

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 -)
2548802 ONTARIO LIMITED O/A)
ORILLIA KIA)
- and -)
ADAM TYLER GAUTHIER)
)

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: **2548802 Ontario Limited o/a Orillia Kia (the “Dealer”) has breached the following:**

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

Adam Tyler Gauthier 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. Adam Tyler Gauthier ("Gauthier") 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.
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 February 27, 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 against Dustin C Stein and Robert William Stein, contained in paragraphs 2, 4, 18, and 20 of the Notice of Referral to Discipline ("NORD") dated September 22, 2025, are withdrawn.

Background:

1. The Dealer was first registered as a motor vehicle dealer in and around December 2016.
2. Gauthier was first registered as a salesperson in and around May 2005. At all material times, Gauthier has been a General Manager and a Person in Charge of the day-to-day activities of the Dealer.

Dealer's Non-Compliance

3. On or about July 11, 2024, the Dealer registered with the Ministry of Transportation (the "MTO"), a 2024 Kia Telluride (VIN# *536916) under the Dealer's name. The vehicle was then used by the Dealer as a demonstration vehicle.
4. On or about April 12, 2025, a salesperson, acting on behalf of the Dealer, sold the vehicle to a consumer (the "Consumer") for \$68,764.68 plus taxes and licensing. The price of the vehicle included an extended warranty known as the "Kia Extended Plan" that was sold to the Consumer for \$1,700.
5. Prior to the sale of the vehicle, the Dealer had represented to the Consumer that the vehicle was being used by the Dealer as a demonstration vehicle. As such, the vehicle is now legally considered to be a used motor vehicle. However, the Dealer failed to include on the retail bill of sale ("RBOS") a written disclosure of the vehicle's prior use as a

demonstration vehicle, and instead indicated on the RBOS that the vehicle was new, contrary to sections 40(2)(1) and 42(25) of O. Reg. 333/08 as well as sections 7(1) and 9(1) and (3) of the Code of Ethics.

6. In addition, the RBOS indicated that both the manufacturer's warranty and the extended warranty would begin measuring their time from on or about April 12, 2025. The extended warranty would last for 48 months (or when the vehicle's mileage reaches 80,000 km). As such, the RBOS implied that the in-service date of the vehicle was or on about April 12, 2025 and that the extended warranty would expire on or about April 12, 2029 at the latest.
7. The RBOS indicated, under the heading "Distance Travelled", that the vehicle had an odometer reading of 8,232 kilometres.
8. On or about April 14, 2025, the Consumer filed a complaint with a representative of the Registrar due to her concerns with the extended warranty.
9. On or about April 30, 2025, a representative of the Registrar (the "Representative") sent a letter to the Dealer via email regarding the Consumer's complaint and requested the Dealer to provide, within 5 business days, a written response explaining the Dealer's position with respect to the complaint, a written response with regards to the Consumer's communications with the Dealer as well as any offers the Dealer has made or is willing to make to resolve the complaint, and copies of various documents relating to the transaction. The letter also reminded the Dealer of its obligation to respond to the request for information and provide the requested documentation, pursuant to section 14 of the Act.
10. On or about May 1, 2025, Gauthier, on behalf of the Dealer, responded to the letter with the information requested.
11. The documents provided by the Dealer included a "First Canadian Protection Plans – Lifetime Engine Program – Mechanical Breakdown Contract Application and Declaration". The document indicated that the in-service date of the vehicle was on or about April 10, 2025 (2 days earlier than April 12, 2025).
12. The extended warranty contract provided by both the Consumer and the Dealer, however, indicated that the "Original In-Service Date" of the vehicle was on or about October 11, 2024 (5 months earlier than April 12, 2025). It also indicated that the term of the extended warranty would last for 48 months (or when the vehicle's mileage reaches 80,000 km), with a "Contract Expiration Date" on or about October 11, 2028.
13. Correspondence between the Representative and the Dealer regarding the complaint and the discrepancy with the in-service dates on these documents continued throughout May 2025.
14. On or about May 16, 2025, Gauthier, on behalf of the Dealer, acknowledged to the Representative that the accurate in-service date of the vehicle was on or about October 11, 2024.
15. On or about May 23, 2025, Gauthier, on behalf of the Dealer, attributed the incorrect date on the RBOS to "a data input error in [the Dealer's] system".

16. The starting date of the manufacturer's warranty and extended warranty (and implicitly the in-service date of the vehicle) indicated on the RBOS was inaccurate and misleading, contrary to sections 40(2)(1) and 42(25) as well as sections 7(1) and 9(1) and (3) of the Code of Ethics.

Gauthier's Non-Compliance

17. Gauthier 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

18. As particularized above, the Dealer has violated the following sections 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.

19. As particularized above, the Dealer and Gauthier 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.

20. As particularized above, Gauthier 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) and 9(3) of the Code of Ethics and that Adam Tyler Gauthier has breached sections 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

The Panel is satisfied that the penalty is consistent with previous decisions of this Tribunal and that it satisfies consumer protection and meets the objectives of general and specific deterrence.

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