
**IN THE MATTER OF THE
CONSUMER PROTECTION ACT (CPA)**

THIS **UNDERTAKING** is made pursuant to Section 152 of the *Consumer Protection Act* ("CPA").

BY: **MUHAMMAD MEHRI**
at or near the City of Calgary, in the Province of Alberta
(hereinafter called the "Individual")

TO: **The DIRECTOR OF FAIR TRADING (as delegated)**
(hereinafter called the "Director")

WHEREAS:

- A. At the time of the complaint, the Individual was registered by the Alberta Motor Vehicle Industry Council ("AMVIC") to act in the capacity of an automotive salesperson at an AMVIC licenced automotive business authorized to carry on one or more of the following automotive business activities: buying, selling as a retailer, a wholesaler, or as an agent broker, leasing, consigning, installing parts or equipment, repairing or the servicing of motor vehicles in and around the Province of Alberta.
- B. An administrative review was held via teleconference call on May 11, 2021 at approximately 10:29 a.m. Participating in the administrative review was Mr. Muhammad Mehri, [REDACTED] – AMVIC investigator, [REDACTED] – manager of investigations south and G. Gervais – Director of Fair Trading (as delegated).
- C. An AMVIC investigation (case file 20-05-001) was initiated as a result of a consumer complaint regarding the interest rate and sale price of a vehicle purchased.
- D. During the course of that investigation the focus of the investigation changed as to whether the AMVIC registered salesperson involved in that consumer transaction fraudulently signed a mechanical fitness assessment ("MFA") on behalf of an AMVIC licenced technician without his knowledge and then misled and deceived the consumer, "ND" when the MFA was presented to him as well as another automotive business who was financing the vehicle by furnishing a forged document as the original.
- E. The AMVIC investigator determined that MFA was not completed by the technician whose name appeared on the document and that the signature of the technician had been forged. When the Individual was spoken to he admitted to signing the MFA and acknowledged that it is fraudulent to do so. The Individual believed that the original MFA was misplaced and did what he did as the deal was closing with ND. At the time of the sales transaction, the Individual advised that he was brand new to the automotive industry and did not have a lot of training. In doing so, the Individual breached section 6(4)(a) of the CPA, and section 12(c) and (o) of the Automotive Business Regulation ("ABR"):

Consumer Protection Act

Unfair practices

Section 6

(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;

Automotive Business Regulation

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.

Vehicle Inspection Regulation

Sales 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.

- F. In advance of the administrative review, the Individual sent written representations to the Director. The Individual stated that at the time of the consumer transaction he was relatively new to the automotive industry and that he assumed that the issuing party would complete their own MFA before signing it with the customer. He admitted to making some mistakes early in his career and is not proud of it.

- G. During the administrative review, the Individual expressed that an MFA for the vehicle purchased had legitimately been completed and signed by a licenced technician, however had been misplaced and improperly filed. The properly signed and completed MFA was located later on and provided to the AMVIC investigator.
- H. The Individual was remorseful for his actions and demonstrated a willingness to work with the regulator and a commitment to not engage in this type of behavior again.

NOW THEREFORE THIS UNDERTAKING WITNESSES THAT:

- 1. The Individual acknowledges and admits that he failed to comply with the provisions of the CPA and ABR, and undertakes to the Director that the Individual will make every effort to ensure that he does not engage in acts or practices similar to those described above.
- 2. The Individual will successfully retake and pass the Salesperson Registration Course within **14 days** of signing this Undertaking.
- 3. The Individual undertakes to conduct business according to the code of ethics as set out in AMVIC's Code of Ethics.
- 4. The Individual acknowledges that the Alberta Motor Vehicle Industry Council may collect the repayment of the costs associated with investigating this matter and any costs associated with the Undertaking; such sum is reflective of typical costs of such an investigation and does not represent a fine. The Individual shall pay the sum of **\$500** to AMVIC, an amount that represents a portion of the costs AMVIC has incurred investigating the matters herein. Such payment is to be made to AMVIC within **thirty (30) days** from the date of this Undertaking.
- 5. This Undertaking will remain in force,
 - Unless:
 - a. Terminated by the Director or varied with the consent of the Supplier;
 - b. Varied by an Order of the Judge of the Court of Queen's Bench where the Judge is satisfied that the circumstances warrant varying the provisions of the Undertaking; or
 - c. Terminated by an Order of the Judge of the Court of Queen's Bench where the Judge is satisfied that the act or practice that the Supplier has undertaken to refrain from engaging in was not unfair; however, in any such case, the termination or variance does not invalidate anything done under this Undertaking prior to termination or variance.
- 6. The Individual acknowledges the Director may, upon breach of any term of the Undertaking, institute such proceedings and take such action under the CPA as they may consider necessary.
- 7. The Individual acknowledges this Undertaking is a public document and will be maintained in the public record by the Director of Fair Trading (as delegated) as required by Section 157.1 of the CPA.

8. The Individual acknowledges that they were advised by AMVIC, and are aware that they are entitled to seek independent professional advice regarding the signing of this Undertaking, and the Individual acknowledges they are entering into this Undertaking voluntarily.

IN WITNESS WHEREOF the Individual, has on the 1st day of June, 2021.

PER: "original signed by"
Muhammad MEHRI

ACCEPTED by the Director of Fair Trading on the 8th day of June, 2021.

PER: "original signed by"
Gerald Gervais, Registrar
DIRECTOR OF FAIR TRADING
(as delegated)