Tribunals Ontario | **Tribunaux décisionnels Ontario**

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

Citation: Aguiar-Ninguem and Vaughan Fine Touch Auto Collision Inc. v Registrar, *Motor Vehicle Dealers Act, 2022*, 2026 ONLAT MVDA 18310

File Number: 18310/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:

Jonathan Aguiar-Ninguem

and

Vaughan Fine Touch Auto Collision Inc.

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: Diana Mojica, Counsel

Heard: June 22 and 23, 2026, by video conference

OVERVIEW

[1] Pursuant to a Notice of Proposal dated February 3, 2026 (the "2026 NOP"), the Registrar, *Motor Vehicle Dealers Act, 2002* (the "Registrar") proposes to revoke the registrations of Jonathan Aguiar-Ninguem ("Ninguem") as a motor vehicle salesperson and Vaughan Fine Touch Auto Collision Inc. ("Vaughan Fine Touch") as a motor vehicle dealer under the *Motor Vehicle Dealers Act, 2002*, S.O. 2002, c. 30, Sched. B (the "*Act*"). Ninguem is registered under the *Act* and is a director and person-in-charge of Vaughan Fine Touch and, therefore, is responsible for overseeing the operations of the business. Together, Ninguem and Vaughan Fine Touch are referred to as the "appellants".

[2] Vaughan Fine Touch's primary business is collision repair. On November 23, 2015, Vaughan Fine Touch obtained a registration as a motor vehicle dealer and Ninguem obtained a registration as a motor vehicle salesperson. On March 1, 2024, Vaughan Fine Touch obtained a motor vehicle dealer registration for a satellite location in Georgina, called "Georgina Motors". On March 2, 2025, Georgina Motors' registration as a motor vehicle dealer expired.

[3] The Registrar conducted an inspection of Vaughan Fine Touch's records on October 17, 2024, where it identified breaches of the *Act* regarding vehicle sales reporting, and it noted an outstanding Harmonized Sales Tax ("HST") liability of $188,436.61. On September 4, 2025, the Registrar issued a Notice of Proposal (the "2025 NOP") to impose conditions on Vaughan Fine Touch's registration. Vaughan Fine Touch did not appeal the 2025 NOP, and it was carried out on February 3, 2026.

[4] On May 10, 2025, a consumer ("EM") purchased a 2013 Nissan Pathfinder (the "vehicle") for $6,500 from Dishon Shanmugalingham ("DS"), who worked at Georgina Motors as a vehicle detailer, and who was not registered to sell vehicles. Subsequently, EM reported mechanical problems with the vehicle to Georgina Motors, who were unable to repair the vehicle. On June 23, 2025, EM filed a complaint with the Ontario Motor Vehicle Industry Council ("OMVIC"). On July 15, 2025, Vaughan Fine Touch purchased the vehicle back for $6,000.

[5] The 2026 NOP proposes to revoke the appellants' registrations because, it alleges, the appellants violated the *Act* in the sale of the vehicle to EM, and Vaughan Fine Touch has not complied with conditions of the 2025 NOP in not providing a $25,000 irrevocable letter of credit ("LOC") in favour of the Motor Vehicle Dealers Compensation Fund (the "MVDCF").

[6] The appellants appealed the 2026 NOP to the Tribunal on February 17, 2026. The appellants argue that the circumstances regarding the appellants' conduct do not engage the conditions for revocation under s. 6 of the *Act*. The appellants argue that they took action to correct past conduct and that consumer protections could be maintained via conditions on Vaughan Fine Touch's registration.

ISSUES IN DISPUTE

[7] The issues in dispute are:

1. Does the past conduct of Ninguem afford reasonable grounds for belief that he will not carry on business in accordance with the 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*?

2. Does the past conduct of Ninguem afford reasonable grounds for belief that Vaughan Fine Touch'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*?

3. Does the financial position of Vaughan Fine Touch disentitle it to registration as a motor vehicle dealer pursuant to s. 6(1)(d)(i) of the Act?

4. If I find that the appellants are disentitled to registration, then I must determine whether to direct the respondent to carry out its NOP or whether

to substitute my opinion for that of the Registrar, which may include attaching conditions to my order and their registrations.

RESULT

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

[9] I find that the financial position of Vaughan Fine Touch does not disentitle it to registration as a motor vehicle dealer.

[10] I therefore direct the Registrar's not to carry out its proposal to revoke the registrations of the appellants.

[11] I find that items 8 through 12 in the terms and conditions of the 2025 NOP, regarding the LOC, impose an unnecessary burden on the financial position of Vaughan Fine Touch, and they are not commensurate with the risk to consumers. I order the removal of these conditions from Vaughan Fine Touch's registration as a motor vehicle dealer.

PROCEDURAL ISSUE

[12] The appellants raised objections that, in the hearing, the Registrar put forward evidence regarding past conduct that is not particularized in the 2026 NOP. The appellants argue, citing *Hodge v. Registrar Real Estate and Business Brokers Act*, 2022 ONSC 7206 (CanLII) ("*Hodge*"), that it is procedurally unfair for the Tribunal to receive evidence that is unrelated to the specific allegations in the 2026 NOP before the Tribunal. The appellants argue that they are entitled to know the case they need to meet, and that the Registrar's evidence submissions that are unrelated to the specific allegations in the 2026 NOP are a breach of procedural fairness.

[13] The appellants argue, specifically, that the Registrar should not be allowed to submit into evidence the appellants' non-response to the 2025 NOP, including the appellants' non-compliance with conditions of the 2025 NOP that Vaughan Fine Touch provide a $25,000 irrevocable LOC in favour of the MVDCF. The appellants argue that the 2026 NOP does not particularize any wrongdoing regarding these proposed conditions, and therefore any submissions on this topic should be inadmissible.

[14] The Registrar argues that the scope of the 2026 NOP is not limited to reviewing single incidents. Pursuant to s. 6(1) of the *Act*, the Registrar argues that its onus is to demonstrate that there is a pattern of conduct that disentitles the appellants to registration. The Registrar argues, citing para. 40 of *D. Michael Goldlist v. Registrar, Alcohol, Cannabis and Gaming Regulations and Public Protection Act, 1996*, 2022 ONSC 2505 (CanLII) ("*Goldlist*"), that the Tribunal is "not bound by the four corners of the Proposal in coming to its decision". The Registrar argues that it produced the evidence it would be relying upon ahead of the hearing, and that it would be impractical to list every single activity of concern, in the NOP, for it to establish reasonable grounds for belief that the appellants will behave improperly.

[15] Regarding the non-response to the 2025 NOP, the Registrar argues that the 2026 NOP itemizes that (a) Vaughan Fine Touch did not appeal the 2025 NOP and (b) the Registrar repeats and relies on the allegations listed in the 2025 NOP. For this reason, the Registrar argues that evidence regarding non-compliance with conditions of the 2025 NOP is admissible.

[16] I find that, under s. 6(1) of the *Act* and with the direction provided by the Divisional Court in *Goldlist*, I have a requirement to analyze conduct that may be of concern, and that I am not bound by the four corners of the 2026 NOP. I find, also, that evidence regarding non-compliance with the 2025 NOP is admissible, because the 2026 NOP states, specifically, that it repeats and relies on the allegations listed in the 2025 NOP. I find that the Registrar has not tendered evidence that lies outside of the conduct identified in the 2025 and 2026 NOPs. I find that conduct regarding Vaughan Fine Touch's non-

compliance with the conditions to produce the LOC is admissible, and that it does not engage the type of evidence restrictions that the Court found in *Hodge*.

ANALYSIS

The Law and the Onus

[17] The *Act* and Ontario Regulation 333/08 (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*.

[18] Section 6 of the *Act* sets out a number of factors 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*.

[19] 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.

[20] Under s. 6(1)(a)(ii) and s.6(1)(d)(iii) of the *Act*, the onus is on the Registrar to prove that the past conduct of the appellants affords reasonable grounds for belief that they will not carry on business 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). The respondent does not have to show that the appellants' past conduct makes it more likely than not that the 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. Further, the respondent must also show that there is a nexus between the past conduct and the appellants' ability to conduct business

under the *Act* serving the interests of the public (see *Nagy v. Registrar, Real Estate Business Brokers Act*, 2012 ONSC 325 at paras. 58-61 (Div. Ct.); and *C.S. v. Registrar, Real Estate Business Brokers Act*, 2019 ONSC 1652 at para. 32 (Div. Ct.)).

[21] 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.

[22] 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.

The appellants' business activities

[23] Ninguem testified that Vaughan Fine Touch has been in business as a collision repair shop for over 17 years. He testified that Vaughan Fine Touch's main source of revenue is referrals from other motor vehicle dealers and wholesalers, including for repairs to high-value vehicles worth more than $450,000. He testified that Vaughan Fine Touch's employee roster varies depending on workload. He testified that Vaughan Fine Touch employed as many as 17 people in the past, and that it currently employed about 10 people.

[24] Ninguem testified that he registered Vaughan Fine Touch as a dealer, and himself as a salesperson, in 2015, to keep his staff busy during slow periods. He testified that he purchased vehicles that were considered "write-offs" at auction, repaired them and then sold them. He testified that most vehicles that were purchased, repaired and sold this way were "sourced" for a specific customer who knew that the vehicle was involved in a previous collision. He testified that Vaughan Fine Touch sold five to ten vehicles per year initially, and that the volume of vehicles sold this way increased over time. He testified that Vaughan Fine Touch has sold about 750 vehicles since 2015.

[25] Ninguem testified that he decided to open Georgina Motors in 2024, because he and his family lived in Georgina, near Lake Simcoe, and it could provide space for the shop in Vaughan. Work activities at Georgina Motors included painting and tinting, but no mechanical work. He testified that Georgina Motors was intended to direct collision repair work to the shop in Vaughan, and to provide a sales outlet for repaired vehicles. Ninguem testified that, on a typical day, he would spend the morning in Georgina and the afternoon in Vaughan, about 55 km away.

[26] Ninguem testified that in the spring of 2025, he determined that the Georgina Motors location was an unsuccessful venture, and he decided to close it down. On March 2, 2025, Georgina Motors' registration as motor vehicle dealer expired, and Georgina Motors closed its doors as a business at the end of May 2025.

2024 business records inspection and the 2025 NOP

[27] On October 17, 2024, a representative of the Registrar (the "inspector") met with Ninguem and conducted an inspection of Vaughan Fine Touch's business records, pursuant to s. 15 of the *Act*.

[28] The inspection revealed the following violations of the Regulation with respect to reporting requirements for eight separate vehicles sold:

1. Failure to disclose the delivery date (7 vehicles)
2. Failure to itemize extended warranty (2 vehicles)
3. Failure to comply with odometer disclosure requirements (1 vehicle)
4. Failure to disclose accident damage above $3,000 (3 vehicles)
5. Failure to disclose manufacturer's warranty has been cancelled (1 vehicle)
6. Failure to disclose total loss declaration (1 vehicle)
7. Failure to disclose out-of-province registration (1 vehicle)
8. Failure to disclose trade-in information (4 vehicles)

[29] During the inspection, Ninguem also advised the inspector that he was not aware that he was required to maintain the results of any vehicle inspections under the *Highway Traffic Act* provided to Vaughan Fine Touch, contrary to s. 52(2)(c) of the Regulation.

[30] Lastly, the inspector indicated that Vaughan Fine Touch failed to meet its financial obligation with respect to filing and remittance of HST, with an outstanding HST liability of $188,436.61 owed to the Canada Revenue Agency ("CRA").

[31] As a result of this inspection, the Registrar issued the 2025 NOP, proposing to apply 41 terms and conditions (the "T&Cs") to Vaughan Fine Touch's registration, dealing primarily with reporting and disclosure requirements under the *Act* and the Regulation. The 2025 NOP also proposed that Vaughan Fine Touch provide an irrevocable LOC in the amount of $25,000 in favour of the MVDCF within 60 days of Ninguem signing an acknowledgement and undertaking that was attached to the T&Cs.

[32] The particulars regarding the LOC are contained in items 8 through 12 of the T&Cs, as follows:

> Letter of Credit
>
> 8. The Registrant shall provide an irrevocable Letter of Credit in the amount of $25,000 in favour of the Motor Vehicle Dealers Compensation Fund from a financial institution under the *Loan and Trust Corporations Act* within 60 days of these Terms and Conditions being signed.
>
> 9. The Letter of Credit shall be in the form set out by the Registrar.
>
> 10. Should the financial institution give notice that the Letter of Credit is to be rescinded, the Registrant shall provide a replacement Letter of Credit before the expiry of the notice period.
>
> 11. The Registrant understands that the Registrar may release a portion of the funds held by the Letter of Credit before the Closure of Business, subject to the following:
>
> a) The request must be made in writing to the Registrar;

b) The request must be made by all the owners, partners, officers, directors, and shareholders registered with the Registrant;

c) The request must be made no less than 2 (two) years after the Letter of Credit was deposited with the Registrar; and

d) The Registrar shall hold back the minimum holdback amount of $5,000, until the Closure of Business.

12. The registrant consents that the Registrar has the discretion to approve the release of the Letter of Credit based on the Registrant's compliance record and other risk considerations that the Registrar deems appropriate at the time of the request.

[33] As of the hearing, Vaughan Fine Touch did not sign the acknowledgement and undertaking attached to the T&Cs, and it did not provide the $25,000 LOC.

Purchase, repair and sale of the 2013 Nissan Pathfinder

[34] The Registrar directed me to following facts, undisputed by the appellants, for transactions regarding the vehicle:

1. On January 3, 2024, the vehicle history report from Carfax indicated that the vehicle was involved in a collision, with reported damage to the left side and an accident claim of $13,538.

2. On February 14, 2024, Vaughan Fine Touch purchased the vehicle from Impact Auto Auctions. The purchase price, inclusive of fees and taxes, was $6,154.66. The vehicle was sold "as-is" and was not represented as being in roadworthy condition. The wholesale bill of sale ("BOS") indicated that the vehicle was declared a total loss by the insurer, that the manufacturer's warranty was cancelled, and that the estimated repair was $8,038.92.

3. On April 9, 2025, Circle Back Automotive Limited, based in Vaughan, issued a Safety Standards Certificate for the vehicle. The odometer reading was 161,538 km.

4. On May 10, 2025, the vehicle was sold to EM for $6,500, inclusive of all fees and taxes. The used vehicle BOS indicated that the vehicle was sold "as-is", with a hand-written comment "3 Months Warranty", and with a hand-written odometer reading of 160,971 km. The parties agree the vehicle was sold by DS, who was not registered as a salesperson. The BOS is unsigned by any salesperson.

5. On July 15, Vaughan Fine Touch purchased the vehicle back for $6,000, inclusive of all fees and taxes. The Ministry of Transportation of Ontario vehicle record shows that the vehicle ownership was transferred to Vaughan Fine Touch on July 18, 2025, with an odometer reading of 163,955 km.

The past conduct of the appellants does not afford reasonable grounds for belief that they will not carry on business in accordance with the law and with integrity and honesty

[35] In my view, the conduct described at the hearing does not afford reasonable grounds for belief that the appellants will not carry on business as a salesperson or as a motor vehicle dealer in accordance with law and with integrity and honesty.

[36] In the 2026 NOP, the Registrar alleges the following past conduct as grounds for revocation of the appellants' registrations because of past conduct:

1. Georgina Motors was not a registered motor vehicle dealer at the time it sold the vehicle to EM.

2. By employing DS as a salesperson, Vaughan Fine Touch, operating as Georgina Motors, retained the services of an unregistered salesperson.

3. The vehicle was sold to EM with an active lien that reflected Vaughan Fine Touch as the debtor.

4. Upon taking receipt of the vehicle, EM experienced mechanical issues and requested that the vehicle be repaired. The Registrar alleges that Vaughan Fine Touch made false, misleading or deceptive representation to EM and contravened s. 14 and s. 17 of the *Consumer Protection Act, 2002*, S.O. 2002, c. 30, Sched. A (the "*Consumer Protection Act*").

5. Ninguem's past conduct disentitles Ninguem to registration as a motor vehicle salesperson and Vaughan Fine Touch as a motor vehicle dealer.

Georgina Motors was not a registered motor vehicle dealer

[37] The Registrar directed me to the OMVIC Director's Certificate, dated March 5, 2026, that indicated that Georgina Motors' motor vehicle dealer registration expired on March 2, 2025. The appellants did not dispute the accuracy of this certificate. The Registrar argues that Georgina Motors contravened s. 4(2)(b) of the *Act*, by inviting the public to deal in a place other than the place that is authorized in the registration of a motor vehicle dealer.

[38] Ninguem testified that he made the decision to close Georgina Motors in the spring of 2025. He testified that the location was being used for detailing, tinting, overflow repair work and vehicle storage, but that it was not an active in-person sales location at the time of the vehicle sale to EM. Ninguem testified that the Regulation allows Vaughan Fine Touch to store vehicles at remote sites for on-line sales. He testified that, had there been interest to buy the vehicle, he would have transferred the vehicle to the Vaughan location.

[39] I accept Ninguem's testimony that Georgina Motors was not being utilized as an in-person sales location at the time of the vehicle sale to EM. I have no evidence before me that any other vehicles were sold from Georgina Motors after its dealer registration expired.

[40] EM testified that she saw a Facebook Marketplace ad for the vehicle, in May 2025, that directed her to Georgina Motors. I find that, regardless of who within Vaughan Fine Touch was responsible for its on-line advertising, Ninguem was ultimately responsible to ensure that Georgina Motors did not invite customers to purchase a vehicle at an unregistered location. In that regard, I find that Ninguem and Georgina Motors contravened s. 4(2)(b) of the *Act*.

DS acted as a salesperson at Geogina Motors, unknown to Ninguem

[41] EM testified that, after she saw the on-line ad for the vehicle, she went to Georgina Motors without an appointment on May 10, 2025, on a Saturday afternoon. She testified that she lived near Georgina and saw the vehicle in the lot. She met with DS, who let her test drive the vehicle. She testified that she and her husband owned another Nissan Pathfinder, and she found the price satisfactory, so she provided a $3,500 down payment and signed the BOS. EM testified that DS promised to install new floor mats and wipers, and that she could pick up the vehicle two days later.

[42] Arsh Kapoor, Complaint Review Specialist with OMVIC, testified that he reviewed EM's complaint to see if the dealer could resolve it. Kapoor testified that the retail BOS dated May 10, 2025 was missing much of the required information and it was non-compliant with the Regulation. He noted that the BOS identified the dealer as "Vaughan Fine Touch Auto Collision Inc. o/a Georgina Motors". During his investigation of EM's complaint, Kapoor confirmed that DS sold the vehicle to EM, and that he was never registered as a salesperson.

[43] The Registrar directed me to Kapoor's first correspondence with Ninguem, dated July 18, 2025, requesting in writing, among other items, Ninguem's response with respect to EM's complaint and documents related to the vehicle, with a note to provide a response and the requested items no later than July 25, 2025. The appellants provided the requested documents by August 7, 2025. The Registrar directed me to a follow-up email from Ninguem to Kapoor, dated August 7, 2025, where he referred to DS as the "salesperson involved".

[44] The Registrar argues that by employing a non-registered vehicle salesperson, Vaughan Fine Touch contravened s. 4(1)(b) of the *Act*, disentitling it to registration as a motor vehicle dealer.

[45] At the hearing, DS testified that he started working at Georgina Motors in March of 2024, primarily to perform vehicle detailing, and that he did not know that only a registered salesperson could sell a vehicle. He testified, further, that Ninguem had told him he was not to speak to customers about vehicle sales. He testified that he thought he was doing Georgina Motors and Vaughan Fine Touch a favour by selling the vehicle, because they were winding Georgina Motors down at the time, and they needed to move vehicles off the lot.

[46] DS testified that he had no knowledge of the vehicle's repair history or whether there was a lien on the vehicle, and that he did not look into these issues. He testified that he drove the vehicle to Vaughan after EM's complaint of mechanical issues.

[47] Ninguem testified that he first became aware of the sale of the vehicle to EM after it was sold. Ninguem testified that he identified DS as the salesperson in his email to Kapoor on August 7, 2025, because DS was the person who sold the vehicle and not because he ever claimed that DS was registered as a salesperson under the *Act*. He testified, further, that one of the reasons he had decided to close Georgina Motors was that he was unable to provide adequate oversight to both the Vaughan Fine Touch and Georgina Motors locations.

[48] The appellants argue that DS was no longer an agent of Georgina Motors, when he acted outside of the scope of his authority. The appellants argue that they took corrective action by terminating DS's employment with Vaughan Fine Touch, as evidenced in Ninguem's email to Kapoor on August 7, 2025.

[49] I find that DS, and by extension Vaughan Fine Touch, contravened s. 4(1)(b) of the *Act*, but that this action was unknown to Ninguem when the contravention was committed. I accept Ninguem's testimony that he was aware he provided inadequate oversight of the

activities at Georgina Motors, and that corrective action had already been undertaken in his decision to close the location. I find that Ninguem took further corrective action by terminating DS's employment with Vaughan Fine Touch by August 7, 2025.

The appellants did not report that there was a lien on the vehicle

[50] The Registrar directed me to an Ontario Personal Property Security Act ("PPSA") report, dated June 26, 2025, used by OMVIC to determine whether there was a registered lien on the vehicle sold to EM. The PPSA report indicated that there was an active lien secured by Automotive Finance Canada Inc. ("AFC") on that date, and the debtor was Vaughan Fine Touch. The Registrar directed me to a later PPSA report, dated July 17, 2025, that indicated there was still an active lien on that date, with the same lien claimant and debtor. A subsequent PPSA report, dated September 3, 2025, indicated that the lien was then discharged. The Registrar argues that the appellants contravened s. 42(25) of the Regulation in not disclosing that there was an outstanding lien on the vehicle when it was sold to EM.

[51] Ninguem testified that AFC provides financing for smaller dealerships, for vehicle inventory on sales floors. Ninguem testified that, for its business of buying damaged vehicles at auction, it had a $600,000 line of credit with AFC.

[52] Ninguem testified that he bought the 2013 Nissan Pathfinder on February 14, 2024, and started making payments on the vehicle on April 9, 2024, at about the 60-day mark, under the credit agreement he had with AFC. Ninguem testified that AFC puts liens on all the vehicles they finance, and dealerships cannot go past 365 days on their payments. Ninguem testified that AFC customarily removes the lien on a vehicle after they receive the final payment.

[53] The appellants directed me to two vehicle payments reports from AFC, dated July 18, 2025 and April 22, 2026. The reports detail the payments on the vehicle, including principal, interest and fees, by payment date. The reports indicate a "floor date" of

February 14, 2024, with interest and fees first paid on April 9, 2024. The reports then show a final payment on April 9, 2025.

[54] The appellants submit that it is AFC's standard procedure to structure payments so that all loans are paid in full at the 365-day mark, and that the AFC payment reports indicate that the loan on the vehicle was paid by then. The appellants argue that AFC failed to remove the lien on the vehicle after the final payment, probably through inadvertence. Ninguem testified that he contacted AFC to remove the lien after July 17, 2025, and they removed the lien.

[55] I accept Ninguem's testimony that AFC finances vehicles for dealers for only one year, and that there would be no reason for AFC to deviate from its standard procedure for Vaughan Fine Touch for the vehicle. I find, also, that the AFC payment reports indicate that the AFC loan for the vehicle was fully paid when the vehicle was sold. However, I find the PPSA reports indicate that AFC had not discharged the lien when the vehicle was sold. Under the Regulation, it is the dealer's responsibility to report to the consumer if there is a lien on a vehicle. For this reason, I find that the appellants contravened s. 42(25) of the Regulation in failing to disclose that the lien was not discharged when the vehicle when was sold to EM.

False representation under the Consumer Protection Act

[56] Kapoor testified that he believed EM when she said she was dissatisfied with the vehicle because of reported mechanical problems. He testified that OMVIC cannot compel a dealer to offer money back on the sale. He testified that the BOS, completed by DS, was missing much fundamental information, and that it offered a 3-month warranty that did not exist.

[57] In the 2026 NOP, the Registrar submits that, by misrepresenting the vehicle as being safe and roadworthy, Georgina Motors made false, misleading or deceptive representations to EM, in contravention of ss. 14 and 17 of the *Consumer Protection Act*.

[58] The appellants argue that, when the vehicle was sold to EM, it had been safety-certified and was in good working order. The appellants argue that the mechanical problem noted by EM occurred after she took possession of the vehicle. At the hearing, EM testified that she had driven the vehicle from Georgina to Scarborough and back, when a warning light indicated a mechanical problem. The appellants do not dispute that the BOS completed by DS was unacceptable and that 3-month warranty indicated by DS on the BOS was without effect.

[59] Under the *Act* and the *Licence Appeal Tribunal Act, 1999*, S.O. 1999, c. 12, Sched. G, I have no jurisdiction to make rulings on contraventions of the *Consumer Protection Act*, and the parties made no submissions that I have that jurisdiction. Charges under the *Consumer Protection Act* can be tested in Provincial Offenses Court. Therefore, I make no finding regarding claimed contraventions of the *Consumer Protection Act*.

[60] I find that DS, and by extension Vaughan Fine Touch, contravened many sections of the *Act* and Regulation, in failing to provide required information on the BOS and in noting a three-month warranty that did not exist. As I found previously, I find that DS undertook this action unknown to Ninguem. I find that Ninguem took corrective action by buying the vehicle back and by terminating DS's employment at Vaughan Fine Touch by August 7, 2025.

Ninguem's pattern of behaviour

[61] In the 2026 NOP, the Registrar submits that the totality of Ninguem's conduct disentitles Ninguem to registration as a salesperson and disentitles Vaughan Fine Touch to registration as a dealer. The Registrar argues that Ninguem's past conduct demonstrates a pattern of behaviour that puts consumers as risk, including the following:

1. He invited the public to interact at an unregistered dealer location.
2. He led EM to believe that she was buying a vehicle from a registered salesperson.
3. He failed to report a lien on the vehicle when it was sold to EM.

4. He blamed EM for the vehicle's mechanical problems after the sale.
5. He reacted to EM's concerns only after the complaint was raised with OMVIC.

[62] The Registrar argues that the *Act*'s mandate is to protect consumers, and the instance of EM's complaint does not capture further instances of consumers who may have walked away without filing a complaint. The Registrar argues that Ninguem's inability to adhere to the rules of registration indicates that he has failed in his obligations as a salesperson and as a dealer.

[63] The appellants argue that the evidence does not support that Ninguem's past conduct will likely pose a risk to future consumers. The appellants do not contest that DS sold a vehicle, while not registered as a salesperson, from a location that was not registered. The appellants argue, citing *Hunter's Square Developments Inc. v. 351658 Ontario Ltd.*, 2002 CanLII 9163 (ON CA) ("*Hunter's*") that DS's rogue behaviour cannot bind the appellants. In *Hunter's*, the Court of Appeal held that if there was no agency relationship between the unauthorized seller and the owner of a property, then the owner cannot be bound by the unauthorized seller's actions. The appellants argues that DS's actions are not predictive of Ninguem's future behaviour, and therefore they do not engage the conditions for revocation of registration.

[64] The appellants argue, further, that Ninguem took responsibility for what happened in the sale of the vehicle. Although EM and Vaughan Fine Touch dispute who caused the vehicle's mechanical problems and when they occurred, on a 12-year-old vehicle with over 160,000 km, the appellants argue that Ninguem took the vehicle back to remedy the situation.

[65] I heard testimony from Dean Hope of B&C Service Centre, a motor vehicle wholesaler. Hope testified that he has sent his vehicles to Vaughan Fine Touch for collision repair and detailing for over 15 years. He testified that he typically sends 8 to 10 vehicles per week to Vaughan Fine Touch, its major supplier for this work. Hope testified that his dealings with Vaughan Fine Touch and Ninguem involve high-quality

workmanship, honest service and dependability. He testified that he would continue working with Vaughan Fine Touch irrespective of any findings at the Tribunal.

[66] In addition, I heard testimony from Farad Osman, Operations Manager of Grand Touring Automobiles, a retail motor vehicle dealer. Osman testified that he has sent high-end vehicles, including Lamborghinis worth more than $450,000, to Vaughan Fine Touch for collision repair and detailing, for over seven years. Osman testified that, generally, he sends Vaughan Fine Touch one vehicle every two weeks. He testified that he has found Ninguem to be reliable and trustworthy, and that he would continue working with him.

[67] The Registrar argues that I should assign little weight to the testimony of Hope and Osman, because their business interactions with the appellants were unrelated to the motor vehicle sales and dealership registrations at issue in this matter. The appellants counter, citing *Baxter v. Registrar (REBBA)*, 2011 ONSC 2497 (CanLII) ("*Baxter*"), that the Tribunal should examine a long period of conduct, whether or not it falls under the auspices of the regulator. In *Baxter*, the Divisional Court found that it was appropriate for the Tribunal to examine the whole of the appellant's past conduct, whether or not it was governed by the *Real Estate and Business Brokers Act*, including positive aspects of the appellant's history in his business. In *Baxter*, the Court found that such an examination by the Tribunal was in accordance with the governing statute.

[68] The appellants argue, further, that contraventions related to a single incident, in this case the sale of the vehicle to EM, should be interpreted within the context of a person's entire work history, and that it should consider the potential impact on those employed at Vaughan Fine Touch. The appellants cite *Baker v. Canada (Minister of Citizenship and Immigration)*, 1999 CanLII 699 (SCC), [1999] 2 SCR 817 and *Kane v. Bd. of Governors of U.B.C.*, 1980 CanLII 10 (SCC), [1980] 1 SCR 1105, that a "high standard of justice is required when the right to continue in one's profession or employment is at stake. . . . A disciplinary suspension can have grave and permanent consequences upon a professional career."

Conclusions regarding Ninguem's past conduct

[69] Regarding whether Ninguem's past conduct disentitles Vaughan Fine Touch and Ninguem to registration as a dealer and salesperson, I conclude as follows:

1. I find that Ninguem held the responsibility, ultimately, for the Facebook Marketplace ad that invited the public to purchase the vehicle at Georgina Motors, in contravention of s. 4(2)(b) of the *Act*. However, I have no evidence before me that there were other ads directing consumers to Georgina Motors after its dealer registration expired, for other vehicles, or via other channels. I find, on a balance of probabilities, that the ad was residual after the decision had been made to close the facility. I find that the ad does not demonstrate a pattern of behaviour, because it is a single instance before me and Ninguem had already decided to close the location.

2. I find that Ninguem held the responsibility, ultimately, for the sale of the vehicle by DS, an unregistered salesperson. However, I find that DS was not acting as an agent on behalf of Vaughan Fine Touch when he undertook the sale of the vehicle. I find that DS's actions in that sale, which were unknown to Ninguem, are not predictive of Ninguem's future behaviour.

3. I find that Vaughan Fine Touch contravened the *Act* in not reporting that the AFC lien had not been discharged when the vehicle was sold. I find that Ninguem's explanation, that he understood that the loan was paid, was reasonable, but that it did not remove his responsibility to verify and report the lien to the consumer. I note that the 2024 inspection that led to the 2025 NOP did not identify any unreported liens. I find that the single instance of an unreported lien before me, although the loan was paid, does not demonstrate a pattern of behaviour that is predictive of future behaviour that puts consumers at risk.

4. I find that the parties' dispute over the vehicle's mechanical problems after it was sold to EM is not predictive of future behaviour. I find that Ninguem's

testimony, and that of Hope and Osman, persuades me that Ninguem endeavours to repair and restore vehicles into working condition. I find that in EM's case, Ninguem took corrective action, including buying the vehicle back and terminating DS's employment.

5. The find that it is speculative on the part of the Registrar to argue that there are other consumers who were mistreated by the appellants, but who did not file complaints. I do not have such evidence before me.

6. I find that the non-compliant sale of the vehicle to EM should be weighed in the context of the appellants' business. I have insufficient evidence before me that Ninguem demonstrated a pattern of behaviour that is putting consumers at risk.

[70] I find that *Baxter* directs me to look at the broader context of the appellants' business activities in determining whether there is a pattern of behaviour warranting revocation of registration. I find also, per *Goldlist*, that I am not bound by the four corners of the business activities listed in the 2026 NOP in arriving at my decision. I find that Ninguem's conduct is that of someone trying to operate his business ethically, but who committed errors and omissions in reporting information on BOSs.

[71] I find that the Registrar has not particularized any allegations of conduct that constitute false or deceptive practices under ss. 26, 27 or 28 of the *Act*. The decisions in *Baxter* and *Goldlist* direct me to look broadly at the appellants' activities, but they do not provide me the jurisdiction to make rulings on contraventions of the *Consumer Protection Act*. For these reasons, I do not find that the Registrar has demonstrated that the non-compliant sale of the vehicle to EM is a sufficient ground for revocation of Vaughan Fine Touch's registration.

[72] For the reasons above, I find that the Registrar has not demonstrated that Ninguem's past conduct affords reasonable grounds for belief that he and Vaughan Fine Touch will not carry on business in accordance with the law and with integrity and honesty.

The financial position of Vaughan Fine Touch does not disentitle it to registration

[73] The Registrar's claims regarding Vaughan Fine Touch's financial position identify two issues:

1. Vaughan Fine Touch owed the CRA $188,436.61 in HST remittances at the time of the OMVIC inspection on October 17, 2024.

2. The appellants did not respond to the 2025 NOP in providing an irrevocable $25,000 LOC in favour of the MVDCF.

[74] The Registrar argues that the outstanding CRA liability and the unpaid LOC indicate that Vaughan Fine Touch cannot be expected to be financially responsible, disentitling it to registration as a dealer.

[75] Ninguem testified that, since late 2025, Vaughan Fine Touch has worked out a remittance plan with the CRA, and that the CRA was garnishing Vaughan Fine Touch's bank account. Ninguem testified that, as of the date hearing, the amount owed to the CRA for HST remittance was about $140,000. The appellants did not tender corroborating evidence from their bank or from the CRA to this effect. Ninguem testified that Vaughan Fine Touch continues to operate and continues to meet its payroll, while paying down its debt to the CRA. The appellants argue that holding debt does not mean that Vaughan Fine Touch is financially irresponsible.

[76] The appellants argue that the 2025 NOP specifically "requested" that Vaughan Fine Touch agree to the LOC, and Vaughan Fine Touch did not agree to that request. The appellants argue that the wording in the 2025 NOP gives Vaughan Fine Touch the discretion to accept or reject the LOC conditions.

[77] The appellants directed me to a Director's Certificate, dated March 12, 2026, indicating that, because Vaughan Fine Touch did not appeal the 2025 NOP, the Registrar carried out the 2025 NOP on February 3, 2026. The appellants argue that the Registrar

did not afford Vaughan Fine Touch the opportunity to comply with the LOC conditions of the 2025 NOP, because it issued the 2026 NOP on February 3, 2026, the same day.

[78] The appellants argue that the LOC conditions favour the solvency of the MVDCF over that of the appellants. The appellants argue that, under s. 42(6) of the *Act*, a motor vehicle dealer shall be required to reimburse the MVDCF for money paid out to customers as a result of claims against the motor vehicle dealer. The appellants argue that there was no basis for the Registrar's request for the $25,000 LOC because the amount is unrelated to customer claims against Vaughan Fine Touch.

[79] I find that Vaughan Fine Touch did not appeal the 2025 NOP, and that the Registrar acted within its authority, under s. 9(4) of the *Act*, to carry out the 2025 NOP on February 3, 2026. I find that, after February 3, 2026, the consent and undertaking attached to the 2025 NOP was no longer a request. By that date, the T&Cs were in effect. I find that the Registrar repeats and relies on the allegations listed in the 2025 NOP in its 2026 NOP. Therefore, I find that the T&Cs of the 2025 NOP are in dispute before me.

[80] I find that Vaughan Fine Touch's debt to the CRA does not warrant revocation of its registration as a dealer. The Registrar, in its 2025 NOP, did not find that the debt of $188,436.61 to the CRA, on September 4, 2025, warranted revocation. The Registrar has not directed me any evidence to refute the appellants' claim that Vaughan Fine Touch has partly repaid its debt to the CRA. I find, therefore, that the lower debt of $140,000 to the CRA, as reported by Ninguem, does not warrant revocation of Vaughan Fine Touch's registration as a dealer.

[81] I find that, based solely on the level of debt to the CRA, Vaughan Fine Touch is in better financial position than at the time of the 2025 NOP, when the Registrar did not seek revocation. For this reason, I find that the Registrar has not demonstrated that the financial position of Vaughan Fine Touch disentitles it to registration as a motor vehicle dealer.

Should registration be granted with conditions attached?

[82] The Tribunal has the statutory discretion under s. 9(5) of the *Act* to consider each appellant's circumstances and determine whether the purpose of the *Act* can be adequately protected through granting registration with conditions. The Tribunal owes no deference to the Registrar's position of seeking refusal of registration.

[83] The *Act* has two broad purposes: first, to provide protection to consumers; and second, to promote professionalism amongst dealers and salespeople within the automobile industry. Under s. 6(1)(d) of the *Act*, a corporate registrant is entitled to registration unless its financial position demonstrates that it cannot reasonably be expected to be financially responsible in the conduct of its business, or that the past conduct of its officers affords reasonable grounds for belief that its business will not be carried on in accordance with the law and with integrity and honesty.

[84] The Registrar argues that Ninguem's past conduct and his non-compliance with the conditions of the 2025 NOP demonstrate that he is ungovernable, and that conditions to the registrations are not acceptable in the circumstances.

[85] The appellants argue that they agree with most of the conditions of the 2025 NOP, but that the condition of a $25,000 LOC does not advance the objectives of the *Act* in protecting consumers and in promoting professionalism (including financial stability) within the industry.

[86] I found that the Registrar has not demonstrated that Ninguem's past conduct affords reasonable grounds for belief that he and Vaughan Fine Touch will not carry on business in accordance with the law and with integrity and honesty. I need not attach conditions to the registrations for that reason.

[87] I find that conditions 8 through 12 of the T&Cs, dealing with the irrevocable LOC for $25,000 to the MVDCF, are not reasonable to protect consumers and to advance professionalism within the industry. I find that the Registrar has not demonstrated whether

the LOC amount was determined because of the outstanding HST remittances, or because of the BOS omissions uncovered during the 2024 inspection.

[88] I find that, if the LOC amount was determined to offset the overdue HST remittances, the LOC places further debt costs on Vaughan Fine Touch, making it more difficult for it to be financially responsible. I find that these conditions run counter to the purpose of ensuring dealers are financially responsible under s. 6(1)(d)(i) of the *Act*.

[89] I find that, if the LOC amount was determined to offset the BOS omissions related to the eight vehicles identified during the 2024 inspection, the Registrar has not demonstrated that the LOC amount is commensurate with the level of risk to consumers. I accept Ninguem's testimony that, going forward, he will endeavour to provide all the information on BOSs required by the *Act* and the Regulation.

[90] I find that, in the circumstances, a $25,000 LOC is not a reasonable condition to place on Vaughan Fine Touch's registration.

CONCLUSIONS

[91] I find that the Registrar has not satisfied its burden of proving that Ninguem's past conduct as a salesperson affords reasonable grounds for belief that he will not carry out business in accordance with law and with integrity and honesty according to s. 6(1)(a)(ii) of the *Act*.

[92] I find that the Registrar has not satisfied its burden of proving that Ninguem's past conduct affords reasonable grounds for belief that Vaughan Fine Touch will not carry out business as a motor vehicle dealer in accordance with law and with integrity and honesty according to s.6(1)(d)(iii) of the *Act*.

[93] I find that the financial position of Vaughan Fine Touch does not disentitle it to registration as a motor vehicle dealer.

[94] I find that the Registrar acted within its authority in carrying out the 2025 NOP, when it was not appealed by the appellants.

[95] I conclude that the appropriate outcome is to order the registration of Ninguem as a motor vehicle salesperson and Vaughan Fine Touch as a motor vehicle dealer.

[96] I find that conditions 8 to 12, as set out in the T&Cs of the 2025 NOP, place unnecessary debt costs on Vaughan Fine Touch and they are not commensurate with the risk to consumers.

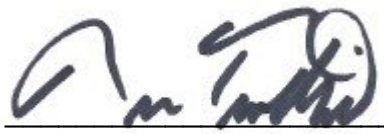
ORDER

[97] I deny the Registrar's proposal to revoke the registration of Jonathan Aguiar-Ninguem as a motor vehicle salesperson.

[98] I deny the Registrar's proposal to revoke the registration of Vaughan Fine Touch as a motor vehicle dealer.

[99] Pursuant to s. 9(5) of the *Act*, I substitute my own opinion for that of the Registrar, and I direct the Registrar to remove conditions 8, 9, 10, 11 and 12, that were imposed on the registration of Vaughan Fine Touch as a motor vehicle dealer on February 3, 2026.

Released: July 24, 2026



Bernard Trottier
Member