
August 27, 2024

Administrative Review – 24-04-005
Served Personally

Administrative Penalty

WOODRIDGE FORD LINCOLN LTD.
11580 24 STREET SE
CALGARY, AB
T2Z 3K1

Attention: Gerald Wood

Dear Gerald Wood:

Re: Woodridge Ford Lincoln Ltd. – Provincial Automotive Business Licence No. B170863

As the Director of Fair Trading (as delegated) (the “Director”), 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 Alberta Motor Vehicle Industry Council (“AMVIC”) industry standards department application report (the “Application Report”) prepared by an industry standards officer (“ISO”) and the manager of industry standards. A copy of the Application Report is attached as Schedule “A” to this letter. The Supplier provided written representations via email on Aug. 23, 2024 (attached as Schedule “C”), in response to the Proposed Administrative Penalty, which I have also taken into consideration.

Licensee Status

Woodridge Ford Lincoln Ltd. (the “Supplier”) holds an automotive business licence and is licensed to carry on the designated business activities of new sales, used sales, wholesale, garage and leasing in the Province of Alberta.

Previous History

On June 4, 2018, an Administrative Penalty in the amount of \$4,000 was imposed on the Supplier for breaches of legislation as a result of an AMVIC investigation in which the Supplier was found to have employed two unregistered salespeople despite previous education to ensure their salesperson roster was current and up to date.

On Feb. 14, 2023, a Director's Order was issued to the Supplier to cease representing to consumers that vehicle loans cannot be paid in full for a period of time as per the provisions of Section 68 of the CPA and the Cost of Credit Disclosure Regulation ("COC").

Direct communications with the Supplier and its representatives

1. On May 3, 2016, 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 9, 2016. The Findings Letter outlined the following concerns:
 - a) Unregistered salespeople were engaging in selling vehicles without being properly AMVIC registered contrary to the Automotive Business Regulation ("ABR").
 - b) Advertising issues contrary to Section 11 of the ABR, and Sections 4, 6 and 18 of the COC.
 - c) During the inspection, five deals were reviewed by the ISO and of those five deals, two did not reflect all-in pricing contrary to Section 11(2)(l) of the ABR.
 - d) Issues with the completion of and/or disclosure of Mechanical Fitness Assessments ("MFAs") contrary to Section 15 of the Vehicle Inspection Regulation ("VIR").
 - e) Discrepancies were identified in two consumer credit applications submitted by the Supplier to the financial institutions contrary to Section 6 of the CPA.

2. On Sept. 14, 2017, a followup AMVIC industry standards inspection was completed on the Supplier. The findings of the inspection were discussed with the Supplier and a Findings Letter dated Sept. 21, 2017 was completed and sent to the business. The Findings Letter outlined the following concerns:
 - a) Advertising issues contrary to Section 11 of the ABR.
 - b) During the inspection, 10 deals were reviewed by the ISO and of those 10 deals, four did not reflect all-in pricing contrary to Section 11(2)(l) of the ABR.
 - c) Various issues with the completion of and/or disclosure of MFAs contrary to Sections 15 and 16 of the VIR.

3. On Feb. 6, 2023, a third AMVIC industry standards inspection was completed on the Supplier. This inspection focused specifically on the Supplier's advertising and compliance with all-in pricing legislation. The inspection conducted on Feb. 6, 2023 was therefore not comprehensive in nature and as such, not all documentation or business practices were reviewed. The findings of the inspection were discussed with the Supplier and a Findings Letter dated Feb. 14, 2023 was completed and sent to the business. The Findings Letter outlined the following concerns:
 - a) During the inspection, one deal reviewed by the ISO did not reflect all-in pricing contrary to Section 11(2)(l) of the ABR.
 - b) The Supplier had a consumer sign a document that they would not pay their loan for six months contrary to Section 68 of the CPA and Section 8 of the COC.

As a result of this inspection, a Director's Order was issued to the Supplier as noted above.

4. On March 7, 2024, a fourth AMVIC industry standards inspection was completed on the Supplier. A Findings Letter outlining the inspection findings was completed and sent to the Supplier on March 12, 2024. The Findings Letter outlined some concerns including but not limited to:
 - a) Advertising issues contrary to the requirements in Section 11 of the ABR and Section 6 of the COC.
 - b) During the inspection, four deals were reviewed by the ISO and of those four deals, one did not reflect all-in pricing contrary to Section 11(2)(l) of the ABR.
 - c) A number of the bills of sale ("BOS") that were reviewed in the deal jackets had compliance issues contrary to Section 31.2 of the ABR.
 - d) Issues with the completion of and/or disclosure of MFAs contrary to Section 16 of the VIR.
5. The Supplier provided written representations on Aug. 23, 2024, in response to the Proposed Administrative Penalty (see Schedule "C").

Applicable Legislation

Automotive Business Regulation

Advertising

Section 11

- (2)** A business operator must ensure that every advertisement for an automotive business that promotes the use or purchase of goods or services
- (d) uses descriptions and makes promises only in accordance with actual conditions, situations and circumstances,
 - (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
 - (n) does not use false, misleading or deceptive statements, and

General codes of conduct

Section 12

- Every business operator must comply with section 6 of the Act and in addition must
- (o) comply with any legislation that may apply to the selling, leasing, consigning, repairing, installing, recycling or dismantling of vehicles.

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,
 - (i) information about the vehicle being traded in, and
 - (ii) the value of the trade-in allowance incorporated into the cost of purchase of the vehicle;
- (p) the balance of any outstanding loan that is incorporated into the cost of purchase of the vehicle;
- (q) if, in connection with the purchase of the vehicle, the business operator enters into a credit agreement with the consumer or arranges a credit agreement for the consumer, the disclosure statement required under Part 9 of the Act;
- (r) an itemized list of any items or inducements the business operator agrees to provide with the vehicle at no extra charge;
- (s) the odometer reading of the vehicle at the time the bill of sale is entered into, if the vehicle has an odometer and the odometer reading is available to the business operator;
- (t) the maximum odometer reading of the vehicle at the time of delivery to the consumer if the vehicle has an odometer and
 - (i) the odometer reading is not available to the business operator at the time the bill of sale is entered into, or
 - (ii) the vehicle is a new, specifically identified vehicle;
- (u) any mechanical fitness assessment that has been issued under the Vehicle Inspection Regulation (AR 211/2006);

(v) any disclosure statement or documentation respecting a vehicle's previous use, history or condition, including disclosure statements or documentation required under the laws of another jurisdiction;

(w) a declaration that the business operator has disclosed to the consumer the information required under section 31.1.

(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.

Cost of Credit Disclosure Regulation

Advertisements

Section 6

(1) This section applies only to advertisements that offer credit and state the interest rate or amount of any payment.

(2) The information required to be disclosed for the purposes of section 76(1) of the Act is (a) the APR, and (b) the term.

(3) In addition to the information required under subsection (2),

(a) an advertisement for a credit sale of a specifically identified product must disclose the cash price, and

(b) an advertisement for a credit sale in connection with which any non-interest finance charge would be payable must disclose (i) the cash price, and (ii) the total cost of credit,

except that an advertisement on radio, television or a billboard or other media with similar time or space limitations is not required to disclose the total cost of credit.

(4) Where any of the information required to be disclosed by subsections (2) and (3) would not be the same for all credit agreements to which the advertisement relates, the information must be for a representative transaction and must be disclosed as such.

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

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.

Prepayment of non-mortgage credit

Section 68

- (1) This section does not apply to mortgage loans.
- (2) A borrower is entitled to pay the full outstanding balance under a credit agreement at any time without any prepayment charge or penalty.

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 ABR, VIR and COC?

A routine AMVIC industry standards inspection was completed on May 3, 2016. The inspection findings were discussed with the Supplier and the Findings Letter was sent to the business. Two subsequent AMVIC industry standards inspections were completed in 2017 and 2023. As with the initial inspections, the inspection findings were discussed with the Supplier and a Findings Letter was sent to the business.

As a result of the findings from the 2023 inspection on Feb. 14, 2023, a Director's Order was issued to the Supplier to cease representing to consumers that vehicle loans cannot be paid in full for a period of time as per the CPA and the COC.

On June 4, 2018, an Administrative Penalty in the amount of \$4,000 was imposed on the Supplier for breaches of legislation as a result of AMVIC investigation (case file 18-04-017) in which the Supplier was found to have employed two unregistered salespeople.

On March 7, 2024, a followup AMVIC industry standards inspection was completed on the Supplier. A Findings Letter outlining the inspection findings was completed and sent to the Supplier on March 12, 2024. The ISO identified that the Supplier has continued to sell vehicles over the advertised price contrary to Section 11(2)(l) of the ABR, had some other advertising issues, MFA issues and breached Section 31.2 of the ABR in relation to the completion of their BOS. Based on the facts outlined in the Application Report and supporting documents (see Schedule "A"), I will be considering the alleged breaches from the March 7, 2024 AMVIC industry standards inspection.

A. Selling Above Advertised Price (11(2)(l) ABR)

The Supplier was found to have been in breach of Section 11(2)(l) of the ABR, the legislative requirement regarding all-in pricing in all four inspections. During the first inspection, the ISO reviewed the deal jackets five vehicles sold by the Supplier and compared them to their advertised price. This ISO found two of the five sold vehicles reviewed were sold above the advertised price. During the second inspection on Sept. 14, 2017, the ISO identified the Supplier sold four vehicles over the advertised price in 10 of the sold deal jackets reviewed. During the third inspection on Feb. 6, 2023 inspection, the ISO found one vehicle had been sold above the advertised price. This inspection focused specifically on the Supplier's advertising and compliance with all-in pricing legislation. The inspection conducted on Feb. 6, 2023 was not comprehensive in nature and as such, not all documentation or business practices were reviewed.

During the March 7, 2024 inspection, the ISO found one vehicle had been sold above the advertised price contrary to Section 11(2)(l) of the ABR. Prices advertised need to include all fees the seller intends to charge. The only fee that can be added to the advertised price is the goods and services tax ("GST") and costs associated with financing as per Section 11(2)(l) of the ABR. Pre-installed products such as batteries and anti-theft must be included in the advertised price. Destination fees, documentation fees, the AMVIC levy and tire recycling levy must be included in the advertised price. In this one consumer transaction the Supplier derived an economic benefit of **\$755.25** at the cost of the consumer

- Stock No. 18620A sold over the advertised price by \$755.25.

The Findings Letter dated March 12, 2024 states that 30 retail vehicle sales were reviewed, and that four of the 30 deal jackets had an advertisement to compare the BOS with. Of the four deal jackets reviewed by the ISO, one of the vehicles was sold over the advertised price contrary to Section 11(2)(l) of the ABR.

The advertisement was pulled by the ISO and date stamped Jan. 30, 2024. On Feb. 8, 2024, the Supplier raised the price of the vehicle in the advertisement by \$1,000 from \$18,900 to \$19,900. The Supplier provided the ISO evidence that demonstrated the price was changed on Feb. 8, 2024, after the ISO had obtained the advertisement. This was taken into consideration when determining whether Stock No. 18620A was sold above the advertised price and the amount it was sold for over the advertised price.

Based on the small sample size of four deal jackets reviewed and compared to an advertisement by the ISO, and before me as evidence, the Supplier has derived an economic benefit by charging a consumer over the advertised price. The Director finds it concerning that within a little less than a year after the ISO completed an inspection in February 2023 and issued the Supplier a Findings Letter, the Supplier sold a vehicle over the advertised price at the expense of a consumer. This is concerning as the Supplier has been provided more than ample opportunity and education to rectify this business practice, however continues to engage in this practice and derive an economic benefit at the cost of consumers.

In their written representations (see Schedule "C"), the Supplier provided evidence in relation to Stock No. 18620A. The Supplier took responsibility for selling the vehicle over the advertised price and stated, *"this error was pointed out by [AMVIC] and I immediately acknowledged this error"*. The Supplier further provided evidence to demonstrate they took immediate action to address Stock No. 18620A being sold over the advertised price by issuing the consumer a refund cheque on March 8, 2024, the day after the AMVIC inspection.

The Director finds that on a balance of probabilities, the Supplier has breached Section 11(2)(l) of the ABR.

B. Other Advertising Issues (11(2)(n) ABR/6 COC)

The Supplier's advertisement (see Schedule "A"; Exhibit 10) from their website shows the price of the vehicle and states "*Listed price does not include taxes and licensing fees*". This statement does not align with what is allowed to be charged above the advertised price in accordance with Section 11(2)(l) of the ABR. The ABR is clear that the only costs that can be added to the advertised price is "*GST or costs and charges associated with financing*".

In addition, the Supplier's website contains a disclaimer that states "*Please contact dealership to ensure full accuracy of advertised price*" (see Schedule "A"; Exhibits 11 and 11.1). The Supplier is responsible and accountable for all advertisements that are published for the purposes of their business activities as per Section 166 of the CPA. Using fine print or disclaimers do not exempt the Supplier's advertisements from the requirements of the legislation.

The Supplier's advertisement of Stock No. 18648 (see Schedule "A"; Exhibit 12) offers credit and stated the interest rate and amount of the payment. However, the advertisement does not include the total cost of credit as required by Section 6(3)(b)(ii) of the COC. The Supplier is further advertising "*Plus GST documentation fee*". This statement does not align with what is allowed to be charged above the advertised price, Section 11(2)(l) of the ABR clearly states that administration fees, such as a documentation fee, must be included in the advertised price.

The Supplier's website having the statements as described above is contrary to Section 11(2)(n). The average consumer is not knowledgeable on the legislation that governs the automotive industry and would not know that these statements are not true. The business practice of having statements in the advertisement that are not in line with the legislative requirements communicate to consumers that the Supplier's advertised price does not need to be accurate, does not need to include "*taxes and licensing fees*" or a "*...documentation fee*". Misleading consumers to believe the Supplier can tell them the advertised price is not the price of the vehicle and add fees that do not fall within Section 11(2)(l) of the ABR can potentially put consumers into a transaction where they are paying over the advertised price because they do not understand the legislative requirements the Supplier must adhere to, and have been misled to believe the Supplier can and does do this in their transactions with consumers based on their advertising.

Based on the evidence before me only in relation to the March 7, 2024 inspection, on a balance of probabilities, I find the Supplier has breached Section 11(2)(n) of the ABR and Section 6 of the COC.

C. MFA Issues (15 and 16 VIR)/ General Code of Conduct (12(o) ABR)

The MFA is required as per Section 15 of the VIR. The VIR is a regulation under the *Traffic Safety Act* ("TSA"). The requirement to provide an MFA is required under the TSA and is therefore in the jurisdiction of Alberta Transportation. Although the MFA falls under the requirement of Alberta Transportation, it comes into AMVIC's purview in the course of our mandated duties as per a number of

legislated sections that apply to following all legislation applicable to the sale of motor vehicles such as Section 12(o) of the ABR and Section 127(b)(v.1) of the CPA.

In review of the documents provided in the Application Report (see Schedule "A"; Exhibit 9) the MFA for Stock No. #P-1828A was completed on Oct. 20, 2023. The BOS is dated Feb. 26, 2024 which demonstrates that the MFA was expired at the time of sale, as it was issued by the technician more than 120 days prior to the sale.

By providing a consumer with an expired MFA the Director finds that on a balance of probabilities, the Supplier has breached Sections 15 and 16 of the VIR and Section 12(o) of the ABR.

D. Bill of Sale Issues (31.2 ABR)

On Oct. 31, 2018, 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 legislative amendments, 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.

Two of the inspections completed on the Supplier were completed prior to this legislative change, however the Findings Letters state the Supplier's BOS were incomplete. The third inspection was not comprehensive in nature and was only in relation to all-in pricing.

In the sale of Stock No. P-2011 and Stock No. NK-204A the bills of sale are missing the delivery date (see Schedule "A"; Exhibits 13 and 14) as required by Section 31.2(1)(i) of the ABR.

In the sale of Stock No. P-889, the BOS is missing whether the vehicle is new or used (see Schedule "A"; Exhibit 15) as required by Section 31.2(1)(t)(ii) of the ABR. In addition the BOS is missing the government issued identification used to confirm the identity of the consumer as required by Section 31.2(1)(b) of the ABR.

The Supplier is vicariously liable for all records created and maintained by an employee or agent acting on behalf of the Supplier in the course of completing the Supplier's delegated business activities.

Based on the evidence before, on a balance of probabilities, I find the Supplier has breached Section 31.2 of the ABR.

E. Other Considerations

In addition to the individual education AMVIC provided the Supplier in the form of the Findings Letters provided after each AMVIC industry standards inspection, AMVIC has issued numerous industry bulletins and newsletters over the past two years explaining all-in pricing and advertising regulations, educating the automotive industry as a whole. As a licensed member of the automotive industry, the Supplier would have received the AMVIC industry bulletins and newsletters, and in the opinion of the Director, is

expected to have reviewed these education bulletins and newsletters to ensure their business practices are in compliance.

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.”

A recent Service Alberta and Red Tape Reduction Appeal Board decision (attached as Schedule “B”) comments on the importance for members of automotive industry to comply with all-in pricing legislation and at paragraphs 65 and 81 respectively state:

“...the Board agrees with the Director in that selling above advertised prices affects the public’s perception of the industry and AMVIC’s ability to regulate it. It is inherently a serious breach.”
[Paragraph 65]

“The Board finds that there is a considerable need for general deterrence as well, such that other members of the industry will understand that they must take a proactive approach to ensure they are following all-in pricing...Consumers must have confidence that the prices they see in advertisements are accurate and include all relevant charges. The Board agrees with the Director’s submission that the penalty must be sufficient to deter, and cannot be seen simply as a cost of doing business.” [Paragraph 81]

The Supplier’s business practices discussed above leverages the Supplier’s knowledge and position, and does not foster a level playing field between the consumer and the Supplier, leading to financial harm to consumers. It further concerns the Director that the Supplier has continued to breach rather straightforward legislation despite the education provided by AMVIC.

AMVIC follows a progressive enforcement model when enforcing consumer protection laws. Administrative action may include a written warning, condition(s) added to the licence, charges under the legislation, Administrative Penalty, Director’s Order, Undertaking and suspension or cancellation of a licence as outlined in the CPA. When determining an appropriate enforcement measure, the Director will consider several factors before making his decision to ensure what level of enforcement is appropriate to the contravention.

The Supplier has been subject to the following enforcement action:

- 2018 – Administrative Penalty in the amount of \$4,000 for employing two unregistered salespeople.
- 2023 – Director’s Order issued to cease representing to consumers that vehicle loans cannot be paid in full for a period of time as per the provisions of the CPA and the COC.

The aggravating factors in this matter include the initial financial impact adversely affecting a consumer due to paying over the advertised price and continued non-compliance with the rather straightforward requirements of the legislation despite education provided to the Supplier and the previous enforcement action listed above. The Supplier is a high volume automotive dealer and sold 2,388 vehicles in 2023. The mitigating factors include the evidence provided by the Supplier which demonstrated they took immediate action in relation to the vehicle which was sold over the advertised price.

This Administrative Penalty is taking into account the number and seriousness of the contraventions of the legislation found during the fourth inspection; and the aggravating factors listed above.

The amount of the Administrative Penalty cannot be viewed as a cost of doing business but rather as a deterrent for continuing to engage in non-compliant business practices.

Action

In accordance with Section 158.1(a) of the CPA and based on the above facts, I am requiring that Woodridge Ford Lincoln Ltd. pay an Administrative Penalty. This is based on my opinion Woodridge Ford Lincoln Ltd. has contravened Sections 11(2)(l), 11(2)(n), 12(o) and 31.2 of the ABR, Sections 15 and 16 of the VIR, and Section 6 of the COC.

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 **\$5,000**.

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 degree of willfulness or negligence in the contravention or failure to comply;
2. The initial financial harm on the persons adversely affected by the contraventions or failure to comply;
3. The mitigating actions taken by the Supplier;
4. The seriousness of the contraventions or failure to comply;
5. The Supplier's history of non-compliance;
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 \$5,000.

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 King'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 and Red Tape Reduction

Minister of Service Alberta and Red Tape Reduction
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. Should you choose to appeal this Administrative Penalty, you must send the appeal fee to the Minister of Service Alberta and Red Tape Reduction at the above noted address, made payable to the "Government of Alberta".

Yours truly,

"original signed by"

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

GG/kl
Encl.

cc: Roxanne S [REDACTED] Manager of Industry Standards, AMVIC