

March 23, 2020

Served via email: mthorne@courtesychrysler.com

Administrative Review – 20-01-005

Administrative Penalty

AUTOCANADA CALGARY C MOTORS GP INC./CALGARY C MOTORS LP
o/a COURTESY CHRYSLER DODGE JEEP RAM
125 GLENDEER CIRCLE SE
CALGARY, ALBERTA
T2H 2S8

Attention: Paul Anthony, Michael Borys, Michael Rawluk,
Matthew Thorne

Dear Sir(s):

**Re: Autocanada Calgary C Motors GP Inc./Calgary C Motors LP operating as Courtesy Chrysler Dodge
Jeep Ram - Automotive business licence B2026577**

As the Director of Fair Trading (as delegated), I am writing to you pursuant to Section 158.1(1) of the *Consumer Protection Act* ("CPA") to provide you with written notice of the Administrative Penalty issued under that section.

Facts

The evidence before me in relation to this matter consists of the material contained in an Application Report prepared by the AMVIC industry standards department (the "Application Report") and attached as Schedule "A". The Supplier provided written representations on Feb. 28, 2020, in response to the Proposed Administrative Penalty which is attached as Schedule "B". Based on all the evidence, I find the facts in this matter to be as follows:

Licensee Status

Autocanada Calgary C Motors GP Inc./Calgary C Motors LP operating as Courtesy Chrysler Dodge Jeep Ram (the "Supplier") holds an automotive business licence and carries on business as an automotive sales business in the Province of Alberta.

Direct communications with the Supplier and its representatives

1. On May 3, 2017, a routine AMVIC industry standards inspection was completed at the business location of the Supplier. The findings of the inspection were discussed with the Supplier and a Findings Letter was completed and sent to the business on May 15, 2017. The Findings Letter outlined the following concerns:

- a) One salesperson was engaging in selling vehicles while they were not registered to do so contrary to Section 16(1) of the Automotive Business Regulation ("ABR").
 - b) Seven of the eight used sales deal jackets that were reviewed had various issues with the completion of and/or disclosure of the Mechanical Fitness Assessment ("MFA") contrary to Section 15(1) of the Vehicle Inspection Regulation ("VIR").
 - c) During the inspection, six deals were reviewed by the industry standards officer ("ISO") and of those six deals, three of the deals did not reflect all-in pricing contrary to Section 11(2)(l) of the ABR.
 - d) Online advertisements (Facebook) did not include the AMVIC logo or equivalent wording.
 - e) Advertisements make claims such as "No payments for 90 days", however the advertisements did not include fine print such as: terms and conditions, the eligibility requirement, whether or not interest accrues. A licensed business must disclose fees, costs and details of all promotions, contests and sales, where applicable as per Section 12(a) of the ABR.
 - f) Online advertisements (Facebook) did not include the vehicle's stock number contrary to Section 11(2)(m) of the ABR.
 - g) Discrepancies were found between the information provided by the consumer and the information the dealership provided to the financial institution regarding consumer employment and salary. This is contrary to Sections 6(2)(c) and 6(3)(b) of the CPA.
2. On March 2, 2018, a follow-up AMVIC industry standards inspection was completed on the Supplier. The findings of the inspection were not discussed with the Supplier however, the Findings Letter dated March 20, 2018 was completed and sent to the business on April 12, 2018. The follow-up inspection found:
- a) Two salespeople were engaging in selling vehicles while not registered contrary to Section 16(1) of the ABR.
 - b) Online advertisements (Facebook) had odometer readings shown as rounded numbers, which does not indicate an accurate odometer reading to consumers contrary to Section 11(2)(d) of the ABR.
 - c) Online advertisements (Facebook) did not include the vehicle's stock number contrary to Section 11(2)(m) of the ABR.
 - d) Advertisements make claims such as "You're Approved", however cannot make guaranteed approval claims or make representations, statements or claims that are not true or are likely to mislead a consumer, or if there is no evidence to substantiate the representations as per Sections 12(a) and 12(f) of the ABR.
 - e) Four of the seven used sales deal jackets that were reviewed had various issues with the completion of and/or disclosure of MFAs contrary to Section 15(1) of the VIR.
 - f) During the inspection, 12 deals were reviewed by the ISO and of those 12 deals, four did not reflect all-in pricing contrary to Section 11(2)(l) of the ABR.
 - g) Two deals had discrepancies between the information provided by the consumer and the information the Supplier provided to the financial institution regarding mortgage or rent. This is contrary to Sections 6(2)(c) and 6(3)(b) of the CPA.

- h) A number of the Bills of Sale ("BOS") that were reviewed in the deal jackets had multiple issues. It was noted in the Findings Letter for the Supplier to review and make changes to the BOS in order to be in compliance with the regulations.
 - i) As a result of the second inspection and subsequent application report submitted by the AMVIC industry standards department, AMVIC assessed a \$7,500 Administrative Penalty against the Supplier. The Supplier did not provide any representations in regards to the content in the Proposed Administrative Penalty and promptly paid the Administrative Penalty.
- 3. On Oct. 16, 2019, another follow-up AMVIC industry standards inspection was completed on the Supplier. The findings of the inspection were discussed with the Supplier and a Findings Letter was completed and sent to the Supplier on Nov. 13, 2019 and Dec. 9, 2019. An amended Findings Letter was sent to the General Sales Manager ("GSM") on Jan. 24, 2020 (see Schedule A, exhibit 69). The follow-up inspection found:
 - a) One salesperson was advertised on the Supplier's website as a salesperson, however no longer worked for the Supplier.
 - b) Online advertisements (Facebook, Kijiji and other social media platforms) did not include the AMVIC logo or the "AMVIC Licensed Business".
 - c) Online advertisements (Facebook and Instagram) did not include the vehicle's stock number contrary to Section 11(2)(m) of the ABR.
 - d) Advertisements making claims such as "offers applicable on select models" and "90 days no payments" need to disclose which models are included or excluded, and disclose any terms and conditions. The Supplier cannot make representations, statements or claims that are not true or are likely to mislead a consumer as per Section 6(4)(a) of the CPA and Section 12(a) of the ABR. Further, it is a requirement to disclose terms and conditions as per Section 76(2) of the CPA and the associated regulation.
 - e) During the inspection, eight deals were reviewed by the ISO and of those eight deals, six of the deals did not reflect all-in pricing contrary to Section 11(2)(l) of the ABR.
 - f) Five of the seven used sales deal jackets that were reviewed had various issues with the completion of and/or disclosure of the MFAs contrary to Sections 15(1) and 16 of the VIR.
 - g) Out of the seven deal jackets reviewed, three deals had vehicle history reports which were not signed by the consumers and one that was not complete. Therefore, there was no documentation on the three deal jackets confirming the Supplier disclosed the vehicle history to the consumer.
 - h) Four deals had discrepancies between the information provided by the consumer and the information the Supplier provided to the financial institution regarding the salary, mortgage and rent of the consumer. This is contrary to Sections 6(2)(c) and 6(3)(b) of the CPA.
 - i) Of the eight deal jackets reviewed, six had multiple issues on the BOS contrary to Section 31.2(1) of the ABR.
- 4. There were several issues found during all three inspections. The legislative breaches found during more than one of the inspections were:
 - a) Online advertisements (Facebook and Instagram) did not include the vehicle's stock number contrary to Section 11(2)(m) of the ABR.

- b) Advertisements making claims such as offers applicable on “select models” and “90 days no payments” need to disclose which models are included or excluded, and disclose any terms and conditions. The Supplier cannot make representations, statements or claims that are not true or are likely to mislead a consumer as per Sections 6(4)(a) and 76(2) of the CPA and 12(a) and 12(o) of the ABR.
 - c) Various issues with the completion of and/or disclosure of the MFAs in the deal jackets breaching Sections 15(1) of the VIR.
 - d) The Supplier is not complying with all-in pricing requirements contrary to Section 11(2)(l) of the ABR.
 - e) Discrepancies were found between the information provided by a consumer and the information the Supplier provided to the financial institution. This is contrary to Sections 6(2)(c) and 6(3)(b) of the CPA.
 - f) The Supplier is not complying with the BOS legislation, despite the education provided by the ISO during the previous inspections regarding the importance of accurate information and completion of the BOS.
5. On Feb. 28, 2020, the Supplier provided written representations in response to the Proposed Administrative Penalty dated Jan. 30, 2020. In their representations, the Supplier indicated they have implemented new processes and increased training to help ensure their business practices are compliant moving forward (see Schedule “B”).

Applicable Legislation

Automotive Business Regulation

Advertising Section 11

- (1) Every business operator must ensure that the business operator’s advertising indicates in a conspicuous manner
 - (b) in the case of print and television advertising, that the business operator holds an automotive business licence under the Act.
- (2) A business operator must ensure that every advertisement for an automotive business that promotes the use or purchase of goods or services
 - (l) includes in the advertised price for any vehicle the total cost of the vehicle, including, but not limited to, all fees and charges such as the cost of accessories, optional equipment physically attached to the vehicle, transportation charges and any applicable taxes or administration fees, but not including GST or costs and charges associated with financing, and
 - (m) includes the stock number of the specific vehicle that is advertised as being available for sale at the time the advertisement is placed.

General codes of conduct Section 12

Every business operator must comply with section 6 of the Act and in addition must

- (a) not make any representations, statements or claims that are not true or are likely to mislead a consumer.
- (o) comply with any legislation that may apply to the selling, leasing, consigning, repairing, installing, recycling or dismantling of vehicles.

Registration**Section 16**

- (1) A salesperson of an automotive sales business operator must be registered for automotive sales before acting on behalf of the business operator.

Salesperson ceases to be authorized**Section 21**

- (1) When an automotive sales business operator, automotive leasing business operator or automotive consignment business operator ceases to authorize a salesperson to act on its behalf, the business operator must send to the Director written notification of
- (a) the name of the salesperson, and
 - (b) the date that the salesperson ceases to be authorized to act on its behalf.
- (2) The business operator must notify the Director either before the salesperson ceases to be authorized or within 15 days after the salesperson ceases to be authorized.

Bill of sale**Section 31.2**

- (1) A business operator engaged in automotive sales must use a bill of sale that includes the following:
- (a) the name and address of the consumer;
 - (b) the number of the government-issued identification that the business operator uses to confirm the identity of the consumer;
 - (c) the name, business address and licence number of the business operator;
 - (d) if a salesperson is acting on behalf of the business operator, the name and registration number of the salesperson;
 - (e) the make, model and model year of the vehicle;
 - (f) the colour and body type of the vehicle;
 - (g) the vehicle identification number of the vehicle;
 - (h) the date that the bill of sale is entered into;
 - (i) the date that the vehicle is to be delivered to the consumer;
 - (j) an itemized list of all applicable fees and charges the consumer is to pay, including, without limitation:
 - (i) charges for transportation of the vehicle;
 - (ii) fees for inspections;

- (iii) fees for licensing;
 - (iv) charges for warranties;
 - (v) taxes or levies, including GST;
 - (k) the timing for payment by the consumer of the fees and charges under clause (j);
 - (l) an itemized list of the costs of all extra equipment and options sold to the consumer in connection with the vehicle or installed on the vehicle at the time of sale;
 - (m) the total cost of the vehicle, which must include the fees, charges and costs listed under clauses (j) and (l);
 - (n) the down payment or deposit paid by the consumer, if any, and the balance remaining to be paid;
 - (o) if the consumer is trading in another vehicle to the business operator in connection with the purchase of the vehicle,
- (2) the business operator must ensure that all restrictions, limitations, and conditions imposed on the consumer under the bill of sale are stated in a clear and comprehensible manner.

Vehicle Inspection Regulation

Sale of used motor vehicle

Section 15

- (1) Subject to subsection (2), a dealer in used motor vehicles shall, before entering into a contract to sell a motor vehicle, give to the buyer a used motor vehicle mechanical fitness assessment that contains the following:
- (a) a statement identifying the type of motor vehicle as a truck, motorcycle, bus, van, light truck, automobile or other type of motor vehicle;
 - (b) a statement showing the make, model, year, vehicle identification number, odometer reading in kilometres or miles, licence plate number and province of registration of the vehicle;
 - (c) the name and address of the dealer selling the vehicle and the name of the technician who issued the mechanical fitness assessment;
 - (d) a statement that the mechanical fitness assessment expires 120 days after the date on which it was issued;
 - (e) a statement certifying that at the time of sale the motor vehicle
 - (i) complies with the Vehicle Equipment Regulation (AR 122/2009), or
 - (ii) does not comply with the Vehicle Equipment Regulation (AR 122/2009) and containing a description of the items of equipment that are missing or do not comply with the Vehicle Equipment Regulation (AR 122/2009);
 - (f) the signature of the technician who conducted the mechanical fitness assessment;

(g) the date the mechanical fitness assessment was issued.

Expiry of mechanical fitness assessment

Section 16

A dealer's mechanical fitness assessment provided under section 15(1) for a used motor vehicle expires 120 days after the date on which it was issued.

Consumer Protection Act

Unfair practices

Section 6

(1) In this section, "material fact" means any information that would reasonably be expected to affect the decision of a consumer to enter into a consumer transaction.

(1.1) It is an offence for a supplier to engage in an unfair practice.

(2) It is an unfair practice for a supplier, in a consumer transaction or a proposed consumer transaction,

(c) to use exaggeration, innuendo or ambiguity as to a material fact with respect to the consumer transaction;

(3) It is an unfair practice for a supplier

(b) to enter into a consumer transaction if the supplier knows or ought to know that there is no reasonable probability that the consumer is able to pay the full price for the goods or services;

(4) Without limiting subsections (2) and (3), the following are unfair practices if they are directed at one or more consumers or potential consumers:

(a) a supplier's doing or saying anything that might reasonably deceive or mislead a consumer;

Advertising for fixed credit

Section 76

(1) An advertisement that states or implies that no interest is payable for a certain period in respect of a transaction must, in the form and manner referred to in the regulations, disclose the information prescribed by the regulations.

Administrative Penalties

Notice of administrative penalty

Section 158.1

(1) If the Director is of the opinion that a person

(a) has contravened a provision of this Act or the regulations,
or

(b) has failed to comply with a term or condition of a licence issued under this Act or the regulations,

the Director may, by notice in writing given to the person, require the person to pay to the Crown an administrative penalty in the amount set out in the notice.

(2) Where a contravention or a failure to comply continues for more than one day, the amount set out in the notice of administrative penalty under subsection (1) may include a daily amount for each day or part of a day on which the contravention or non-compliance occurs or continues.

(3) The amount of an administrative penalty, including any daily amounts referred to in subsection (2), must not exceed \$100 000.

(4) Subject to subsection (5), a notice of administrative penalty shall not be given more than 3 years after the day on which the contravention or non-compliance occurred.

(5) Where the contravention or non-compliance occurred in the course of a consumer transaction or an attempt to enter into a consumer transaction, a notice of administrative penalty may be given within 3 years after the day on which the consumer first knew or ought to have known of the contravention or non-compliance but not more than 8 years after the day on which the contravention or non-compliance occurred.

Right to make representations

Section 158.2

Before imposing an administrative penalty in an amount of \$500 or more, the Director shall

- (a) advise the person, in writing, of the Director's intent to impose the administrative penalty and the reasons for it, and
- (b) provide the person with an opportunity to make representations to the Director.

Analysis – Did the Supplier fail to comply with the provisions of the CPA, ABR and VIR?

A routine AMVIC industry standards inspection was completed on May 3, 2017. The inspection findings were discussed with the Supplier and the Findings Letter was sent to the business. The ISO concluded that a follow-up inspection was required due to the legislative breaches found during the inspection.

A second inspection was completed on March 2, 2018. The inspection findings were not discussed with the Supplier as the spokesperson for the Supplier was not available, therefore the Findings Letter was sent to the business on April 12, 2018. The inspection found legislative breaches consistent with those that had been previously identified in the initial inspection, as well as additional legislative breaches.

On Oct. 16, 2019, a third inspection was completed and the inspection findings were discussed with the GSM at the time of the inspection and the Findings Letter was emailed to the GSM on Nov. 13, 2019 and Dec. 9, 2019, and an amended Findings Letter was sent to the GSM on Jan. 24, 2020 (see Schedule A, exhibit 69). The amended Findings Letter was provided to correct typographical errors in the original Findings Letter. The inspection found legislative breaches consistent with those that had been identified in the two previous inspections, as well as additional legislative breaches. Details of the breaches that are

currently under consideration are identified in the amended Findings Letter dated Jan. 24, 2020. Based on the facts outlined by the ISO and the supporting documents, there is evidence to support the breaches as alleged.

During each inspection it was identified that the Supplier was not complying with Section 11(2)(l) of the ABR by selling vehicles over the advertised price. During the first inspection, six deals were reviewed, of which three vehicles were sold over the advertised price. The legislative requirement regarding all-in pricing was discussed with the Supplier for educational purposes. During the second inspection, the ISO reviewed vehicles sold by the Supplier and compared them to their advertised price, and identified that four vehicles were sold above the advertised price contrary to Section 11(2)(l) of the ABR. During the third inspection, the ISOs reviewed eight deals, six of which were sold to consumers above the advertised price contrary to Section 11(2)(l) of the ABR. In these six consumer transactions the Supplier derived an economic benefit of \$15,422.50 at the cost of the consumers (see Schedule A, exhibits 41-46).

- Stock No. 90111 was sold over the advertised price by \$2,725.25;
- Stock No. 2059 was sold over the advertised price by \$2,902.25;
- Stock No. 90153A was sold over the advertised price by \$705.25;
- Stock No. 2017P was sold over the advertised price by \$1,408.25;
- Stock No 90303A was sold over the advertised price by \$1,521.25;
- Stock No. 90661A was sold over the advertised price by \$6,160.25.

During the third inspection, the Supplier indicated to the ISO that they sell approximately 75 new and used vehicles per month. This is extremely concerning to the writer as AMVIC only reviewed a small sample of the Supplier's sales, and the economic benefit from selling over the advertised price is on average over \$2,500 per transaction. If the Supplier is selling on average 75 vehicles per month, and of those is selling over the advertised price on 75 per cent of the transactions, the economic benefit derived in just one month would be over \$140,000; this would equate to over \$1.68 million in one year.

Furthermore, during the first two inspections, it was identified that the Supplier's advertisements did not include the vehicle's stock numbers. At the third inspection, the ISO again found the Supplier was not including the vehicle's stock numbers in their advertisements contrary to Section 11(2)(m) of the ABR.

During the first inspection, the ISO indicated that the Supplier was using advertisements such as "No payments for 90 days". However, the Supplier failed to disclose the terms and conditions, the eligibility requirement, whether or not interest accrued. During the third inspection, the ISO indicated that the Supplier was once again using the advertisement "90 days no payment", however, did not explain the terms and conditions such as the eligibility requirements and whether or not any interest was accruing, contrary to Section 6(4)(a) and 76(2) of the CPA and Section 12(a) of the ABR.

During the first two inspections, the ISO found various issues regarding the completion and disclosure of MFA's. In both Finding Letters, the ISO provided the Supplier with education regarding the legislative requirements regarding MFA compliance as per Sections 15 and 16 of the VIR. During the third inspection, the ISO reviewed seven used deal jackets and of the seven used vehicle transactions, there were multiple legislative breaches regarding the completion and disclosure of MFAs (see Schedule A, exhibits 47-53). One MFA did not indicate if the odometer was in miles or kilometers as required by Section 15(1)(b) of the VIR;

two MFAs were missing the vehicle type contrary to Section 15(1)(a) of the VIR; and one MFA was expired contrary to Section 16 of the VIR.

Additionally, three MFAs did not include the date the consumer received the MFA. This is not a specific requirement of Section 15 of the VIR however, the business is required to ensure the MFA is provided to the consumer prior to entering into the transaction. The business is also required to maintain records which evince they are complying with the legislation. By not completing the MFA in full and leaving the date in which the consumer received and signed the MFA blank, there is no evidence the consumer received the MFA prior to entering into the transaction. It is in the business' best interest to ensure their records demonstrate they are complying with the legislative requirements.

An MFA is a key document given to a consumer before entering into a contract to purchase a vehicle. There is an onus on the Supplier to relay correct and accurate information to the consumer to allow the consumer to make an informed purchasing decision. Section 12(o) of the ABR requires automotive businesses to comply with all legislation regarding the sale of vehicles, therefore by breaching Sections 15 and 16 of the VIR, the Supplier has further breached Section 12(o) of the ABR.

During all three inspections, the Supplier was advised that there were discrepancies between the information the consumers had provided to the Supplier and the information the Supplier provided to the financial institutions. The Findings Letters indicate this was identified twice during both the first and second inspection, however during the third inspection this number increased. The ISO identified that four sales transactions (see Schedule A, exhibits 55-58) had discrepancies in the information between the information that the consumers provided the Supplier regarding their salary, mortgage or rent payment, and how long the consumer owned or lived at their place of residence when compared to the information the Supplier relayed to the financial institution. This business practice is contrary to Sections 6(2)(c) and 6(3)(b) of the CPA. The Supplier has an onus and due diligence to relay correct and accurate information to the financial lender as this information is relied upon to determine whether the consumer is in a position to afford the vehicle they are interested in purchasing. An automotive business should not enter into a consumer transaction if there is no reasonable probability that the consumer is able to afford the vehicle given the information they have provided.

On Oct. 31, 2018, new legislation was put into effect with regards to BOS requirements. Between Sept. 25, 2018 and Nov. 6, 2018 AMVIC sent out a number of industry bulletins, updated the AMVIC website with information regarding the new legislation, sent multiple bulletins to inform the industry and the public regarding the changes, updated social media regularly, sent out a special edition of the IMPACT newsletter to the industry regarding the legislative changes and all AMVIC employees had an email signature attached to staff emails regarding the legislative changes. These are just a few of the initiatives that AMVIC took to ensure all licensees were advised of the legislative changes that were coming into effect on Oct. 31, 2018 regarding the BOS.

In each of the inspections conducted by the AMVIC industry standards department, the Supplier was educated on the errors the ISO found when reviewing the BOS. Although the first two inspections were completed prior to this legislative change, the ISO found deficiencies in the Supplier's BOS and educated the Supplier regarding the importance of properly completing the BOS, and ensuring all information is accurate.

At the time of the third inspection, the new ABR legislation had been in effect for 11 months. The ISO noted in the third Findings Letter the following legislative breaches regarding the BOS requirements as per Section 31.2(1) (see Schedule A, exhibits 59-68). In total six BOS that were reviewed had compliance concerns, some with multiple issues.

- One BOS had the Supplier's previous AMVIC business licence number;
- One BOS was missing the salesperson's name and AMVIC registration number as required;
- Six BOS did not include the number of the government-issued identification that the business operator used to confirm the identity of the consumer;
- Three BOS did not indicate the colour of the vehicle;
- One BOS was missing required information regarding the vehicle traded in.

In total, 12 legislative breaches within Section 31.2(1) were identified along with multiple other concerns regarding the Supplier's business practices such as:

- Two BOS indicated the vehicles had less mileage than what the MFA indicated, which were completed more than two months prior to the BOS;
- One BOS was not signed by the purchaser;
- One BOS included the vehicle identification number and the model of the vehicle, however the information was illegible;
- One BOS included the disclosure statement as required, however the consumer did not initial as indicated on the BOS to confirm they had received the vehicle history information.

There exists an onus on the Supplier to do their due diligence and ensure they are complying with the legislation that governs the regulated industry they have chosen to be a member of. The Supreme Court of British Columbia in *Windmill Auto Sales & Detailing Ltd. v. Registrar of Motor Dealers, 2014 BCSC 903* addressed the issue of the onus and responsibility the Supplier has when operating within a regulated industry. The court at paragraph 59 stated:

"In my view, it is incumbent upon a party that operates within a regulated industry to develop at least a basic understanding of the regulatory regime, including its obligations under the regime, as well as the obligations, and the authority, of the regulator."

The Supplier provided written representations dated Feb. 28, 2020 in response to the Proposed Administrative Penalty. In their representations, the Supplier noted that a new General Manager was appointed after the third inspection was completed. They also provided detailed information about increased training and new processes they have developed to help ensure their business practices are compliant moving forward.

The AMVIC industry standards department has been conducting inspections and providing education to the industry about the legislative requirements expected to be met by automotive businesses. After the first inspection, the Supplier had been given the opportunity to implement changes to ensure business practices were brought into compliance with the legislation. Based on the Findings Letter from the second inspection, the business had clearly not brought their business practices into compliance at which time the Supplier was issued a \$7,500 Administrative Penalty. The Supplier paid the penalty without providing AMVIC with any representations in regards to the information presented in the Proposed Administrative

Penalty. The Findings Letter from the third inspection demonstrates that the Supplier has a complete disregard for the legislation which governs the automotive industry. The contraventions identified during the industry standards inspections are serious. Based on the Findings Letters, the Supplier continued to operate without making any attempt to comply with the applicable legislation. The Supplier did provide representations indicating they have begun to make changes to their business practices, however the lack of willingness to change their business practices after the first two inspections and the Administrative Penalty assessed in 2019 cannot be ignored. What is particularly egregious is the repeated, systemic issues and the economic benefit to the Supplier derived from the contraventions of legislation despite only a small sample size of consumer transactions reviewed by the ISO.

Action

In accordance with Section 158.1(a) of the CPA and based on the above facts, I am requiring that Calgary Autocanada Calgary C Motors GP Inc./Calgary C Motors LP operating as Courtesy Chrysler Dodge Jeep Ram pay an Administrative Penalty of **\$22,500**. This is based on my opinion that Autocanada Calgary C Motors GP Inc./Calgary C Motors LP operating as Courtesy Chrysler Dodge Jeep Ram contravened Sections 11(2)(l), 11(2)(m), 12(a), 12(o) and 31.2(1) of the ABR, Sections 15(1) and 16 of the VIR, and Section 6(2)(c), 6(3)(b), 6(4)(a) and 76(2) of the CPA.

Taking into consideration all the representations made by the Supplier and the representations made by AMVIC's industry standards department, the amount of the Administrative Penalty is **\$22,500**.

The amount takes into consideration the factors outlined in Section 2 of the Administrative Penalties (*Consumer Protection Act*) Regulation, AR 135/2013 and the principles referenced in *R v Cotton Felts Ltd.*, (1982), 2 C.C.C (3d) 287 (Ont. C.A.) as being applicable to fines levied under regulatory legislation related to public welfare including consumer protection legislation. In particular the Director took into account:

1. The economic benefit derived from the contraventions;
2. The potential harm to the public of the types of conduct outlined;
3. The seriousness of the contraventions or failure to comply;
4. The previous history of enforcement and non-compliance identified by the ISO;
5. The degree of willfulness or negligence in the contravention or failure to comply;
6. The maximum penalty under Section 158.1(3) of the CPA of \$100,000 and;
7. The deterrent effect of the penalty.

The amount of the Administrative Penalty is \$22,500.

Pursuant to Section 3 of the Administrative Penalties (*Consumer Protection Act*) Regulation, you are required to submit payment within **thirty (30) days** of the date of service of this notice. Failure to pay the Administrative Penalty will result in a review of the licence status. Payment may be made payable to the **"Government of Alberta"** and sent to AMVIC at:

Suite 303, 9945 – 50th Street
Edmonton, AB T6A 0L4.

If payment has not been received in this time period, the Notice may be filed in the Court of Queen's Bench and enforced as a judgement of that Court pursuant to Section 158.4 of the CPA and further disciplinary action will be considered.

Section 179 of the CPA allows a person who has been served a notice of administrative penalty to appeal the penalty. To appeal the penalty, the person must serve the Minister of Service Alberta

Minister of Service Alberta
103 Legislature Building
10800 - 97 Avenue NW
Edmonton, AB
Canada T5K 2B6

with a notice of appeal within **thirty (30) days** after receiving the notice of Administrative Penalty. The appeal notice must contain your name, your address for service, details of the decision being appealed and your reasons for appealing.

Pursuant to Section 180(4) of the CPA, service of a notice of appeal operates to stay the Administrative Penalty until the appeal board renders its decision on the appeal or the appeal is withdrawn.

Under Section 4 of the Administrative Penalties (*Consumer Protection Act*) Regulation, the fee for appealing an Administrative Penalty is the lesser of \$1,000 or half the amount of the penalty. As such, the fee for an appeal of this Administrative Penalty, should you choose to file one, would be \$1,000.

Yours truly,

"original signed by"

Alberta Motor Vehicle Industry Council (AMVIC)
Gerald Gervais, Registrar
Director of Fair Trading (as Delegated)

GG/kl
Enclos.

cc: Evelyn L-J., Manager of Industry Standards, AMVIC