the vehicle from SP to Gear Six, from Gear Six to Vos Motors, and from Vos Motors to end-customer “DR”, all dated May 6, 2022.

[104] Richard Izzo, President of FLCL, testified that he applied for a replacement vehicle permit on March 15, 2022, and that it is his signature on the AVR of that date. He testified that the two subsequent requests, on March 28, 2022 and April 28, 2022 are not valid requests. He testified that TYR, GK and JP have never been FLCL employees or associated with FLCL in any way. The appellants did not controvert this testimony.

[105] Izzo testified that, on February 22, 2022, FLCL sold the vehicle to Superior Auto Sales Inc. (“Superior Auto”), a licensed dealer in Hamburg, New York. The Registrar directed me to the U.S. Customs and Border Protection Form 7501, dated February 22, 2022, that indicates that the vehicle was legally exported to Superior Auto on that date, with all required duties, taxes and fees paid.

[106] Izzo testified that he was required to produce a replacement Canadian permit for the vehicle in March of 2022, so that Superior Auto could produce title for the vehicle when they re-sold it in the USA. The Registrar directed me to a Carfax report, dated August 6, 2025, indicating that the vehicle was registered by the New York Motor Vehicles Department ("MVD") on April 16, 2022 and remained registered in New York state until the date of the Carfax report in 2025.

[107] Josh Johnston, Customer Experience Team Lead for Carfax Canada, testified that on April 29, 2022, when a Carfax Canada vehicle history report was ordered, the April 16, 2022 New York title registration would have been present. Johnston testified that he cannot identify which dealer ordered the Carfax report on April 29, 2022, because they utilized the UCDA portal to order the report. Johnston testified that Carfax's data sources, including the New York MVD, are vetted and trusted, and that he has no reason to believe their information is inaccurate, despite Carfax's standard disclaimer that it assumes no responsibility for errors, inaccuracies or omissions.

[108] The Registrar directed me to the following documents obtained from Gear Six during OMVIC's execution of the search warrant on September 17, 2025, pertaining to the vehicle:

a. A UCDA wholesale BOS, dated April 28, 2022, listing SP as the seller with an OMVIC registration number ending in 0108. The BOS shows signatures of both SP and Suthaharan;

b. A receipt dated April 28, 2022, indicating that Gear Six paid SP $49,800 in cash (without indicating to whom), signed by Suthaharan;

c. A vehicle inspection report, dated May 3, 2022, performed by 905 Auto Care in Brampton;

d. A receipt dated May 10, 2022, indicating that end-customer DR paid Gear Six a down payment of $15,500 in cash for the vehicle, signed by DR; and

e. Copies of the driver's licences of SP and DR.

[109] The Registrar argues that the replacement vehicle permit was obtained by SP using false information, and that there is compelling and credible evidence that Gear Six's records of the acquisition of the vehicles are false. The Registrar argues that any assertions made by the appellants that they actually bought the vehicle from SP cannot be true, because of compelling evidence that the vehicle was exported to the USA, and there is no evidence that it was re-imported into Canada.

[110] Suthaharan testified that he conducted a UCDA lien search, AutoCheck and Carfax search, which did not reveal any issues with the vehicle. He testified that, in 2022, Carfax searches did not reveal a history of U.S. registrations. He testified that Vos Motors would have or could have conducted its own Carfax searches, which also would not have shown any U.S. registrations.

[111] Suthaharan testified that he contracted 905 Auto Care to perform the vehicle inspection and issue the safety standards certificate on May 3, 2022. He testified that he hand-wrote the cash receipts to SP and DR regarding the transactions for the vehicle. The appellants argue that they had the vehicle, and that there is nothing in the law that prohibits cash transactions or that mandates the form of receipts. The appellants argue that Vos Motors had the same obligations as Gear Six to conduct vehicle history searches, and that the tools available in 2022 did not reveal any issues with the vehicle.

[112] I find that the LOA, dated March 28, 2022, and the AVRs, dated March 28, 2022 and April 28, 2022, are false documents, because I accept Izzo's testimony, as President of his company, that TYR, GK and JP were never associated with FLCL.

[113] I find that Izzo's testimony, that he exported the vehicle to the USA on February 22, 2022, is corroborated by the U.S. Customs and Border Protection Form 7501. I find that the vehicle remained registered in New York thereafter, as identified in the 2025 Carfax report, irrespective of whether that information was available to dealers in 2022. I accept Izzo's testimony that he requested a replacement vehicle permit to allow

Superior Auto to establish title, when they sold it to their customer, and the subsequent AVR requests to replace the “lost” vehicle permit were false requests, because it is consistent with the U.S. Customs and Border Protection and New York MVD evidence before me.

[114] I find that the appellants have not directed me to any documentary evidence that Gear Six, SP, 905 Auto Care or DR ever had the vehicle in their possession. I do not accept Suthaharan’s testimony that he had the vehicle in his possession, because it is not corroborated by any evidence.

[115] Because I find that Gear Six never had the vehicle in its possession, I find that Suthaharan furnished false documents for the 2019 Land Rover Range Rover (VIN 3394), including the AVRs dated May 6, 2022, the wholesale BOS, the vehicle inspection report and the hand-written cash receipts, that affected all of Gear Six’s subsequent transfers of ownership of the vehicle with the MTO. Therefore, I find that Gear Six furnished false information and documents relating to the trades of the vehicle, contrary to s. 27 of the *Act*. I find, also, that as the director of Gear Six, Jayakody failed to take reasonable care to prevent the corporation from committing an offence of furnishing false information and documents relating to trades for the 2019 Land Rover Range Rover (VIN 3394), contrary to s. 27 of the *Act*, because responsibility for compliance with the statute rests with her.

[116] I find that, because Gear Six furnished false information and documents relating to the trade of the 2019 Land Rover Range Rover (VIN 3394), Gear Six facilitated fraudulent transactions with respect to the trade of the vehicle.

[117] Because I find that the 2019 Land Rover Range Rover (VIN 3394) was never in Gear Six’s possession, I find that the entries in Gear Six’s garage registry regarding the vehicle were all altered in a manner that would obstruct a future investigation, including the execution of a warrant. I find, therefore, that Gear Six contravened s. 19(9) of the *Act* for this vehicle.

[118] The NOP alleges that for the 2019 Land Rover Range Rover (VIN 3394), Gear Six failed to hold the deposit of $15,500 in trust, contrary to s. 58(4) of the Regulation and in breach of the T&Cs of Gear Six's dealer registration, in addition to the allegations that Gear Six failed to withdraw funds paid in connection with the trades for the vehicle from a non-trust account, contrary to s. 59(3)(b) of the Regulation and Clause 23 of Gear Six's T&Cs of registration.

[119] Suthaharan and Jayakody conceded that they did not conducted transactions for this vehicle in compliance with s. 58 and s. 59 of the Regulation, but that they would comply with s. 58 and s. 59 going forward. I find that Gear Six failed to hold the claimed deposit from DR in trust until the purchase was concluded contrary to s. 58(4) of the Regulation, and I find that Gear Six failed to withdraw funds they claimed they paid to SP in connection with the trade from a non-trust account, contrary to s. 59(3)(b) of the Regulation.

Conclusions regarding the transactions for the five vehicles

[120] For the five vehicles in the NOP, I find that Suthaharan furnished false information and documents, including AVRs, BOSs, vehicle inspection reports and hand-written cash receipts, that affected all of Gear Six's subsequent transfers of ownership of the vehicles with the MTO.

[121] For all five vehicles, I find that Gear Six furnished false information and documents relating to the trades of the vehicles, contrary to s. 27 of the *Act*. I find, also, that as the director of Gear Six, Jayakody failed to take reasonable care to prevent the corporation from committing an offence of furnishing false information and documents relating to the trades for the vehicles, contrary to s. 27 of the *Act*, because responsibility for compliance with the statute rests with her.

[122] I find that, because Gear Six furnished false information and documents relating to the trade of the vehicles, Gear Six facilitated fraudulent transactions with respect to the trade of the vehicles.

[123] For four of the vehicles, I find that Gear Six never had them in their possession. Therefore, I find that the entries in Gear Six's garage registries for these vehicles were altered in a manner that would obstruct a future investigation, including the execution of a warrant. I find, therefore, that Gear Six contravened s. 19(9) of the *Act* for these four vehicles.

[124] For two of the vehicles, the 2019 Lexus LX570 (VIN 1140) and the 2019 Land Rover Range Rover (VIN 3394), I find that Gear Six failed to hold deposits of more than $10,000 in trust, contrary to s. 58(4) of the Regulation and in breach of the T&Cs of Gear Six's dealer registration.

[125] For all five vehicles, I find that Gear Six failed to withdraw funds paid to the sellers in connection with the trade from a non-trust account, contrary to s. 59(3)(b) of the Regulation and Clause 23 of Gear Six's T&Cs of registration.

[126] I find that the Registrar has demonstrated that Gear Six undertook a pattern of furnishing false information and documents that puts end-customers and other industry stakeholders at risk, as evidenced by the significant losses incurred by customer MR and by Vos Motors.

[127] For the reasons above, I find that:

a. The past conduct of Jayakody affords reasonable grounds for belief that she will not carry on business in accordance with law and with integrity and honesty, thereby disentitling her to registration as a motor vehicle salesperson pursuant to s. 6(1)(a)(ii) of the *Act*;

b. The past conduct of Suthaharan afford reasonable grounds for belief that he will not carry on business in accordance with law and with integrity and honesty, thereby disentitling him to registration as a motor vehicle salesperson pursuant to s. 6(1)(a)(ii) of the *Act*; and

c. The past conduct of Jayakody, as the director of Gear Six, affords reasonable grounds for belief that Gear Six's business will not be carried on in accordance with the law and with integrity and honesty, thereby disentitling it to registration as a motor vehicle dealer pursuant to s. 6(1)(d)(iii) of the *Act*.

Registration with conditions is not appropriate in the circumstances

[128] Pursuant to s. 9(5) of the *Act*, I may substitute my own opinion for that of the Registrar. The appellants argue that, even if I were to find contraventions of the *Act* and the Regulation, continued registration with conditions, such as exercising greater diligence and transacting through a non-trust account, is the appropriate outcome. The appellants argue that the transactions for the five vehicles should be viewed in the context of the 650 to 700 vehicles sold by Gear Six since the business was established.

[129] The appellants argue, also, that I should examine their conduct in other business and community settings to obtain a greater understanding of whether they will carry on business in accordance with the law and with integrity and honesty.

[130] In analyzing whether the "reasonable grounds to believe" threshold requires registration with conditions or outright revocation, the Tribunal is entitled to examine any past or present conduct of the appellants, not just conduct limited to the operation of the business. As stated in *Famous Flesh Gordon's*, at para. 29, the meaning of "past or present conduct",

> …in the context of legislation that is designed to ensure that licensed establishments will be operated by those who can be counted on to properly serve the public interest, requires that past and present conduct not be confined to the individual's operation of the licensed establishment.

[131] Jayakody testified that she graduated with a B.Sc. from the University of Toronto and obtained a certificate in winemaking from Cornell University. She testified that she has had a real estate licence, regulated by the Real Estate Council of Ontario, for about

a year with no complaints against her. She testified, further, that she was nominated in 2022, 2023 and 2026 for the RBC Canadian Women Entrepreneur Awards.

[132] Suthaharan testified that he worked previously as a tractor-trailer driver, which is a job in a highly regulated industry. He testified, also, that he interacts with several other motor vehicle dealers who are also regulated, and he appreciates that precautions are required to ensure that the interests of customers and industry partners are protected. In addition, he testified that he volunteers with Barks and Brews, a non-profit dog rescue organization.

[133] Jesse Berman, Commercial Sales Executive with Zauber International Leasing Inc., testified that he has extensive experience in vehicle sales and leasing throughout Ontario. He testified that he has completed 5 to 10 transactions with Suthaharan since 2023, and he has never had any concerns with dishonest or unethical conduct.

[134] Yaser Khan, a registered salesperson with a Honda dealership, testified that he and Suthaharan worked together on about eight vehicle sales in the last two years, when Suthaharan referred customers who needed financing. He testified that he has had no issues with the customers referred by Suthaharan, and he would refer customers to Gear Six if the circumstances arose.

[135] Cole Bacon is a previous employee of Gear Six, between December 2022 and August 2023, who was registered as a salesperson. He testified that he was involved in about 40 vehicle transactions when he was at Gear Six, and he found Jayakody and Suthaharan to be honest and transparent when conducting transactions.

[136] Jorge Junqueira, Manager of Take 5 Oil Change in Bradford, testified that Suthaharan has been a customer of his for several years. Junqueira testified that he believes Suthaharan is a good individual with strong personal character.

[137] I find that the appellants' testimony regarding their ability to work in regulated industries, and the testimony of various persons related to their honest and integrity, does not persuade me that continued registration with conditions is appropriate. I find

that the evidence of furnishing false information and documents relating to the vehicle trades, and evidence of trade in vehicles that the appellants never had in their possession, is of a severity that demonstrates a disregard for the law. In the circumstances, I find that conditions on their registrations is not an appropriate substitute for integrity and honesty.

ORDER

[138] I direct the Registrar to carry out its proposal to revoke the registration of Ruwini Jayakody as a motor vehicle salesperson.

[139] I direct the Registrar to carry out its proposal to revoke the registration of Senduran Suthaharan as a motor vehicle salesperson.

[140] I direct the Registrar to carry out its proposal to revoke the registration of Gear Six Automotive Inc. as a motor vehicle dealer.

Released: October 26, 2026

Bernard Trottier
Member