

DISCIPLINE DECISION

REVIEWING PANEL: Sherry Darvish, Public Member
Joe Malfara, Registrant Member
Chris Pinelli, 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 -)
SUBURBAN AUTO PARTS INC.)
O/A IMPACT AUTO AUCTIONS, IAA)
)

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

Date of Decision: May 27, 2026

Findings: Suburban Auto Parts Inc. O/A Impact Auto Auctions, IAA has breached the following:

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

Order:

1. Suburban Auto Parts Inc. O/A Impact Auto Auctions, IAA ("IAA") shall pay a fine in the amount of **\$6,500** no later than ninety (90) calendar days from the date of the Discipline Tribunal's Order.
2. IAA 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 April 6, 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 contained in paragraphs 3, 5, 6, 8-16, and 25-35 of the Notice of Referral to Discipline ("NORD") dated November 27, 2025, are withdrawn. For greater certainty, no admission is made, and no fact is agreed, with respect to any allegation set out in any paragraph of the NORD other than those expressly set out in this Agreed Statement of Facts ("ASF"). The facts and admissions herein are limited to the matters expressly stated, and nothing herein shall be construed as an admission of any other matter alleged in the NORD.

The agreed upon facts are set out below.

Background:

1. IAA was first registered as a motor vehicle dealer under the Act on or about February 2012. IAA has a head office location with a registered premises in Oshawa as well as various branch locations with registered premises across Ontario.
2. Generally, IAA operates a used vehicle online auction, whereby IAA facilitates the sale of vehicles on behalf of insurance companies and dealers, to purchasers (including dealers) that bid upon and purchase total loss, insurance write-off, branded and damaged vehicles.

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 disclosure obligations. Educational resources continue to be available on OMVIC's website.

Dealer's Non-Compliance

4. As described below, IAA facilitated the sale of one motor vehicle on behalf of insurance company, in a manner that was contrary to the Code of Ethics. Pursuant to s. 46 of O. Reg. 333/08, IAA is required to ensure that a selling insurance company has also complied with any disclosure requirements under s. 5 of Code of Ethics.

Odometer Disclosure – 2014 Ford F-350

5. On or about June 2, 2025, IAA advertised a 2014 Ford F-350 XL (VIN: *A12473) for sale on behalf of an insurance company.
6. IAA advertised the vehicle's odometer to be "122139 Km (Actual)" and a dealer submitted a bid to purchase the vehicle.

7. IAA prepared the contract to facilitate the sale of the vehicle to the dealer and included, amongst other things, the following disclosure statement:

Total distance vehicle has driven is unknown, but as of 4/21/2025 it was believed to be 122139Km. The total distance driven is believed to be higher than the distance indicated. Odometer is: Actual

8. During the bidding process, IAA ensured a vehicle history report was available to prospective purchasers. A vehicle history report provided to the bidding dealer by IAA, indicated that the kilometers were reported to be 758,752 km as of August 30, 2024.
9. Although a vehicle history report was available, IAA acknowledges that by indicating the odometer to be 'Actual' while simultaneously disclosing the distance as 'believed to be higher', the contract documentation contained an inconsistency regarding the vehicle's odometer. IAA thereby failed to ensure accuracy in the contract documentation, contrary to s. 4(2) of the Code of Ethics, insofar as the documentation contained a discrepancy, and contrary to s. 9(3) of the Code of Ethics, insofar as IAA failed to use its best efforts to prevent an error in the documentation in respect of a trade in a motor vehicle.
10. Although a vehicle history report was available, IAA failed to ensure the odometer rollback and was accurately represented in the contract documentation. IAA thereby failed to exercise adequate diligence in the preparation of the contract documentation, contrary to s. 9(3) of the Code of Ethics, insofar as IAA failed to use its best efforts to prevent a documentation error in respect of a trade in a motor vehicle.
11. Immediately following the bid to purchase the vehicle, the dealer discovered the kilometer discrepancy. The dealer no longer wanted to proceed with the purchase of the vehicle and refused to provide payment, despite IAA's requests for payment.
12. On or about June 2, 2025, the dealer filed a formal complaint with a representative of the Registrar. Shortly thereafter, the dealer advised that it was able to resolve the complaint with IAA and IAA agreed to cancel the transaction.

Code of Ethics Violations

13. As particularized above, IAA has breached the following sections of the Code of Ethics, as stated below:

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 truthful.

Professionalism

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

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 IAA breached sections 4(2) and 9(3) of the Code of Ethics.

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

Reasons for Decision

In considering the proposed joint penalty, the Panel was cognizant of the fact that dealers who sell cars via auctions are unique since the disclosure they provide to their customers, which are primarily other dealers, is relied upon by those dealers when they in turn sell a car to an end user consumer. For this reason, it is the Panel's view that proper disclosure is even more important for a dealer who operates an auction and who sells cars to other dealers and consumers via auctions. Having said this, the Panel accepts the joint proposal on penalty trusting that it will serve to specifically deter this dealer and generally deter other dealers from future similar breaches of the Code of Ethics. The Panel is hopeful that if there is a future inspection of this dealer, that the dealer will be in compliance with all Code of Ethics requirements.

Ontario Motor Vehicle Industry Council
Discipline Tribunal

Dated: May 27, 2026

S. Darvish

Sherry Darvish, Public Member

On behalf of:
Joe Malfara, Registrant Member
Chris Pinelli, Registrant Member