

## DISCIPLINE DECISION

REVIEWING PANEL: Sherry Darvish, Public Member  
Joe Malfara, Registrant Member  
Mike Ball, 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 - )  
CHEVALIER CHRYSLER INC O/A )  
AURORA CHRYSLER )  
- and - )  
HUNG-CHEONG FRANK CHAN )  
)

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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:** April 13, 2026

**Findings:** **Chevalier Chrysler Inc. o/a Aurora Chrysler (the “Dealer”) has breached the following:**

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

**Hung-Cheong Frank Chan (“Chan”) has breached the following:**

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

**Order:**

1. The Dealer shall pay a fine in the amount of **\$3,000** no later than ninety (90) calendar days from the date of the Discipline Tribunal's Order.
2. Chan shall successfully complete (with a passing grade of at least 80%) the MVDA Key Elements, no later than ninety (90) calendar days from the date of the Discipline Tribunal's Order.
3. The Dealer shall offer to all current and future salespersons, employed by the Dealer, to fund their completion of the Automotive Certification 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 March 2, 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:

**Background:**

1. The Dealer was first registered as a motor vehicle dealer under the Act in and around September 1992.
2. Chan was first registered as a salesperson under the Act in and around January 1983. At all material times, Chan has been the General Manager and Person in Charge of the day-to-day activities of the Dealer.

**Dealer's Non-Compliance:**

3. On or about March 12, 2025, the Dealer purchased a 2016 Nissan Frontier (VIN \*\*\*702079).
4. On or about March 14, 2025, the Dealer brought the vehicle to a vehicle inspection centre for a safety standards inspection. The vehicle failed the inspection.
5. On or about March 18, 2025, another safety standards inspection was conducted on the vehicle where the vehicle passed the inspection, and a safety standards certificate was issued. This inspection was conducted by the Dealer's vehicle inspection centre, which is also located at 14535 Yonge Street.
6. On or about March 22, 2025, the Dealer sold the vehicle to a consumer. The Dealer provided a copy of the safety standards certificate dated March 18, 2025, to the consumer and represented that the vehicle had successfully passed a safety inspection.
7. On or about April 17, 2025, the consumer began to experience vehicle condition issues.

8. On or about April 29, 2025, the consumer had the vehicle inspected by a third-party facility, which found several vehicle condition issues. The third-party facility indicated that the vehicle should not have passed the safety standards inspection due to the vehicle condition issues.
9. As a result, the consumer filed a complaint with DriveON which led to an investigation by DriveON and the MTO.
10. On or about June 25, 2025, the MTO conducted an inspection of the vehicle during which the vehicle was determined to be unfit and the vehicle's license plates were removed.
11. On or about July 3, 2025, the consumer was advised that approximately \$13,797.30 was required to repair the vehicle in order to qualify for a safety certification.
12. On or about July 3, 2025, the consumer contacted the Dealer regarding the vehicle condition issues. The consumer requested that the Dealer buy back the vehicle or issue a cheque in the amount of \$13,797.30 to cover repair costs.
13. The Dealer insisted that the vehicle had passed a safety standards inspection and that the vehicle was sold as equipped, with no warranty provided.
14. On or about July 15, 2025, the consumer filed a complaint with the Registrar regarding the purchase of the vehicle and its condition issues.
15. On or about August 7, 2025, a representative of the Registrar requested that the Dealer provide additional information regarding the complaint.
16. On or about August 21, 2025, the Dealer furnished a copy of the safety standards inspection report dated March 18, 2025, as well as reconditioning records to demonstrate what repairs had been completed on the vehicle.
17. The vehicle condition issues identified during the initial March 14, 2025, inspection, were not addressed prior to the safety standards certificate that had been issued by the Dealer on March 18, 2025.
18. By issuing a passed safety standards certificate for the vehicle, without ensuring all appropriate repairs were completed, the Dealer contravened sections 9(1),9(3) and 9(4) of the Code of Ethics.
19. The Dealer also failed to disclose material facts regarding the existing condition issues of the vehicle on the bill of sale. This is contrary to section 42(25) of the Ontario Reg. 333/08. The Dealer also failed to provide a vehicle that is fit for its intended use, contrary to section 15 of the Sale of Goods Act.
20. As a result, the Dealer acted contrary to sections 7(1), 9(1), 9(3) and 9(4) of the Code of Ethics.

21. On or about September 29, 2025, the Dealer repurchased the vehicle and refunded the consumer.

**Chan's Non-Compliance:**

22. Chan, as the 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) and 9(3) of the Code of Ethics.

**Code of Ethics Violations**

23. 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.

*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 disgraceful, dishonourable, unprofessional or unbecoming of a registrant.

s.9(4) A registrant shall provide conscientious service to the registrant's customers in the course of a trade in a motor vehicle and shall demonstrate reasonable knowledge, skill, judgment and competence in providing the services.

24. As particularized above, the Dealer and Chan 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, misrepresentation, fraud or any unethical practice in respect of a trade in a motor vehicle.

25. As particularized above, Chan 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 7(1), 9(1), 9(3) and 9(4) of the Code of Ethics and that Chan has breached section 6(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 arriving at its decision, the Panel reviewed the facts of this case, submitted case law and decisions of the Discipline and Appeals Tribunal.

The Panel accepts as mitigating factor that the consumer complaint was resolved with the Dealer agreeing to repurchase and refund the customer. Additionally, there have been diligent efforts on the part of both parties to reach a settlement agreement, saving the time and expense of a contested hearing.

The Panel also finds that the proposed penalty is in line with past precedents and case law concerning similar breaches of the Code of Ethics.

The Panel accepts the submission that the Respondents have taken responsibility for their misconduct and are committed to ensuring future compliance with the MVDA and other regulations.

The agreed upon penalty satisfies the sentencing principles of specific and general deterrence, maintains public trust, meets the objectives of rehabilitation and remedial action, and that the proposed penalty is in the public interest. The Panel therefore accepts the joint submission.

Ontario Motor Vehicle Industry Council  
Discipline Tribunal

Dated: April 13, 2026

*S. Darvish*

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Sherry Darvish, Public Member

On behalf of:  
Joe Malfara, Registrant Member  
Mike Ball, Registrant Member