

May 21, 2020

Administrative Review – 19-08-017
Served via email: [REDACTED]

Administrative Penalty

RENFREW CHRYSLER INC.
1920 BOW TRAIL SW
CALGARY, AB T3C 3N4

Attention: Mr. David Lamont

Dear Sir:

RE: Renfrew Chrysler Inc.
Provincial Automotive Business Licence – B203506

As the Director of Fair Trading (as delegated), I wrote to you pursuant to Section 158.2 of the *Consumer Protection Act* ("CPA") and provided you written notice of a Proposed Administrative Penalty and provided you the opportunity to respond. This letter constitutes the Administrative Penalty being issued under Section 158.1(1) of the CPA.

Facts

The evidence before me in relation to this matter consists of the material contained in an Application Report prepared by the AMVIC investigations department and the material previously disclosed to Renfrew Chrysler Inc. (the "Application Report"), which is attached as **Schedule A**; as well as the information exchanged during the administrative review held at the AMVIC Calgary office on Jan. 8, 2020. Renfrew Chrysler Inc. (the "Supplier") provided their written representation on Feb. 25, 2020, which is attached as **Schedule B**, in response to the Proposed Administrative Penalty. Based on all the evidence, I find the facts in this matter to be as follows:

Licencee Status

The Supplier holds a current AMVIC business licence and is authorized for the designated activities of new and used sales, repairs, leasing, and wholesale sales in the Province of Alberta.

Administrative review

An administrative review was held on Jan. 8, 2020, at approximately 11:19 a.m., at the Calgary AMVIC office. In attendance at the administrative review were Mr. Patrick Mahoney, legal counsel for the Supplier, Mr. Connor Mahoney (an individual identified as a student who attends law school), Mr. John

Dwerryhouse, general sales manager for the Supplier, [REDACTED] AMVIC investigator, [REDACTED] AMVIC manager of investigations south and G. Gervais – Director of Fair Trading (as delegated)(the “Director”).

The administrative review was originally scheduled for Sept. 11, 2019. Mr. P. Mahoney requested an adjournment which was granted by the Director. The administrative review was rescheduled to proceed on Dec. 10, 2019. On Dec. 4, 2019, Mr. P. Mahoney sent the Director copies of two manufacturer suggested retail price (“MSRP”) window stickers. These documents were previously provided by AMVIC as part of the disclosure material. On Dec. 9, 2019, Mr. P. Mahoney requested a further adjournment to Jan. 8, 2020, which was granted. On Jan. 7, 2020, Mr. P. Mahoney sent a copy of the re-printed unsigned \$10,000 cash back cheque that was given to the consumer in the sales transaction. A copy of this cheque was also included in the disclosure material AMVIC provided.

Supplier’s objection to the notice of administrative review

The Director received correspondence from Mr. P. Mahoney dated Aug. 29, 2019, addressing his concern with respect to the notice of administrative review. Mr. P. Mahoney took the opportunity to speak with the Director’s administrative assistant, AMVIC’s manager of legal services, and the Director’s independent legal counsel regarding AMVIC’s administrative review process.

At the start of the administrative review, Mr. P. Mahoney objected to the administrative review being held, stating that it was not properly constituted per the provisions of the CPA. In particular, Mr. P. Mahoney articulated that Section 128 of the CPA requires notice of the penalty proposed and the reasons therefore before the hearing, not after. Mr. P. Mahoney believes the procedure followed in this case preceded any statement of the CPA sections alleged to have been breached. Mr. P. Mahoney also believes the hearing consisted of a presentation of evidence in a fashion which denied the Supplier a reasonable opportunity to know and respond to the case intended to be made against it. The Director respectfully disagrees.

At the time of the administrative review, the Director addressed the objection:

- 1) AMVIC does not create the law and the laws are subject to interpretation.
- 2) The Director did not give notice on a specific or possible administrative action on the Supplier as that would be prejudicial toward the Supplier without the Supplier having been given the opportunity to provide written representations in advance of the administrative review or oral representations in-person at an administrative review.
- 3) The Director went over the entire contents of the notice of administrative review letter which outlined the notice of possible administrative actions and applicable legislation with respect to the various administrative actions that could or may be considered should the Director find a breach of the legislation occurred after hearing from the Supplier, the reason for the administrative review, and the relevant legislation that was identified that the Supplier may have breached. AMVIC’s website provides more information with respect to the administrative actions. Should the Director determine that the legislation has been breached, an

administrative action along with reasons would be provided and forwarded to the Supplier at which time the Supplier would again have the opportunity to make its representations.

- 4) The Director consulted independent legal counsel to review the notice of administrative review letter in September 2019 and received a legal opinion that it meets the legislative requirements.
- 5) The Director is of the opinion that the notice of administrative review letter does meet the legislative requirements for the reasons stated above and proceeded with the scheduled administrative review.

Following the administrative review, the Supplier was provided a Proposed Administrative Penalty and was given an additional opportunity to respond as required by Section 158.2 of the CPA.

Evidence before the Director

1. On May 25, 2018, AMVIC received a complaint (case file 18-05-425) regarding two vehicles being sold to a consumer ("JE") only a few days apart.
2. On June 9, 2018, the Supplier provided a Supplier's Response to an AMVIC consumer services officer regarding the consumer complaint (see Schedule A, tab B(2)).
3. On Nov. 3, 2017, JE went to the Supplier to trade in his 2014 Land Rover and the Guest Sheet was completed (see Schedule A, tab E). The Guest Sheet states JE "needs something cheaper". It also indicates where JE is employed and that his budget was up to \$200 biweekly. JE's mother ("EE") was a co-buyer on both of the vehicles purchased.
4. On Nov. 3, 2017, JE traded in the 2014 Land Rover and purchased a 2018 Jeep Compass (the "Jeep Compass"). The Bill of Sale ("BOS") indicates the cost of the Jeep was \$31,722. After the negative equity from the trade in of the 2014 Land Rover, an extended warranty of \$2,999, and additional fees and taxes, JE financed \$55,133.37 (see Schedule A, tab C(1)). The Scotiabank Credit Agreement shows JE financed the Jeep Compass with a term of 60 months, a bi-weekly payment of \$337.26 and a payment of \$23,588.90 due at the end of the term (see Schedule A, tab C(5)). This payment was approximately \$137 more bi-weekly than JE indicated he could afford.
5. According to JE, when he contacted his insurance company he discovered the insurance for the Jeep Compass was higher than the 2014 Land Rover (see Schedule A, tab 2). JE returned to the Supplier and asked for a vehicle that would have an overall cheaper monthly cost.
6. On Nov. 7, 2017, four days after he purchased the Jeep Compass, JE traded in the Jeep Compass and purchased a 2017 Dodge Grand Caravan (the "Dodge Caravan"). The BOS indicates the Dodge Caravan was \$36,750 and after the negative equity from the trade in of the Jeep Compass and additional fees, JE financed \$70,613.23 (see Schedule A, tab D(1)). The Scotiabank Credit Agreement shows JE financed the Dodge Caravan with a term of 60 months, bi-weekly payments of \$441.59 and a payment of \$30,605.92 due at the end of the term (see Schedule A,

tab D(3)). The payment was approximately \$241 more bi-weekly than JE indicated he could afford.

7. According to both the Supplier and the consumer, the purchase of the Dodge Caravan included \$10,000 cash back which was also financed in the Scotiabank Credit Agreement. The Supplier provided a copy of the cheque that was written to EE. This cashback is not reflected in the BOS or Scotiabank Credit Agreement.
8. The handwritten credit application shows JE's income is \$2,000 a month and EE's income is \$2,400 a month (see Schedule A, tab F). The credit applications the Supplier submitted to Scotiabank for both the Jeep Compass and the Dodge Caravan have inflated income listed for both JE and EE; JE's income as \$9,600 a month and EE's income as \$4,666.67 (see Schedule A, tab G).
9. In both transactions, the serial number/vehicle identification number is consistent across all of the various documents in relation to the transaction. However, the trim level listed on the BOS and the Scotiabank Credit Approval in both transactions differ (see Schedule A, tabs C6 and D16). The trim level listed on the Scotiabank Credit Approval is a more expensive model than indicated on the BOS in both transactions. The Scotiabank Credit Agreement does not contain a trim level in either transaction.
10. The Supplier emailed the AMVIC investigator on July 5, 2018 and indicated they made a \$492 profit on the sale of the Jeep Compass and they lost \$20 on the sale of the Dodge Caravan. The Supplier explained the loss on the sale of the Dodge Caravan was as a result of giving the consumer a \$6,640 discount off the price of the Dodge Caravan to help compensate for the loss taken on the trade in value given for the Jeep Compass. The Supplier further advised that the consumer requested \$10,000 cash back and this was added into the financing (see Schedule A, tab B(1)). The discount on the Dodge Caravan and the \$10,000 cashback are not reflected on the BOS for the Dodge Caravan. There is no dispute that the Supplier gave the consumers \$10,000 cash back, however it is not indicated on the BOS or the finance documents which is ambiguous. It was noted during the administrative review that the \$10,000 cheque was issued to EE. The BOS indicates the Dodge Caravan was sold for \$36,750 which is \$4,360 above the advertised MSRP price.
11. On June 20, 2019, the Dodge Caravan was seized by Western Civil Enforcement and delivered to Regal Auction. The creditor is the Bank of Nova Scotia in the amount of \$63,722.81.
12. At the administrative review, the Director noted the Jeep Compass was also sold over the advertised MRSP price. The advertised MRSP price was \$31,490. The BOS for the Jeep Compass listed the price as \$31,722.56 plus a documentation fee of \$698, the tire recycling fee of \$20, the AMVIC levy of \$6.25, and the air tax of \$100. This equates to the Jeep Compass being sold for \$1,056.81 over the advertised MSRP price.

13. The Supplier acknowledged at the administrative review that the vehicles should have been sold at the advertised prices. The Supplier explained that the slight discrepancy on the price of the Jeep Compass was likely attributed to the cost of nitrogen or a wheel lock. The Supplier further advised they have since corrected this issue.
14. The Supplier spoke to their sales and finance process. A potential consumer completes a Guest Sheet which contains a written consent for the Supplier to conduct a soft credit check and the Guest Sheet is taken to a manager. The consumer's credit score and outstanding debt determines whether the Supplier will continue with a possible sale. If a proposed sale does proceed it is the finance manager who is responsible for financial approval and is the individual who enters information on a computer to the lending institution.
15. Mr. P. Mahoney put forth a number of arguments during the administrative review:
 - a. The consumer came forward a number of months after the consumer transaction;
 - b. People will lie to defend themselves;
 - c. The AMVIC investigator did not follow up with the previous automotive business in terms of what information the consumer provided to them when he purchased his original Land Rover that he traded in to the Supplier, did not interview people from the lending institution, and did not take steps to corroborate the information of concern;
 - d. Income verification is not required by the CPA;
 - e. The education background, character, language or consumer's ability to understand was not established;
 - f. The Supplier did not abuse the trust of the consumer or exploit any fear or lack of experience of the consumer;
 - g. The consumer had negative equity before coming to the Supplier;
 - h. Whether AMVIC has taken into account the consumer drove to the Supplier in a high end vehicle;
 - i. The consumer benefitted from the \$10,000 cash back received from the Supplier;
 - j. Scotiabank previously financed his original Land Rover; and
 - k. The consumer never said to the Supplier that he could not afford the vehicle the first time or the second time.
16. In addition, Mr. P. Mahoney noted:
 - a. As a result of a number of factors, the salesperson and finance manager involved in this consumer transaction have since been dismissed and are no longer employed at the Supplier;
 - b. The Supplier has implemented a number of process changes not limited to the creation of a new Guest Sheet that is on one page to ensure there is no income discrepancies to match the finance documents;
 - c. The Supplier is making efforts to ensure the BOS and bank contracts match;
 - d. The consumers JE and EE more or less got what they bargained for, the Supplier does not believe they wronged JE and EE, and did not benefit economically with a large profit on these consumer transactions;

- e. That a high Administrative Penalty should not be levied in this instance given the circumstances and should only be reserved in instances where there has been significant consumer harm; and
- f. Should the Director find there has been breaches of some of the legislation, a small Administrative Penalty would perhaps be appropriate.

Applicable Legislation

Automotive Business Regulation ("ABR")

Records

Section 9

In addition to the requirement to create and maintain financial records in accordance with section 132(1) of the Act, every business operator and former business operator must maintain all records and documents created or received while carrying on the activities authorized by the licence for at least 3 years after the records were created or received.

General codes of conduct

Section 12

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

- (c) not abuse the trust of a consumer or exploit any fear or lack of experience or knowledge of a consumer,
- (o) comply with any legislation that may apply to the selling, leasing, consigning, repairing, installing, recycling or dismantling of vehicles.

Consumer Protection Act

Interpretation of documents

Section 4

If a consumer and a supplier enter into a consumer transaction, or an individual enters into a contract with a licensee and the licensee agrees to supply something to the individual in the normal course of the licensee's business, and

- (a) all or any part of the transaction or contract is evidenced by a document provided by the supplier or licensee, and
 - (b) a provision of the document is ambiguous,
- the provision must be interpreted against the supplier or licensee, as the case may be.

Unfair practices

Section 6

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

- (b) to take advantage of the consumer as a result of the consumer's inability to understand the character, nature, language or effect of the consumer transaction or any matter related to the transaction;
- (3) It is an unfair practice for a supplier
 - (a) to enter into a consumer transaction if the supplier knows or ought to know that the consumer is unable to receive any reasonable benefit from the goods or services;
 - (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 subsection (2) and (3), the following are unfair practices if they are directed at one or more potential consumers;
 - (a) a supplier's doing or saying anything that might reasonably deceive or mislead a consumer;
 - (t) when the amount of any instalment to be paid in respect of goods or services is given in any representation by a supplier,
 - (ii) giving less prominence to the total price of the goods and services than to the amount of the instalment;

Duty to maintain records**Section 132**

- (1) Every licensee and former licensee must create and maintain
 - (a) complete and accurate financial records of its operations in Alberta for at least 3 years after the records are made, and
 - (b) other records and documents described in the regulations for the period specified in the regulations.
- (2) Every licensee and former licensee must make the records referred to in subsection (1) available for inspection by an inspector at a place in Alberta and at a time specified by the inspector.

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.

Vicarious liability**Section 166**

For the purposes of this Act, an act or omission by an employee or agent of a person is deemed also to be an act or omission of the person if the act or omission occurred

- (a) in the course of the employee's employment with the person, or
- (b) in the course of the agent's exercising the powers or performing the duties on behalf of the person under their agency relationship.

Analysis – Did the Supplier fail to comply with the provisions of the *Consumer Protection Act* and *Automotive Business Regulation*?

The material which formed the Application Report was the result of a complaint (case file 18-05-425) received by AMVIC regarding two vehicles being sold to a consumer within a four day timeframe. The issue presented by the investigator that led to the administrative review of the Supplier was whether or not the Supplier breached sections of the CPA and ABR during the course of the two transactions. The information contained in the Application Report completed by the investigations department, the information exchanged during the administrative review, and the information provided in response to the Proposed Administrative Penalty is being relied upon in relation to this Administrative Penalty.

A. Inability to pay the full price for the Grand Caravan (CPA Section 6(3)(b))

The consumer completed a hand written credit application which included the income of both JE and EE. The hand written credit application is undated. The credit applications submitted to Scotiabank in both transactions indicate grossly inflated income for both JE and EE. JE's income was inflated by more than 500 percent.

There is an onus on the Supplier to ensure they provide accurate financial information when submitting credit applications for approval. Regardless if the consumer signed the credit application, the Supplier knew the accurate income and submitted the credit application anyway. Providing such inflated income in the credit application creates a circumstance in which a consumer is approved for a higher amount of credit than they could possibly afford.

Further, the consumer completed the Guest Sheet and clearly indicated he required something cheaper and his budget was \$200 bi-weekly. After the two transactions, the consumer was paying more than twice what he indicated he could afford with a payment due at the end of the term that was almost as much as the cost of the new Dodge Caravan. The bi-weekly payments of the Dodge Caravan were approximately \$100 more bi-weekly than the 2014 Land Rover JE initially traded in because he could not afford it. Ultimately, on June 20, 2019 the Dodge Caravan was repossessed.

During the administrative review, the Supplier argued that JE could have made the bi-weekly payments with the \$10,000 cash back he received until the time the Dodge Caravan was repossessed. If JE could only afford to make the payments with the cash back he received, he could not afford the full price of vehicle. Based on the evidence before me, on a balance of probabilities, I find the Supplier has breached Section 6(3)(b) of the CPA relating to the transaction of the Dodge Caravan.

B. Unable to receive reasonable benefit (CPA Section 6(3)(a))

The Director acknowledges that the Supplier did get JE and EE into an SUV as requested on the Guest Sheet and for a lower payment. The payment difference between the Jeep Compass and the 2014 Land Rover was \$2.74 bi-weekly. However, when JE entered into the second transaction to purchase the Dodge Caravan, the Supplier again provided the financial institution with inflated income numbers and rolled in \$10,000 cash back without itemizing it on the BOS. The consumer was subsequently approved for a loan with a bi-weekly payment significantly higher than when he came to the Supplier.

The Supplier suggested the consumer could have made the payments with the \$10,000 cash back until the vehicle was repossessed. If this was how the Supplier felt the consumer should be able to afford the Dodge Caravan, the consumer would have only been able to drive the vehicle for approximately 11-12 months before the vehicle was repossessed. The writer does not see the logic in having a consumer finance \$10,000 cash back within a loan for the purpose of making the payments on the same loan. Further, in the opinion of the writer, use of a vehicle for approximately one year at a cost of financing the vehicle for \$70,613.23 does not equate to reasonable benefit. As a result, on a balance of probabilities, I find the Supplier has contravened Section 6(3)(a) of the CPA.

C. Other analysis

It is important to ensure the financial institutions are not only provided accurate financial information but also accurate information regarding the trim level of the vehicle being sold. The information the Supplier provides to the financial institutions is relied upon when determining the appropriate credit that can be extended, which takes into account not only the consumer's ability to pay but also the actual value of the vehicle being purchased. Providing accurate information regarding the vehicle being purchased ensures the amount of the approved loan is appropriate to the cost of the vehicle being purchased and reduces the chance a consumer will end up in a situation such as JE and EE did after their transactions with the Supplier. JE and EE received financing for over \$70,000 for a vehicle worth just over \$30,000 due to the negative equity from their previous transactions. In both transactions with JE and EE the trim level indicated on the Scotiabank Credit Approvals were trim levels that indicated the vehicles being purchased were of a much higher value.

During the administrative review, the term "power booking" was discussed. This decision will not be dealing with "power booking" however, the writer finds it imperative to speak to the importance of creating and maintaining accurate records. In the course of the two transactions with JE and EE, the Supplier created inaccurate records. The credit applications submitted did not contain the accurate income of the consumers, there were discrepancies in the trim level of both vehicles in their respective Scotiabank Credit Approvals, and the BOS for the Dodge Caravan did not indicate the \$10,000 cash back, nor the accurate price of the vehicle if the discount was applied.

As a member of the automotive industry, in accordance with Section 132 of the CPA and Section 9 of the ABR, the Supplier is required to create and maintain records. It is vital that the BOS and other documents created in a transaction are a true reflection of the actual transaction that occurred. This not only creates transparency so the consumer better understands the transaction they are entering into, it also safeguards the Supplier. Section 4 of the CPA states that during a consumer transaction, if all or any part of the transaction or contract is evidenced by a document provided by the Supplier and a provision of the document is ambiguous, the provision must be interpreted against the Supplier.

During the administrative review, a discussion was had with respect to all-in pricing as required under Section 11(2)(l) of the ABR. As well as the BOS requirement as per Section 31.2(1) and 31.2(2) of the ABR. It is noted the Director did not give the Supplier notice regarding these sections and therefore will not take these sections into account when determining the Administrative Penalty.

As per Section 166 of the CPA, the Supplier is vicariously liable for the actions and representations made to consumers by their designated agents. The Supplier is responsible for entering the proper information into the credit application to ensure that the consumer can afford to purchase the vehicle; reviewing all of the documents with the consumer to ensure that the consumer understands all aspects of the transaction; and ensuring that the consumer will receive reasonable benefit from the goods and services purchased.

During the administrative review, Mr. P. Mahoney addressed the material facts with regards to Section 6(2)(b) of the CPA and Section 12(c) of the ABR and JE and EE's ability to understand the facts surrounding each transaction. Mr. P. Mahoney stated that this was not JE's first vehicle purchase as JE had purchased a luxury vehicle nine months prior to entering into a contract to purchase with the Supplier. The material facts provided by the investigator do not support the allegation that the Supplier abused JE and EE's trust or exploited JE and EE due to fear or lack of experience and knowledge. It is the Director's decision that, on a balance of probabilities, breaches of Sections 6(2)(b) and 6(4)(t)(ii) of the CPA and Sections 12(c) and 12(o) of the ABR have not been established.

AMVIC follows a progressive enforcement model when enforcing consumer protection laws. The Supplier has been subject to the following administrative actions:

- 2014 – Voluntary Undertaking;
- 2016 – Administrative Penalty of \$1,000;
- 2020 – Voluntary Undertaking in which the Supplier provided restitution to a consumer.

When determining an appropriate enforcement measure, the Director will consider several factors before making his decision to ensure the level of enforcement is appropriate to the contraventions. The aggravating factors include the seriousness of the contraventions and failure to comply; the Supplier's inability to comply with the requirements of the legislation; and using the financial institution's process to disadvantage the consumer. The Supplier did not make any attempts to mitigate the financial harm that has been done to the consumer with regards to the transactions. An Administrative Penalty must be sufficient in that the Supplier and other automotive businesses do not view the amount of the penalty as a cost of doing business that is preferable to following the law.

There exists an onus on the Supplier to ensure they are complying with the law. 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 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.

This Administrative Penalty is taking into account the breaches of the legislation found during the investigation regarding case file 18-05-425, the fact the Supplier has been subject to previous administrative actions and has been in the automotive industry for an extensive period of time.

Action

In accordance with Section 158.1(a) of the CPA and based on the above facts, I am requiring that Renfrew Chrysler Inc. pay an Administrative Penalty of **\$4,500**. This is based on my opinion that Renfrew Chrysler Inc. contravened Sections 6(3)(a) and 6(3)(b) of the CPA.

Taking into consideration all the representations made by the Supplier and the representations made by AMVIC's investigations department, the amount of the Administrative Penalty is **\$4,500**.

The Administrative Penalty 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 impact on the consumer who was adversely affected by the contravention;
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;
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 \$4,500.

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
Encl.

cc: [REDACTED] Senior Manager of Investigations, AMVIC