DISCIPLINE DECISION

REVIEWING PANEL: Sherry Darvish, Public Member
Nelson Caetano, Registrant Member
Paul Eros, Registrant Member

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

B E T W E E N :

ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL	)
- and -	)
LSI LIQUIDITY SERVICES CANADA LTD. O/A GOVDEALS CANADA	)
- and -	)
PETER JOHNS	)

This matter proceeded by way of Rule 1.07 of the Rules of Practice before the Discipline Tribunal and the Appeals Tribunal. This Reviewing Panel has reviewed and considered written materials from the Parties together with a waiver of the requirement for an oral hearing and hereby makes the following Order:

Date of Decision: September 30, 2026

Findings: **LSI Liquidity Services Canada Ltd. o/a Govdeals Canada (the "Dealer") has breached the following:**

- Sections 3(2), 4(2), 7(1), 9(1), and 9(3) of the Code of Ethics, O. Reg. 332/08

Peter Johns has breached the following:

- Sections 6(2), 9(1), and 9(3) of the Code of Ethics, O. Reg. 332/08

Order:

1. The Dealer shall pay a fine in the amount of **$14,000** no later than ninety (90) calendar days from the date of the Discipline Tribunal's Order.

2. Peter Johns shall pay a fine in the amount of **$1,500** no later than ninety (90) calendar days from the date of the Discipline Tribunal's Order.

3. Johns shall successfully complete (with a passing grade of at least 80%) the MVDA Key Elements Course no later than ninety (90) calendar days from the date of the Discipline Tribunal's Order.

4. The Dealer shall **offer** to all current and future salespersons, employed by the Dealer, to **fund** their completion of the MVDA Key Elements Course, no later than ninety (90) calendar days from the date of the Discipline Tribunal's Order.

Overview

This matter proceeded on the basis of an Agreed Statement of Facts, dated August 13, 2026, a jointly proposed disposition and a waiver of oral hearing, pursuant to Rule 1.07 of the Rules of Practice before the Discipline Tribunal and the Appeals Tribunal. The Agreed Statement of Facts states in relevant part as follows:

Withdrawals:

The allegations in paragraphs 8 (i-xii),11 (i-iii), 14-18, and 19 (i,iv) of the Notice of Referral to Discipline ("NORD") dated April 2, 2026, are withdrawn.

Background:

1. The Dealer was first registered as a motor vehicle dealer under the Act in and around November 2014.

2. Peter Johns ("Johns") was first registered as a salesperson under the Act in and around November 2014. At all material times, Johns has been the Person in Charge of the day-to-day activities of the Dealer

Educational Resources

3. Since the Act was proclaimed in 2010, OMVIC has issued various educational materials, including publications, webinars and guidelines, reminding registrants of their obligations to advertise in a clear, comprehensible and prominent manner. Educational resources continue to be available on OMVIC's website.

Reminders to Comply

4. During an inspection on or about April 27, 2022, the representative of the Registrar reminded the Dealer of its obligations to complete contracts in a fulsome and accurate manner in accordance with section 40 of O. Reg. 333/08.

Dealer's Non-Compliance:

5. On or about October 28, 2025, a representative of the Registrar (the "Inspector") attended the Dealer's premises to conduct an inspection of its books and records. The following issues of non-compliance were discovered as part of the inspection, as particularized below.

Failure to maintain a permanent affixed sign with the name of the Dealer

6. During the inspection, the Inspector observed that there was no affixed sign with the name of the Dealer's registered name.

7. As a result, the Dealer contravened section 30(1) of O. Reg. 333/08 and therefore section 9(1) of the Code of Ethics.

Failure to maintain and complete retail contract

8. Between January 22, 2025, and October 10, 2025, the Dealer entered three (3) contracts regarding the sale of the following vehicles:

    i. 2011 Ford Transit (VIN ***046691)
    ii. 2011 Ford Transit (VIN ***046690)
    iii. 2012 RAM Cargo Van (VIN ***210204)

9. The Dealer failed to complete the contracts with information such as body type, trim level and colour, in accordance with section 40(2) of O. Reg. 333/08.

10. As a result, the Dealer contravened sections 4(1), 7(1) and 9(3) of the Code of Ethics.

11. The Dealer has since updated its system to include body type, trim level and colour as mandatory fields.

Failure to advertise in a clear, comprehensible and prominent manner

12. On or before October 20, 2025, the Dealer advertised the following vehicles for sale:

    i. 2010 Dodge Grand Caravan (VIN ***343129)
    ii. 2014 Chevrolet Equinox (VIN ***364562)
    iii. 2015 Chevrolet Equinox (VIN ***123459)

13. The Dealer failed to disclose in a clear, comprehensible and prominent manner that HST was not included in the price indicated in the advertisement.

14. As a result, the Dealer contravened section 36 (10) of O. Reg. 333/08, as well as sections 4(2) and 9(3) of the Code of Ethics.

Charging the OMVIC fees for wholesale trades

15. Between approximately January 22, 2025, and August 7, 2025, the Dealer sold the following vehicles on a wholesale basis:

i. 2011 Ford Transit (VIN ***046690)
ii. 2011 Ford Transit (VIN ***210204)

16. The Dealer applied a $12.50 OMVIC fee to each of these transactions, notwithstanding their sale on a wholesale basis.

17. As a result, the Dealer contravened sections 3(2), 9(1) and 9(3) of the Code of Ethics.

18. The Dealer has since processed the refund of the OMVIC fee to its wholesale buyers.

Johns's Non-Compliance:

19. Johns, as a Person in Charge, failed to ensure that the Dealer conducted its business in compliance with the Act, its regulations, and the Code of Ethics and thus personally contravened sections 6(2), 9(1) and 9(3) of the Code of Ethics.

20. The above-noted registrants have indicated to the Registrar, that proactive steps have been taken to review the internal advertising, signage, contract, and fee charging procedure, and have taken steps to ensure motor vehicle trades are conducted in accordance with the requirements.

Code of Ethics Violations

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

> *Integrity*
>
> s. 3(2) A registrant shall not indicate to any person, directly or indirectly, that any payment, commission or other remuneration in connection with a trade in a motor vehicle is fixed or approved by the administrative authority, if any, a government authority or any motor vehicle board or association.

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

> *Disclosure and Marketing*
>
> s. 4(2) A registrant shall ensure that all representations, including advertising, made by or on behalf of the registrant in connection with trading in motor vehicles, are legal, decent, ethical and truthful.

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

> *Compliance*
>
> s. 7(1) A registrant shall ensure that all documents used by the registrant in the course of a trade in a motor vehicle are current and comply with the law.

23. As particularized above, the Dealer and Johns have violated the following section of the Code of Ethics:

> *Professionalism*

s. 9(3) A registrant shall use the registrant's best efforts to prevent error… or any unethical practice in respect of a trade in a motor vehicle.

24. As particularized above, the Dealer and Johns have violated the following section of the Code of Ethics:

Professionalism
s. 9(1) In carrying on business, a registrant shall not engage in any act or omission that, having regard to all of the circumstances, would reasonably be regarded as… unprofessional… of a registrant.

25. As particularized above, Johns has violated the following section of the Code of Ethics:

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

Decision of the Reviewing Panel

Having reviewed and considered the Agreed Statement of Facts and written submissions provided by the Parties, the Reviewing Panel is satisfied that the evidence contained in the Agreed Statement of Facts substantiates the allegations that the Dealer breached sections 3(2), 4(2), 7(1), 9(1), and 9(3) of the Code of Ethics, and that Peter Johns has breached sections 6(2), 9(1), and 9(3) of the Code of Ethics.

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

Reasons for Decision

The Panel is satisfied that the penalty does not bring the administration of justice into disrepute and that it will be effective in preventing future breaches of the Code of Ethics. The Panel is satisfied that the penalty meets the objectives of specific and general deterrence and the other purposes of a penalty. In addition, the Panel notes that the penalty is consistent with previous decisions of this Tribunal.

Ontario Motor Vehicle Industry Council
Discipline Tribunal

Dated September 30, 2026

S. Darvish

Sherry Darvish, Public Member

On behalf of:
Nelson Caetano, Registrant Member
Paul Eros, Registrant Member