Tribunals Ontario
Licence Appeal Tribunal

Tribunaux décisionnels Ontario
Tribunal d'appel en matière de permis

Citation: Ghafoori and Gardiner Motors Ltd. v. *Registrar, Motor Vehicle Dealers Act, 2002,* 2026 ONLAT 17975/MVDA

Licence Appeal Tribunal File Number: 17975/MVDA

An appeal from a Notice of Proposal to revoke registration issued by the Registrar pursuant to *Motor Vehicle Dealers Act, (the "Act") 2002*, c. 30, Sch. B.

Between:

Asmat Ghafoori and Gardiner Motors Ltd.

Appellants

and

Registrar, *Motor Vehicle Dealers Act,* 2002

Respondent

DECISION

ADJUDICATOR: **Gurleen Thethi**

APPEARANCES:

For the Appellants: Michael Burokas, Counsel

For the Respondent: Brant Greenbaum, Counsel

HEARD by Videoconference: May 4, 5, 6, and 7, 2026

OVERVIEW

[1] Asmat Ghafoori ("Ghafoori") and Gardiner Motors Ltd. ("Gardiner Motors"), together (the "appellants") appeal from a Notice of Proposal ("NOP") to Revoke Registrations issued by the Registrar (the "Registrar"), *Motor Vehicle Dealers Act, 2002*, (the "*Act*") on November 9th, 2025.

[2] The NOP proposes to revoke the registration of Gardiner Motors as a motor vehicle dealer and the registration of Ghafoori as a motor vehicle salesperson. Ghafoori is the sole director and officer of Gardiner Motors.

[3] On behalf of the Registrar, I heard the testimony of several consumer witnesses, Kevin Baird, an Inspector, and Dharminder Shinh, of the Ministry of Transportation Enforcement Team. The appellant, Ghafoori, provided his own testimony, in addition to several consumer witnesses.

ISSUES

[4] The issues in dispute are:

i. Does Ghafoori's past conduct 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 pursuant to s. 6(1)(a)(ii) of the *Act*?

ii. Does Ghafoori's past conduct in respect of Gardiner Motors afford reasonable grounds for belief that Gardiner Motors will not carry on in accordance with the law and with integrity and honesty, pursuant to s. 6(1)(d)(iii) of the *Act*?

iii. Whether the Tribunal should direct the Registrar to carry out the proposal or substitute its opinion for that of the Registrar?

RESULT

[5] I find that:

i. The Registrar has established that the past conduct of Ghafoori affords reasonable grounds for belief that he will not carry on business in accordance with the law and with integrity and honesty;

ii. The Registrar has established that Ghafoori's past conduct in respect of Gardiner Motors affords reasonable grounds for belief that Gardiner

Motors will not carry on in accordance with the law and with integrity and honesty; and

iii. The Registrar is directed to register the appellants subject to the following conditions:

   i. Ghafoori shall not issue, sign, participate in issuing, or otherwise be responsible for any Safety Standards Certificate.

   ii. Any vehicle sold by Gardiner Motors requiring a Safety Standards Certificate must obtain that certificate from an independent licensed Motor Vehicle Inspection Station in which neither Ghafoori nor Gardiner Motors has any ownership, employment, management, or financial interest.

   iii. The Registrar may impose such additional reporting or monitoring requirements as are necessary to ensure compliance with these conditions.

ANALYSIS

The past conduct of Ghafoori affords reasonable grounds for belief that he will not carry on business in accordance with the law and with integrity and honesty

[6] Under s. 6(1)(a)(ii) of the *Act*, the onus is on the Registrar to prove that the past conduct of the appellant affords reasonable grounds for belief that he 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 Registrar does not have to show that Ghafoori's past conduct makes it more likely than not that the appellant will not carry out business 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 Registrar must also show that there is a nexus between the past conduct and the appellant's ability to conduct business under the *Act* serving the interests of the public.

[7] The Registrar submits that Ghafoori's past conduct, as established through multiple provincial offences convictions, demonstrates a pattern of false, misleading, and deceptive representations, particularly concerning vehicle condition and safety certification. It is argued that this conduct caused consumer

harm, involved misrepresentations about safety, and reflects a lack of honesty and integrity such that he cannot be trusted to comply with the law going forward. The Registrar further submits that the conduct raises public safety concerns, particularly where unsafe vehicles were certified and sold.

[8] The appellants acknowledge the convictions and do not dispute the Court's findings but argue they relate to regulatory offences without findings of intent or knowledge and must be assessed in light of the totality of the evidence, including a high volume of transactions and many satisfied customers. They submit that the proven conduct represents a limited subset of transactions, does not establish dishonesty, and that there remain reasonable grounds to believe Ghafoori will act with honesty and integrity in the future.

[9] I will now address the allegations set out in the NOP that the Registrar relies upon and provide my findings.

Provincial Offences Court charges and outcomes

[10] On February 20, 2026, Gardiner Motors and Ghafoori were tried in the Ontario Court of Justice on numerous charges under the *Act* and the *Consumer Protection Act*. The charges arose from the sale of 15 vehicles to 14 consumers, involving allegations of failure to disclose material facts and engaging in unfair or deceptive practices. The charges relating to the transactions comprised the following:

i. Failing to disclose material information about a motor vehicle, contrary to s. 42(25) of the *Act*;

ii. Engaging in unfair practices by making false, misleading or deceptive representations, contrary to ss. 14(1) and 17(1) of the *Consumer Protection Act*.

[11] Gardiner Motors was found guilty on 11 counts of unfair practices, in addition to 1 count of failing to disclose material information. Ghafoori was found guilty on 11 counts of unfair practices, corresponding to many of the same transactions as the dealership. The Registrar provided evidence pertaining to the following transactions/convictions:

i. Count 37 – Jeep Cherokee

ii. Count 43 – Ford Explorer

iii. Count 47 – Ford Escape

iv. Count 49 – Ford Escape

v. Count 41 – Chevrolet Equinox

vi. Count 39 – Dodge Caravan

[12] The Registrar submits that Ghafoori's convictions provides reasonable grounds for the belief that he will not carry on business in accordance with the law and with honesty and integrity. The Registrar argues that the convictions, and the conduct underlying them, demonstrate a sufficient nexus to the appellant's ability to operate within the regulatory framework.

[13] In addition to the convictions, several consumer witnesses testified before the Tribunal that they purchased vehicles from Ghafoori that were represented as safety certified, roadworthy, and in good condition at the time of purchase, but developed serious mechanical issues shortly thereafter. Several consumers subsequently learned that their vehicles were unsafe or not roadworthy. These witnesses testified that they relied on Ghafoori's representations when deciding to purchase the vehicles.

[14] The appellants submitted that limited weight should be placed on this evidence because the witnesses were laypersons, not mechanical experts, and did not provide independent mechanical evidence establishing the condition of the vehicles at the time of sale. Counsel also argued that some deficiencies were discovered only after the vehicles had been driven for a significant period or distance and that post-sale mechanical issues do not necessarily establish dishonesty or intentional misrepresentation.

[15] I accepted the consumer testimony for the limited purpose of establishing the consumers' experiences, the representations they understood had been made, and their reliance on those representations when purchasing the vehicles. The evidence was consistent with the circumstances underlying the convictions and was not seriously challenged.

[16] The Registrar also called regulatory witnesses before the Tribunal from the Ministry of Transportation and OMVIC. Their testimony established that safety certification is a critical public protection mechanism and that certain vehicles associated with the convictions should not have passed a safety inspection. Their testimony further established that Ghafoori, as a licensed mechanic, was responsible for issuing or participating in issuing the relevant safety certifications.

[17] I accept the testimony of the regulatory witnesses. The witnesses were qualified regulatory officials testifying within their areas of responsibility and expertise, and their evidence was neither contradicted nor meaningfully challenged. I therefore accepted their evidence regarding the public protection purpose of the safety certification process and the significance of issuing certifications for vehicles that did not meet the applicable standards.

[18] Their testimony established that Ghafoori was a licensed mechanic and that he issued, or participated in issuing, the relevant safety standards certificates connected to the transactions that resulted in his convictions. The appellants did not substantially dispute this evidence. Rather, counsel argued that the evidence did not establish that Ghafoori acted knowingly, dishonestly, or with wilful blindness, and submitted that mistakes in conducting safety inspections should not automatically be equated with a lack of honesty or integrity.

Findings re Convictions

[19] I find that the Registrar has met its burden under s. 6(1)(a)(ii) of the *Act* in relation to these convictions. Ghafoori was convicted of 11 counts of engaging in unfair practices by making false, misleading or deceptive representations, contrary to ss. 14(1) and 17(1) of the *Consumer Protection Act,* which directly engages issues of non-compliance with the law as well as honesty and integrity.

[20] While the Registrar is not required to establish, on a balance of probabilities, that the appellant will fail to comply with the *Act* in the future, it must demonstrate that its belief is grounded in more than mere suspicion and supported by compelling and credible information. In my view, 11 convictions for engaging in unfair practices by making false, misleading or deceptive representations, constitutes such evidence. In particular, these convictions arise from representations made to consumers that vehicles were safe, roadworthy, and certified, when in fact they were not.

[21] Providing inaccurate or misleading information to consumers is a serious regulatory concern. Whether arising from intentional conduct, carelessness, or inadequate compliance practices, such conduct undermines consumer confidence and is inconsistent with the standards expected of registrants under the *Act.*

[22] While I place primary reliance on the convictions themselves, I note that the consumer and regulatory evidence heard before me is generally consistent with the conduct underlying those convictions. I do not rely on that evidence as an

independent basis to re-determine the offences proven before the Ontario Court of Justice. Rather, I consider it insofar as it assists in assessing whether the Registrar's concern about future compliance is reasonably grounded. That evidence reinforces the seriousness of the conduct established by the convictions, particularly as it relates to representations concerning vehicle safety and roadworthiness.

[23] The convictions themselves raise serious concerns regarding compliance with safety-related obligations under the regulatory regime. The conduct underlying the convictions is particularly concerning because it involved representations regarding vehicle safety and roadworthiness. As the regulatory witnesses explained, safety certification serves an important public protection function, and deficiencies in that process have implications extending beyond individual transactions.

[24] I place significant weight on the convictions, which establish repeated instances of false, misleading, or deceptive representations regarding vehicle condition and safety. These findings demonstrate repeated regulatory non-compliance relating to representations made about vehicle condition and safety. The nature of the offences, providing inaccurate or misleading information in the context of motor vehicle transactions, bears a direct and meaningful nexus to the appellant's ability to conduct business in accordance with the law and in a manner that protects the public. Engaging in unfair practices by making false, misleading or deceptive representations, in a regulated industry, undermines confidence in the appellant's reliability and trustworthiness.

[25] Ghafoori did not dispute the findings of fact in the Court's decision nor the findings of guilt. Ghafoori testified that he operates a high-volume dealership specializing in lower-cost vehicles, and that he inspects, repairs, and safety certifies vehicles prior to sale. He denied knowingly selling unsafe vehicles and maintained that any issues were the result of human error or the inherent risks associated with older vehicles. He emphasized that he has sold thousands of vehicles with relatively few complaints.

[26] Ghafoori further relied on the testimony of several consumer witnesses who testified to positive experiences with Gardiner Motors, indicating that they had purchased vehicles without issue or had concerns addressed promptly. These witnesses described Ghafoori as honest and indicated that they had referred additional customers to the dealership.

[27] I have considered the appellants' submission that the convictions relate to regulatory offences without findings of intent or knowledge, and that they must be assessed in light of the totality of the evidence, including the high volume of transactions and the presence of many satisfied customers. I also acknowledge the appellants' submission that the convictions do not include an express finding of intentional deception. However, irrespective of whether the conduct was intentional, the repeated making of false, misleading, or deceptive representations remains relevant to the assessment of honesty and integrity under s. 6 of the *Act* because it undermines confidence in the appellant's ability to provide accurate and reliable information to consumers.

[28] However, I do not find these submissions sufficient to diminish the seriousness of the conduct established by the convictions. While these are regulatory offences, the nature of the findings, namely repeated false, misleading, or deceptive representations to consumers, directly engages issues of honesty and integrity. The absence of an express finding of intent does not negate the effect of the conduct, particularly where the representations made were inaccurate and materially influenced consumers' decisions.

[29] Further, although the number of impugned transactions may represent a portion of the appellant's overall business, the existence of 11 separate convictions in a regulated industry raises serious concerns, particularly where those representations relate to vehicle safety and roadworthiness.

[30] I have also considered the evidence regarding satisfied customers and the high volume of transactions. While this evidence is relevant, it does not outweigh the established pattern of conduct giving rise to the convictions. The issue before me is not whether the appellant has conducted some transactions properly, but whether there are reasonable grounds to believe that he will carry on business in accordance with the law and with honesty and integrity.

[31] In my view, Ghafoori's convictions and their direct connection to consumer protection and safety, provide a sufficient evidentiary basis to support the Registrar's concerns. Accordingly, I am not satisfied that the appellants' submissions displace the conclusion that there are reasonable grounds to believe that Ghafoori will not carry on business in accordance with the law and with honesty and integrity. I am not satisfied that the explanations provided adequately address the pattern of conduct.

[32] As such, I am satisfied that the evidentiary record before me supports a reasonable belief that Ghafoori will not carry on business in accordance with the law and with the level of honesty and integrity required under the *Act.*

The past conduct of Ghafoori as the sole officer and director of the dealership affords reasonable grounds for belief that the dealership's business will not be carried out in accordance with the law

[33] Under s. 6(4) of the *Act*, a person is deemed to be an interested person in respect of another if the person is associated with the other person or if the person exercises or may exercise control either directly or indirectly over the other person, which includes a corporation. I find that Ghafoori and the dealership are interested persons in respect to one another because Ghafoori is the sole director of the dealership and exercises control over its day-to-day operations. The appellants did not dispute that Ghafoori controls the dealership or that he and the dealership are interested persons within the meaning of the *Act*. Pursuant to s. 6(1)(d)(iii) of the *Act*, the conduct of an interested person may be considered in determining whether a corporation is entitled to registration. As a result, I find that Ghafoori's past non-compliance with the law and my finding that he will not carry on business in accordance with the law also disentitles the dealership to registration.

The NOP should not be carried out

[34] Despite these findings, I am not satisfied that revocation is necessary to protect the public interest in the particular circumstances of this case. Instead, I find that the public interest can be adequately protected through the imposition of terms and conditions on the appellants' registration.

[35] The Tribunal has the statutory discretion to consider an appellant's circumstances and determine whether the public interest requires outright revocation of the registrations, as proposed in the NOP, or whether the purpose of the *Act* can be adequately protected through the imposition of conditions.

[36] The *Act* has two broad purposes: first, to provide protection to consumers; and second, to promote professionalism among dealers and salespeople within the automobile industry.

[37] In this case, I have found that Ghafoori engaged in a pattern of conduct involving unfair practices by making false, misleading or deceptive representations in connection with the issuance of safety certifications.

[38] I have considered whether conditions could adequately address these concerns. The appellants proposed that conditions such as supervision, education, or restrictions on issuing safety certifications could mitigate the risk. I acknowledge

that Ghafoori operates a high-volume business and that there is evidence of satisfied customers and efforts to resolve some complaints.

[39] While the convictions raise concerns regarding compliance with the law, honesty and integrity, and the reliability of representations made to consumers, I am satisfied that the concerns established on the evidence arose primarily in the context of vehicle safety certification and representations concerning vehicle roadworthiness. The conduct giving rise to the convictions was closely connected to the issuance of Safety Standards Certificates and the sale of vehicles represented as safe or roadworthy. There is no evidence before me of broader misconduct unrelated to the safety certification process. In my view, removing Ghafoori from the safety-certification process directly addresses the source of the risk identified in the evidence. Requiring all Safety Standards Certificates to be obtained from an independent licensed Motor Vehicle Inspection Station in which neither Ghafoori nor Gardiner Motors has any ownership, employment, management, or financial interest provides an independent safeguard against the recurrence of the conduct that led to the convictions. I am therefore satisfied that these conditions significantly reduce the likelihood of similar conduct occurring in the future and provide adequate protection to the public.

[40] I have also considered the impact of this decision on the appellants. However, the Tribunal’s role is not to impose a punitive outcome or to balance economic hardship against regulatory compliance. The overriding consideration is the public interest, including the protection of consumers and the maintenance of integrity in the industry.

[41] I am therefore satisfied that these conditions provide a proportionate response that protects consumers while permitting the appellants to continue operating subject to restrictions that directly address the identified risks.

ORDER

[42] For the above-noted reasons, I order as follows:

i. The Registrar has established that the past conduct of Ghafoori affords reasonable grounds for belief that he will not carry on business in accordance with the law and with integrity and honesty;

ii. The Registrar has established that Ghafoori’s past conduct in respect of Gardiner Motors affords reasonable grounds for belief that Gardiner Motors will not carry on in accordance with the law and with integrity and honesty; and

iii. The Registrar is directed to register the appellants subject to the following conditions:

   i. Ghafoori shall not issue, sign, participate in issuing, or otherwise be responsible for any Safety Standards Certificate for vehicles offered for sale by Gardiner Motors.

   ii. Any vehicle sold by Gardiner Motors requiring a Safety Standards Certificate must obtain that certificate from an independent licensed Motor Vehicle Inspection Station in which neither Ghafoori nor Gardiner Motors has any ownership, employment, management, or financial interest.

   iii. The Registrar may impose such additional reporting or monitoring requirements as are necessary to ensure compliance with these conditions.

Released: July 30, 2026

Gurleen Thethi
Adjudicator