

March 26, 2025

Administrative Review – 24-11-009

Served via email: [REDACTED]

Administrative Penalty

RENFREW CHRYSLER INC.
1920 PUMPHOUSE ROAD SW
CALGARY, AB
T3C 3N4

Attention: David Lamont

Dear David Lamont:

Re: Renfrew Chrysler Inc. – Provincial Automotive Business Licence No. B203506

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”) investigations department application report (the “Application Report”) prepared by the investigator and the senior manager of investigation. A copy of the Application Report is attached as Schedule “A” to this letter. I have also taken into consideration the information exchanged during the administrative review held via teleconference call on Jan. 14, 2025.

Licensee Status

Renfrew Chrysler Inc. (the “Supplier”) holds an automotive business licence and carries on business as an automotive sales business in the province of Alberta. Renfrew Chrysler Inc. operates in Calgary, Alberta and holds a current AMVIC business licence and is authorized for new and used sales, garage, leasing, and wholesale business activities.

During the administrative review, the Supplier advised on Jan. 6, 2025 the business had been sold. AMVIC’s records indicated the Supplier still held an issued business licence with AMVIC at the time of the administrative review.

Administrative Review

An administrative review was held on Jan. 14, 2025, at 9 a.m., via teleconference call. Participating in the administrative review were David Lamont, director and owner of the Supplier; Steven Macdonald, vice president for the Supplier; Stephanie Christopoulos, assistant general manager for the Supplier; [REDACTED]

██████████ AMVIC investigator; ██████████, AMVIC manager of investigations south; and K. Lockton, Director of Fair Trading (as delegated) (the "Director").

Enforcement History

The below noted enforcement history of the Supplier was included in the Application Report with the exception of the May 20, 2014 voluntary Undertaking. The March 1, 2023 Administrative Penalty decision included the May 20, 2014 voluntary Undertaking listed as previous enforcement that the Supplier has been subject to.

The Director is satisfied that the Supplier has previously received these decisions as the administrative enforcement history has not been disputed. As the administrative review is a quasi-judicial proceeding and not a court of law, the Director is not bound by the formal rules of evidence and has included the history as noted below:

- A. On May 20, 2014, the Supplier entered into an Undertaking regarding an advertising concern.
- B. On Dec. 5, 2016, an Administrative Penalty of \$1,000 was levied on the Supplier in relation to advertising concerns.
- C. On April 8, 2020, the Supplier entered into a voluntary Undertaking in regards to an investigation where they agreed to comply with the CPA and Automotive Business Regulation ("ABR"), to maintain accurate business records, ensure they do not overcharge consumers or make representations or exaggerations of a price benefit or advantage when they do not exist, and to review their current bill of sale ("BOS") form ensuring it is completed to meet the legislative requirements as set out in Sections 31.2(1) and 31.2(2) of the ABR. As part of the Undertaking the Supplier further agreed to reimburse the consumer the sum of \$13,406.03.
- D. On May 21, 2020, an Administrative Penalty of \$4,500 was levied on the Supplier in relation to unfair practices.
- E. On March 1, 2023, an Administrative Penalty of \$6,000 was levied on the Supplier in relation to unfair practices, a non-compliant BOS, and failing to create and maintain records.

Educational Findings Letters

- F. On April 20, 2018, the Supplier was sent an inspection Findings Letter as a followup to an industry standards inspection completed on April 19, 2018. This letter provided a summary of the inspection completed by an industry standards officer ("ISO"). The Findings Letter addressed a number of shortcomings and deficiencies.
- G. On Sept. 22, 2020, the Supplier was sent an inspection Findings Letter as a followup to an industry standards inspection completed on Sept. 14, 2020. This letter provided a summary of the inspection completed by an ISO. The Findings Letter addressed a number of shortcomings and deficiencies.
- H. On August 27, 2020, the Supplier was issued a written warning in regards to BOS compliance issues, unfair practices, duty to create and maintain records and failure to provide records to an inspector.
- I. On June 21, 2022, the Supplier was issued an investigation Findings Letter in regards to BOS compliance issues and vehicle history disclosure.
- J. On Feb. 22, 2023, the Supplier was issued an investigation Findings Letter in regards to BOS compliance issues.

- K. On June 19, 2023, the Supplier was issued an investigation Findings Letter in regards to BOS compliance issues, selling over the advertised price, duty to create and maintain records, and unfair practices.
- L. On May 15, 2024, the Supplier was issued an investigation Findings Letter in regards to BOS compliance issues and the failure to disclose the mechanical condition of a vehicle.
- M. On May 23, 2024, the Supplier was issued an investigation Findings Letter in regards to BOS compliance issues and selling a vehicle over the advertised price.
- N. On Sept. 26, 2024, the Supplier was issued an investigation Findings Letter in regards to BOS compliance issues, advertising compliance issues, vehicle history disclosure, records keeping issues and failure to provide records to an inspector.

Summary of Investigations

The Application Report (see Schedule “A”) submitted to the Director was in relation to four AMVIC investigation case files as a result of four independent consumer complaints.

Case File 24-02-262

1. In February 2024, AMVIC received a complaint in relation to the mechanical condition of a vehicle the Supplier sold to a consumer. The investigator determined there was insufficient evidence to support the Supplier knew of the mechanical issue, however did identify compliance issues with the Suppliers documentation.
2. On Oct. 25, 2023, the consumer (“DA”) purchased a 2019 Nissan Pathfinder (the “Pathfinder”) from the Supplier. According to DA they noticed the check-engine light was on during their test drive. A salesperson of the Supplier advised DA and her husband it was a minor issue, and would be taken care of in a couple days. DA entered into the transaction with the Supplier to purchase the Pathfinder despite the check engine light being illuminated. Not long after the purchase of the Pathfinder DA took the vehicle back to the Supplier to deal with the check engine light. Eventually the Supplier suggested since they have a warranty they should take the Pathfinder to a Nissan dealership. The Nissan dealership advised that the Pathfinder needed a new transmission. DA was without an equivalent vehicle for her family for over a month while the Pathfinder was being repaired.
3. The AMVIC investigator spoke with DA and learned that:
 - She filled out a form online and the Supplier reached out to her.
 - The check engine light was on when her husband took the Pathfinder for a test drive.
 - The salesperson told her husband it was a minor issue and the Supplier would take care of it.
 - She purchased the Pathfinder and the check engine light came back on.
 - She was not provided any documents at the time of signing.
 - She was unaware of the etch product.
 - Cash back was added to the loan.
 - In January 2024, the Supplier suggested the Pathfinder be taken to a Nissan dealership as it was under warranty however, the warranty document provided by the Supplier was not recognized by the Nissan dealership.

- The Supplier took the Pathfinder to complete the required repairs. On March 25, 2024 DA was notified the Pathfinder was ready to be picked up. The check engine light was still on.
4. When reviewing documents acquired from the Supplier, the AMVIC investigator identified that:
- There was no documentation to support the Supplier disclosed the vehicle history as required under Section 31.1 of the ABR.
 - DA was charged \$199 for an etch product, however there was no corresponding contract to support DA received the etch product she paid for.
 - The BOS did not include the declaration that the Supplier provided DA a Mechanical Fitness Assessment (“MFA”) as required by Section 31.2(1)(u) of the ABR.
 - The consumer received cash back as part of the transaction, however there is no cash back indicated or itemized on the BOS.
5. On June 5, 2024 the AMVIC investigator spoke with Stephanie Christopoulos, for the Supplier who stated:
- The Pathfinder was purchased from a wholesale business.
 - The Out of Province Inspection (“OPI”) was not completed by the Supplier.
 - They provided DA a rental while they repaired the Pathfinder. The rental vehicle provided did not have seven seats as the rental company did not have one available.
 - DA’s husband did come to pick up the Pathfinder on March 27, 2024 and when the check engine light came back on, the Supplier took the Pathfinder back to continue to repair the vehicle.
 - The Supplier took the Pathfinder to another business (“SC”) for the timing chain on March 28, 2024.
 - At the time of the test drive, the check engine light was on and the Supplier thought it was a minor battery related issue but it was actually a transmission issue.
 - The Supplier reimbursed DA for the cost of the diagnosis at the Nissan dealership.
 - DA returned the rental vehicle on April 24, 2024.
 - The Pathfinder is currently at the Supplier’s business location and is operational.
 - There is no etch contract signed by DA.
 - She could not explain the warranty document an employee provided DA when they were at the Nissan dealership.
 - The cash back was included in the sale price of the Pathfinder.
 - She could not explain why DA did not receive any of the transaction documents at the time of signing.
6. In the Application Report (see Schedule “A”) the AMVIC investigator outlined a number of concerns in relation to the Supplier’s transaction with DA, which include:
- DA was charged \$199 for an etch product and did not know she had purchased the product and there is no signed contract for the etch product. The Supplier did not provide DA any documents in relation to this product to know how to utilize it.
 - The consumer paid for a warranty, “Financial Loss Membership (GAP) insurance” and “Road Hazard Tire & Wheel warranty” and was not provided any documentation to be aware of the

terms, conditions, coverage details or contact information to use or benefit from the products purchased.

- An employee of the Supplier created a false warranty document and provided it to the consumers when they took the Pathfinder to the Nissan dealership. The Nissan dealership did not recognize the warranty document and DA was unable to use the warranty she had paid for.
- The check engine light was misrepresented as a minor issue.
- The Supplier's BOS does not comply with Section 31.2 of the ABR; the declaration regarding the Supplier providing an MFA is missing and the cash back DA received is not itemized.
- The Supplier failed to comply with the Undertaking they previously entered into.

Supplier's Representations in relation to 24-02-262

7. After the AMVIC investigator put forward the evidence in relation to AMVIC investigation case file 24-02-262 and the alleged breaches, the Director sought some clarification from the Supplier and they advised the following:
 - The date on the MFA is an error, the consumer signed the MFA in 2023 when the Pathfinder was purchased, not in 2024.
 - The "ACCESSORIES" listed on the right side of the BOS is the cost of the "Financial Loss Membership (GAP) insurance".
 - DA does have an active warranty that can be used.
 - The etch product was registered and is active.
 - She could not explain why the email address listed on the "Xtended Auto Contract" is unknown@gmail.com. The email on the warranty contract should have been DA's email.
 - There is no documentation to support the salesperson's statement that the check engine light was a minor issue. The salesperson was not relying on anything when the statement was made to DA's husband.
8. The Supplier advised they have changed their business practices, including making sure that consumers are provided the documents at the time of signing. The Supplier further stated they now have consumers sign the etch contract and a copy is maintained in the deal jacket.
9. During the administrative review the Director brought forward additional deficiencies with the Supplier's MFA in this transaction, including the statement that the MFA expires 120 days after the date on which it was issued was missing as required by Section 15(1)(d) of the Vehicle Inspection Regulation ("VIR").

Case File 24-05-454

10. In May 2024, AMVIC received a complaint in relation to the mechanical condition of a vehicle the Supplier sold to a consumer. The investigator determined there was insufficient evidence to support the Supplier knew of the pre-existing engine issue, however did identify compliance issues with the Suppliers documentation.
11. On Oct. 6, 2023, the consumer ("KB") purchased a 2018 Dodge Ram 2500 (the "Ram") from the Supplier. According to KB on Oct. 10, 2023 the Supplier requested that she return to the business to

- sign the MFA. The next day the check engine light came on. KB took the Ram back to the Supplier on Oct. 12, 2023. When KB called the Supplier for an update, she was advised the Ram was going to be sent to a different automotive business ("CA") to work on the wiring harness. On Oct. 18, 2023, KB picked her truck up from the Supplier. On Nov. 14, 2023 the Ram was struggling to start. KB took the Ram back to the Supplier. At first the Supplier advised KB that the catalytic converter needed to be replaced, then the Supplier stated it was the manifold that needed to be replaced, not the catalytic converter.
12. On Nov. 22, 2023, KB contacted the Supplier for an update on the Ram and was told the Supplier had sent the Ram to a different automotive business for the repairs. KB went to the Supplier on Dec. 1, 2023 only to discover the dash was no longer working. KB left the Ram at the Supplier's business until Dec. 4, 2023 for the Supplier to repair the dash. After picking up the Ram on Dec. 4, 2023 the check engine light came back on. KB took the Ram to the Supplier and was advised the catalytic converter, power steering pump and spark plugs needed to be replaced. KB was not able to pick up the Ram until Feb. 21, 2024. The next day the check engine light came back on and KB was advised it was a communication issue with the system.
13. On March 21, 2024, the Ram *"completely misfired throwing itself into limp mode"*. KB immediately took the Ram to the Supplier. It was determined the *"connector latch bent to the transmission harness"*. On May 7, 2024, the check engine light came on again and KB took the Ram to the Supplier. The Supplier advised KB the Ram had an *"EVAP leak"* in the fuel system and a faulty fuel cap. Shortly after KB picked up the Ram the check engine light came on again.
14. On May 30, 2024, KB took the Ram to a different automotive business ("SD") for an inspection and was told the Ram had the wrong engine in it and that it was unsafe to drive the Ram.
15. When reviewing documents provided by both the Supplier and KB, the AMVIC investigator identified that:
- The Ram was purchased for \$44,667.
 - The Supplier charged KB a documentation fee of \$1,099.
 - According to the BOS, KB put a down payment of \$3,000 towards the purchase of the Ram.
 - The BOS did not include the declaration that the Supplier provided DA an MFA as required by Section 31.2(1)(u) of the ABR.
 - There was no documentation to support the Supplier disclosed the vehicle history as required under Section 31.1 of the ABR.
 - The MFA does not have the selling dealers name and address as required by Section 15(1)(c) of the VIR.
 - The Ram was advertised for \$34,991.
 - The advertisement for the Ram included a statement that the Ram was a *"FRESH TRADE!"*
16. The AMVIC investigator spoke with KB and learned that:
- KB did not put a \$3,000 down payment towards the purchase of the Ram.
 - She did not contact the warranty company regarding the issues with the Ram.
 - She did not receive a copy of the warranty contract and did not know she had a warranty.

- The salesperson listed on the BOS is not the person she dealt with, she has never heard the name listed on the BOS before.
 - She traded in her 2019 Ford Explorer and gave it to the Supplier. “Clean Start” was involved as part of the trade in (the “Clean Start” program was explained to the AMVIC investigator as stated below in paragraph 17).
 - The Supplier told her about “Clean Start”.
 - The Supplier registered the Ram for her.
17. On June 5, 2024 the AMVIC investigator spoke with Stephanie Christopoulos and Shawn Fennell, for the Supplier who stated:
- The Ram was purchased from a wholesale business on Sept. 25, 2023.
 - The Supplier did not complete the OPI.
 - KB’s Ford Explorer was not traded in to the Supplier as part of the transaction.
 - “Clean Start” does consumer proposals and consolidates debt into a payment plan. Consumers must reach out to “Clean Start” to initiate the process.
 - They could not explain why KB was not provided with transaction documents.
 - The salesperson is no longer employed with the Supplier.
 - KB did not put a \$3,000 down payment towards the purchase of the Ram.
 - The Supplier did not provide KB with the vehicle disclosure as required by Section 31.1 of the ABR because they did not know about this requirement.
 - The MFA was completed before the Supplier acquired the Ram. Normally they do their own MFA and would not use an MFA completed by another business.
 - They acknowledge they sold the Ram over the advertised price.
18. In the Application Report (see Schedule “A”) the AMVIC investigator outlined a number of concerns in relation to the Supplier’s transaction with KB, which include:
- KB was not provided documents at the time of signing.
 - KB did not know she purchased a warranty from the Supplier and she was not provided any documentation to be aware of the terms, conditions, coverage details or contact information to use or benefit from the warranty purchased.
 - The Supplier charged KB a total of \$8,163.75 over the advertised price for the Ram, when taking into account the fake down payment listed on the BOS. This is contrary to Section 11(2)(l) of the ABR.
 - The Ram was falsely advertised as a “FRESH TRADE!” which was not true, the Ram was purchased from a wholesale business. This is contrary to Section 11(2)(n) of the ABR.
 - The Supplier’s BOS does not comply with Section 31.2 of the ABR, the declaration regarding the Supplier providing an MFA is missing and the Supplier listed a fake down payment of \$3,000, which is not accurate.
 - The Supplier failed to comply with the Undertaking they previously entered into.
 - The MFA is missing the Supplier’s name and address as required by Section 15(1)(c) of the VIR.
19. The AMVIC investigator confirmed KB did use the “Clean Start” program and entered into consumer proposal.

Supplier's Representations in relation to 24-05-454

20. After the AMVIC investigator put forward the evidence in relation to AMVIC Investigation case file 24-05-454 and the alleged breaches, the Director sought some clarification from the Supplier and they advised the following:

- The Supplier has not reimbursed KB the amount she paid over the advertised price.
- The finance employee put a fake down payment on the BOS so KB could qualify for financing on the Ram. The Supplier's policy does not allow for this.
- A salesperson KB never interacted with is on the BOS because it was a sub-prime deal and in the sub-prime department one person would get the information and pass it to another person; this is no longer the process.
- The MFA was likely backdated when KB had to come back after the sale to sign the MFA.
- The Supplier no longer conducts business with the wholesale business that sold them the Ram.
- The sales team used to have more free range to advertise vehicles for sale.
- The OPI was completed by the wholesale business prior to the Supplier purchasing the Ram.
- The Supplier only tells people about the "Clean Start" program.
- She does not know how KB left the Ford Explorer on the Supplier's lot.
- The Supplier does not have an arrangement with the "Clean Start" program for people to leave their vehicles with the Supplier.
- The Supplier does not sell vehicles on behalf of the "Clean Start" program.

21. The Supplier advised they tried to fix the Ram and help the consumer.

Case File 24-06-074

22. In June 2024, AMVIC received a complaint in relation to the condition of the vehicle sold by the Supplier, the vehicle being sold with an existing lien, and the vehicle being sold and financed solely under the name of the parents who believed they were only co-signing for their son to purchase the vehicle.

23. On April 20, 2023, the Supplier sold a 2016 Mitsubishi RVR (the "RVR"). The Supplier completed two BOS', one in the name of the parents ("ST & LT") and one in the name of their son ("JT"). According to ST & LT they believed they had co-signed for JT to purchase the RVR. When the RVR was delivered the seat belt was non-functional, the right rear fender moulding was falling off, the second key promised by the Supplier was not provided and a fog light was non-functional. According to the complaint received by AMVIC it took approximately two months to get all the required repairs completed on the RVR. The only BOS provided by the Supplier listed JT as the purchaser however, the payment came out of the bank account of ST & LT, even though they had not given authorization for a direct debit to be taken from their bank account. When JT no longer wanted the RVR it was discovered that there was an existing lien on the RVR from before ST & LT purchased the RVR on April 20, 2023.

24. When reviewing documents provided by both the Supplier and ST & LT, the AMVIC investigator identified that:

- The BOS supplied by the Supplier lists ST & LT as the purchasers of the RVR.

- An etch product was purchased for \$199 however there was no corresponding contract to support ST & LT received the etch product they paid for.
- The salesperson registration number is not included on the BOS as required by Section 31.2(1)(d) of the ABR.
- There is a \$3,500 discrepancy on the BOS.
- There was no documentation to support the Supplier disclosed the vehicle history as required under Section 31.1 of the ABR.
- The MFA does not have the selling dealers name and address as required by Section 15(1)(c) of the VIR.
- The *"Financial Loss Membership (GAP) insurance"* was not itemized on the BOS.
- The Carfax provided to ST & LT has a *"lien record found"* alert.
- The credit application and conditional sales contract list ST & LT as the buyers however the account holder information lists JT's bank account information.
- The BOS provided by ST & LT lists JT as the purchaser of the RVR and lists a different salesperson than the BOS that indicates ST & LT as the purchasers, which was provided by the Supplier.

25. The AMVIC investigator completed additional queries in July 2024 and determined the following:

- There is only one lien reporting in relation to the RVR, which is for the loan held by ST & LT.
- The RVR is currently registered to LT and was previously registered to JT.
- The BOS used to register the RVR after it was purchased from the Supplier lists JT as the buyer.

26. The AMVIC investigator spoke with ST & LT and learned that:

- JT needed a co-signor to purchase a car due to his credit.
- The finance manager from the Supplier contacted them to complete a credit check.
- They understood they were only co-signing.
- The finance manager from the Supplier advised that they would be removed as co-signors after three months.
- The finance manager from the Supplier attended their home to have them sign *"a bunch of documents"*.
- The finance manager from the Supplier told them he required a void cheque in case JT *"renege on his payments"*.
- The finance manager from the Supplier said he would return in two days with their documents but he did not return.
- As of August 19, 2024 they still have not received the documents.
- The payments for the loan on the RVR were supposed to be taken out of JT's bank account.
- The payments for the loan on the RVR have been taken out their bank account.
- It took the Supplier three months to correct the issues with the condition of the RVR.
- They attended another automotive business and that is when they found out there was an existing lien on the RVR.
- The Supplier offered to pay \$11,000 to take the vehicle back. The loan payout was \$26,000.
- They did not read the documents they signed and took the finance manager's word that they were signing as co-signors.
- JT's bank account information is on the conditional sales contract.

- They did not give approval to debit their bank account.
- They want the Supplier to take back the RVR, refund the \$3,500 insurance and pay them the difference in the interest rate payments.
- They are willing to consider the Supplier's offer of taking back the RVR and paying out the loan.

27. The AMVIC investigator spoke with JT and learned that:

- He wanted an Audi the Supplier had advertised but was not able to get financing approved for the Audi.
- The Supplier told him he could get financing approved on the RVR.
- The Supplier told him his parent would need to co-sign for the loan and from there his parents handled the rest. His parents agreed to co-sign because the Supplier advised that after three months the loan would be in his name only.
- The finance manager from the Supplier came to his parent's house and he signed a BOS. The only document provided was the BOS he signed.
- On Nov. 4, 2023 he was emailed the warranty information.
- The finance manager from the Supplier suggested attending his parent's home to expedite the sale.
- He did not provide the Supplier a void cheque.

28. The AMVIC investigator confirmed the bank account information on the conditional sales contract signed by ST & LT was JT's bank account. The AMVIC investigator also confirmed the loan payments were debited from ST & LT's bank account.

29. On June 5, 2024 the AMVIC investigator spoke with Stephanie Christopoulos and Shawn Fennell, for the Supplier who stated:

- The lending institution changed ownership.
- The lending institution paid the lien out but it was not discharged. This has been resolved.
- JT's credit score was so low he could not get a loan, even with a strong co-signor.
- Attending someone's home is not common but not unheard of. Finance managers may do this to accommodate consumers.
- They could not explain why the BOS that lists JT as the buyer was not in the deal jacket.
- There was no etch contract in the deal jacket.
- They could not explain the \$3,500 discrepancy in the BOS that lists ST & LT as the buyers, their system automatically calculates the total.
- The BOS that lists ST & LT as the buyers would have been provided to the lending institution.
- They have put a process in place to address the issue of creating two BOS' and to ensure consumers receive their documents.
- The payment would be debited from ST & LT's account as they provided a voided cheque.
- They could not explain why there was no copy of the voided cheque on the deal jacket.
- They understand the conditional sales contract is incorrect and ST & LT cannot authorize payments to be debited from JT's bank account.
- The initial resolution offer was to buy back the RVR and payout the lien or trade the RVR in for another vehicle with no negative equity. The consumer stated they wanted an addition refund of \$3,500 and the additional monthly reimbursements.

- The initial resolution offer is no longer on the table. The Supplier requested to meet in person however the consumers did not respond.

30. On Oct. 18, 2024 the AMVIC investigator spoke with the finance manager involved in the transaction with Stephanie Christopoulos present. The finance manager stated:

- JT needed a vehicle but could not get approved for financing.
- After the sale of the RVR there were some issues with the RVR that were corrected.
- The transaction was done over the phone and he attended ST & LT's home to complete the paperwork. He does not recall the reason for going to the home in this transaction.
- He told ST & LT they were buying the RVR, not co-signing.
- ST & LT would agree to get involved in the purchase if JT got a practical vehicle.
- There was conflict between JT and his parents.
- The other salesperson was his partner and was involved in prepping paperwork. The salesperson likely signed the documents after the fact.
- He disputes the statement that he told ST & LT that after three months the loan could be put in JT's name.
- He cannot explain the \$3,500 discrepancy on the BOS in ST & LT's name.
- He does not recall asking for a void cheque from ST & LT.
- JT's bank account information likely carried over from when they did the initial credit application for JT.
- He completed the BOS in only JT's name for registration purposes and did not keep a copy in the deal jacket.
- The lending institution would have received the BOS with ST & LT as the buyers.
- He does not have verifiable authorization for the credit bureau pulled on ST, it was verbal authorization.
- He could not explain why ST & LT were not provided any documents.

31. In the Application Report (see Schedule "A") the AMVIC investigator outlined a number of concerns in relation to the Supplier's transaction with ST & LT and JT, which include:

- The Supplier created two BOS', one showing JT as the buyer and one showing ST & LT as the buyers. The only document that was provided to anyone at the time of signing was the BOS that was provided to JT and lists him as the buyer.
- ST & LT were not provided documents at the time of signing.
- ST & LT purchased warranty, "*Financial Loss Membership (GAP) insurance*" and an etch product and they were not provided any documentation to be aware of the terms, conditions, coverage details or contact information to use or benefit from the products purchased.
- An etch product was purchased for \$199 however there was no corresponding contract to support ST & LT received the etch product they paid for.
- The BOS that lists ST & LT as the purchasers has a \$3,500 discrepancy.
- The conditional sales contract information is not correct as it is completed in ST & LT's name yet lists JT's bank account information. ST & LT cannot authorize debit payments to be taken out of JT's bank account.
- The Supplier failed to comply with the Undertaking they previously entered into.

- The Supplier failed to maintain documents including the second BOS and the void cheque provided by ST & LT.
- The Supplier's BOS does not comply with Section 31.2 of the ABR, the declaration regarding the Supplier providing an MFA is missing.
- The "Financial Loss Membership (GAP) insurance" is not itemized on the BOS that indicates ST & LT as the buyers.

Supplier's Representations in relation to 24-06-074

32. After the AMVIC investigator put forward the evidence in relation to AMVIC investigation case file 24-06-074 and the alleged breaches, the Director sought some clarification from the Supplier and they advised the following:

- The etch product purchased by ST & LT was registered and is active.
- The Supplier would preload a voided cheque when they work on a pre-approval.
- The signed conditional sales contract does not need to be amended to have the correct banking information.

33. The Supplier advised that they have changed the process on how things are done. The finance manager had a lot of freedom and he is no longer employed with the Supplier.

Case File 24-07-054

34. In July 2024, AMVIC received a complaint in regards to the Supplier charging a consumer over the advertised price.

35. On Nov. 1, 2023, the consumer ("BU") purchased a 2019 Dodge Ram 1500 (the "Dodge") from the Supplier. According to BU the Dodge was advertised for \$44,991 plus the goods and services tax ("GST"), and the Supplier offered him \$34,000 for his trade-in, a 2014 Land Rover, which was enough to cover the existing loan on the trade-in. After signing the paperwork BU realized the Supplier charged him more than the advertised price for the Dodge. According to BU's complaint, he contacted the Supplier about being charged over the advertised price and was told this is "the way they were going to make money" and they would not refund BU the difference between the sale price and the advertised price.

36. When reviewing documents provided by both the Supplier and the BU, the AMVIC investigator identified that:

- The purchase price of the Dodge on the BOS is \$52,581.13.
- BU traded in a 2014 Land Rover.
- The trade in value is listed as \$34,000.
- The lien payout value is listed as \$34,000.
- The BOS did not include the declaration that the Supplier provided DA an MFA as required by Section 31.2(1)(u) of the ABR.
- There was no documentation to support the Supplier disclosed the vehicle history as required under Section 31.1 of the ABR.

- The 2014 Land Rover was appraised for a trade-in value of \$27,000.
- The Dodge was advertised for \$44,991.

37. The AMVIC investigator spoke with BU and learned that:

- It took several days to get financing, he spent hours at the Supplier's business location.
- When he finally got approved for financing the Supplier said they "*would put him in a program*" but he did not sign or agree to a program.
- The Supplier's employee told BU it took so long to get his financing approved because he was trying to make more money.
- He was told he was given \$34,000 for his trade-in and that there was no negative equity.
- He was not informed the trade-in vehicle was appraised at \$27,000.
- No one from the Supplier explained to him what the "*SAFETY & CONVENIENCE*" or the "*ETCH*" is and he does not know what the charges are for.
- He was only provided a BOS and the conditional sales contract, no other documentation was provided to him.

38. On Sept. 9, 2024 the AMVIC investigator spoke with Stephanie Christopoulos, for the Supplier who stated:

- The Supplier could not locate the advertisement for the Dodge.
- The "*SAFETY & CONVENIENCE*" indicated on the BOS is for "*Road Hazard Tire & Wheel*".
- The 2014 Land Rover that BU traded in was valued at \$27,000.
- She agreed BU was charged over the advertised price.
- She agreed to reimburse BU \$2,297.79.

39. The consumer confirmed on Nov. 3, 2024 that the Supplier had reimbursed him.

40. In the Application Report (see Schedule "**A**") the AMVIC investigator outlined a number of concerns in relation to the Supplier's transaction with BU, which include:

- BU purchased the "*Road Hazard Tire & Wheel*" warranty and an etch product and was not provided any documentation to be aware of the terms, conditions, coverage details or contact information to use or benefit from the products purchased.
- The Supplier did not tell BU that \$7,000 of negative equity was rolled into the purchase price of the Dodge.
- The Supplier charged BU a total of \$2,297.79 over the advertised price for the Dodge, taking into account the negative equity rolled into the transaction. This is contrary to Section 11(2)(l) of the ABR.
- The Supplier failed to comply with the Undertaking they previously entered into.
- The Supplier's BOS does not comply with Section 31.2 of the ABR, the declaration regarding the Supplier providing an MFA is missing, the Supplier's BOS is not accurate as it does not list the true value of the trade-in nor the negative equity rolled into the sale of the Dodge and misrepresents the purchase price of the Dodge.

Supplier's Representations in relation to 24-07-054

41. After the AMVIC investigator put forward the evidence in relation to AMVIC investigation case file 24-07-054 and the alleged breaches, the Director sought some clarification from the Supplier and they advised the following:

- The trade-in appraisal document includes a reconditioning cost which typically is to cover the cost of an inspection, the cost to clean the vehicle and a baseline amount to cover minor things that could be required such as replacing the windshield.
- The used car manager typically knows the market for each exact vehicle and conducts the appraisals with that knowledge in mind rather than relying solely on the Canadian Black Book listed values.

42. The Director sought additional clarification from the Supplier in relation to some of the issues that were present in more than one of the consumer complaints currently before the Director. The Supplier advised the following:

- The Supplier has changed how they complete a transaction. The Supplier now provides the consumers their documents right away and if there are any issues the consumer deals with the finance manager.
- The staff are aware not getting back to people is unacceptable.
- The BOS is properly itemized in their system.
- There has been a large staffing change.
- Compliance training was done with the staff.
- They have changed who they buy vehicles from and how they buy vehicles.
- The Supplier did not have processes or procedures in place before and management was not aware consumers were not receiving their documents.
- The Supplier now conducts a short "exit interview" with consumers before they leave the Supplier's business location.
- The floor managers now explain all products being sold to consumers and answer any questions consumers have to ensure they fully understand what they are purchasing.
- Two employees have been let go.
- The certificates get registered immediately now for any products sold and consumers get a copy of the certificate. The Supplier also retains a copy in the deal jacket.
- The Supplier now uses a vehicle disclosure list in addition to the Carfax to ensure the vehicle history is disclosed to the consumer.

43. The AMVIC investigator indicated the Supplier was cooperative throughout the investigations.

44. At the conclusion of the administrative review, the Supplier advised they had a lot to learn and have worked hard to straighten everything out and do the right thing. The Supplier further advised with the sale of the business they will now be part of an ownership group which will provide even more structure to the business operations.

45. The Proposed Administrative Penalty dated Feb. 14, 2025 was emailed to the Supplier on Feb. 14, 2025. The Proposed Administrative Penalty provided the Supplier an opportunity to make written

representations by March 18, 2025. The Supplier did not submit written representations in response to the Proposed Administrative Penalty.

Legislation

Automotive Business Regulation

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.

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

(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,

(n) does not use false, misleading or deceptive statements,

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.

Vehicle history information

Section 31.1

(1) A business operator engaged in automotive sales must disclose the following information in accordance with subsection (2), on the basis of information the business operator knew or ought to have known:

(a) whether the vehicle has been bought back by the manufacturer under the Canadian Motor Vehicle Arbitration Plan;

(b) whether the vehicle has sustained damage caused by fire;

(c) whether the vehicle has sustained damage caused by immersion in liquid to at least the level of the interior floorboards;

(d) whether the vehicle has been used as a police car or an emergency vehicle;

(e) whether the vehicle has been used as a taxi cab or a limousine;

(f) whether the vehicle has been previously owned by a rental vehicle business or used as a rental vehicle on a daily or other short-term basis;

(g) whether the vehicle has, at any time, been assigned a status in one of the following categories under the Vehicle Inspection Regulation (AR 211/2006) or an equivalent status under the laws of another jurisdiction:

- (i) salvage motor vehicle;
- (ii) non-repairable motor vehicle;
- (iii) unsafe motor vehicle;
- (h) whether the vehicle has been damaged in an incident or collision where the total cost of repairs fixing the damage exceeded \$3000 and, if the repairs were carried out by the business operator, the total cost of the repairs;
- (i) whether the vehicle was registered in any jurisdiction other than Alberta immediately before it was acquired by the business operator and, if so,
 - (i) the name of the jurisdiction in which the vehicle was previously registered,
 - (ii) whether the vehicle was required to be inspected prior to registration in Alberta, and
 - (iii) whether the vehicle passed or failed any required inspections.
- (2)** The business operator must disclose the information required under subsection (1) in a clear and legible manner
 - (a) in any online advertisement for the vehicle,
 - (b) on any sales tag affixed to the vehicle, and
 - (c) in writing to the consumer before purchase.

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.

Receipt of information

Section 31.3

A business operator engaged in automotive sales must not enter into a bill of sale with a consumer unless the business operator has obtained written confirmation from the consumer that the consumer has received the information required under section 31.1.

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.

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

(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.

(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;

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.

Non-compliance with orders, etc.

Section 163

Any person who

- (d) fails to comply with an undertaking under this Act contravenes this Act and is guilty of an offence.

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 CPA, ABR and VIR?

The material which formed the Application Report was the result of four consumer complaints received by AMVIC, case files 24-02-262, 24-05-454, 24-06-074 and 24-07-054.

A. Mislead and Deceive (CPA Section 6(4)(a))

Case file 24-02-262

During the test drive of the Pathfinder the check engine light was on. The Supplier's salesperson advised DA's husband that the check engine light was a minor issue and it would be taken care of in a couple days. The Supplier's salesperson made this statement to DA's husband with no supporting evidence that the issue with the Pathfinder was minor. DA relied on this statement when making the decision to purchase the Pathfinder. The Pathfinder required extensive repairs including a new transmission which took months to repair, leaving DA without a vehicle large enough to accommodate her family for an extended period of time.

The Supplier is vicariously liable for the acts and omissions of their employees if those acts or omissions occurred in the course of their employment with the Supplier. In this case, the Supplier's salesperson represented the issue with the Pathfinder as a minor issue that would be quickly taken care of, when the salesperson had no factual basis to make that claim. The issue with the Pathfinder required major repairs and took months to complete.

The investigation determined there was insufficient evidence to support the Supplier was aware of the required repairs on the Pathfinder. However, by the Supplier's salesperson making the statements as described above with no factual basis, they misled DA regarding the issue causing the Pathfinder's check engine light to be on. On a balance of probabilities, the Director finds that the Supplier misled DA during the course of the transaction to purchase the Pathfinder.

Case File 24-06-074

JT attended the Supplier as he wanted to purchase an Audi he saw advertised by the Supplier. While he was at the Supplier's business location he was advised he could not get financing approved for the Audi but the Supplier could get financing approved for the RVR. Based on the complaint received by AMVIC, ST & LT, JT's parents, were told JT would require a co-signor to get approval for a loan. ST & LT agreed to co-sign for JT to get the RVR and allege they were advised by the finance manager that after three months their name would no longer be on the loan.

A finance manager from the Supplier attended their home with documents to sign and according to ST & LT he requested they provide a void cheque in the event that JT did not make the payments on the RVR. ST & LT admitted they did not read the documents they were signing and trusted the finance manager. ST & LT did not receive any documents at the time of signing and the finance manager never returned to provide them the transaction documents. The only document received by JT at that time was a BOS in solely his name, which was used to register the RVR.

The RVR was purchased on April 20, 2023. In May of 2023, ST & LT noticed the loan payments were being taken out of their bank account, when they were supposed to be taken out of JT's bank account. The

conditional sales contract does not have their bank account information but rather the bank account information of JT.

The AMVIC investigator spoke to JT who confirmed he believed his parents were co-signing the loan for him, the BOS he received only had his name on it. JT also confirmed his parents only agreed to co-sign for the RVR because they were told after three months the loan for the RVR would be in JT's name only.

On Oct. 18, 2024, the AMVIC investigator spoke to the finance manager who completed the transaction for the RVR with ST & LT. According to the finance manager from the Supplier, due to JT's credit score they could not get financing approved for him even with a strong co-signor. The finance manager stated he told ST & LT they were purchasing the RVR for JT, not co-signing and he disputes telling ST & LT that the loan could be put in JT's name after three months.

While the finance manager for the Supplier stated he told ST & LT they would be purchasing the RVR and disputes that he advised ST & LT their names would be removed from the loan after three months, there is no evidence to support his claims. ST & LT asserted in their discussion with the AMVIC investigator they did not read the documents that were brought to their house and trusted the finance manager. The AMVIC investigator spoke to ST & LT and JT on separate occasions and JT's statement to the AMVIC investigator supports the statements of ST & LT. In addition, the Supplier did not give ST & LT any documentation that demonstrated they purchased the RVR after they signed the documents. The finance manager promised to return with the paperwork but did not follow through. On Aug. 19, 2024, when the AMVIC investigator met with ST & LT they still did not have any of the documents in relation to the transaction with the Supplier. Further, JT did receive a BOS from the Supplier with only his name as the buyer, which was used to register the RVR.

Based on the current evidence available, on a balance of probabilities, the Director finds that the Supplier misled ST & LT during the course of the transaction to purchase the RVR.

Case File 24-07-054

BU attended the Supplier's business location interested in purchasing the Dodge he had seen advertised for \$44,991. BU alleged in his consumer complaint that after he initially attended the Supplier it took several days to get approved for financing and he spent several hours at the Supplier's business.

During the course of the transaction, BU alleged that he was advised by the salesperson that he was receiving \$34,000 for his trade-in vehicle which would cover the remaining balance on the loan and therefore he would not have any negative equity go into the new financing for the Dodge.

The Supplier's BOS lists the trade-in value given to BU for his 2014 Land Rover as \$34,000 and lists the same amount estimated as remaining on the loan of the trade-in vehicle. After BU concluded the transaction with the Supplier to purchase the Dodge he noticed the purchase price on the BOS was significantly higher than what the Dodge was advertised for.

On Aug. 27, 2024 the AMVIC investigator spoke with BU who confirmed he was never told he was only receiving \$27,000 for his trade-in vehicle. The Supplier misrepresented not only the amount BU was receiving for his trade-in but they also misrepresented the purchase price of the Dodge on the BOS to hide

the negative equity. The Supplier's BOS supports BU's claim that he was told he was receiving \$34,000 for his trade-in and that he would not have any negative equity in the new transaction for the Dodge.

On a balance of probabilities, the Director finds that the Supplier misled BU during the course of the transaction to purchase the Dodge.

B. Advertising using false, misleading or deceptive statements (ABR Section 11(2)(n))

Case File 24-05-454

The Supplier advertised the Ram as a "FRESH TRADE!" on their website. During the course of the investigation, it was determined the Supplier purchased the Ram from a wholesale business. The Ram did not come into the Supplier's possession through a consumer transaction on trade but rather it was purchased from a wholesale business, therefore this advertisement included a false and misleading statement.

During the administrative review, the Director asked the Supplier what "FRESH TRADE!" meant in their advertisement. The Supplier did not answer specifically but advised that at the time a used car manager would email the sales team when there was a new vehicle on the lot and the sales team would advertise it was a fresh trade. The Supplier further advised the sales team had more free range to advertise vehicles for sale at that time.

Suppliers must ensure that every advertisement for an automotive business that promotes the use or purchase of goods or services does not use false, misleading or deceptive statements as per Section 11(2)(n) of the ABR. In the opinion of the Director the Supplier's advertisement of the Ram included a false and misleading statement, and therefore the Supplier has breached Section 11(2)(n) of the ABR.

C. Selling over the Advertised Price (ABR Section 11(2)(l))

Prices advertised must include all fees the seller intends to charge. The only fee that can be added to the advertised price is the 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.

Case File 24-05-454

On Oct. 6, 2023, the Ram was advertised for sale by the Supplier for \$34,991. KB purchased the Ram on Oct. 6, 2023 from the Supplier and the BOS indicates the Supplier sold KB the Ram for \$44,667 plus additional fees as outlined below:

Sale price overcharge	\$9,676.00	(\$44,667 - \$34,997)
Documentation fee	+ 1,099.00	
Sub total	\$10,775.00	
Additional GST paid	+ 538.75	
Total	\$11,313.75	

The BOS also listed a down payment of \$3,000, however KB did not put a down payment towards the purchase of the Ram. When taking into consideration of the fake down payment listed on the BOS, KB paid **\$8,163.75** over the advertised price, this includes factoring in the difference in GST that would apply to the sale.

During the administrative review, the Supplier stated that their finance staff put fake down payments on the paperwork in order to get consumers approved for financing on false pretenses however, their policy does not allow this. The Supplier advised they had not refunded KB the \$8,163.75 she was charged over the advertised price.

Based on the evidence, on a balance of probabilities, the Director finds the Supplier failed to comply with all-in pricing legislation in relation to this transaction and therefore breached Section 11(2)(l) of the ABR.

Case File 24-07-054

On Oct. 31, 2023, the Dodge was advertised for sale by the Supplier for \$44,991. BU purchased the Dodge on Nov. 1, 2023 from the Supplier and the BOS indicates the Supplier sold BU the Dodge for \$52,581.13 plus additional fees. Taking into account the Supplier misrepresenting the purchase price of the Dodge to hide \$7,000 of negative equity, BU was charged over the advertised price as outlined below:

Sale price overcharge	\$590.13	(\$52,581.13 - \$44,991 - \$7,000)
Documentation fee	1,500.00	
Etch	+ 98.25	
Sub total	\$2,188.38	
Additional GST paid	+ 109.41	
Total	\$2,297.79	

The Supplier charged BU **\$2,297.79** over the advertised price. After meeting with the AMVIC investigator, the Supplier agreed to refund BU the amount he was overcharged. On Nov. 3, 2024, BU confirmed the Supplier had refunded him \$2,297.79.

Based on the evidence, on a balance of probabilities, the Director finds the Supplier failed to comply with all-in pricing legislation in relation to this transaction and therefore breached Section 11(2)(l) of the ABR.

D. Non-compliant BOS (ABR Section 31.2(1)(2))

On Oct. 31, 2018, amended 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 amended 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.

The Supplier's BOS and the fact they were not maintaining accurate business records was discussed during the administrative review held on Jan. 8, 2020, addressed in the Supplier's voluntary Undertaking dated April 8, 2020 and in the Administrative Penalty assessed against the Supplier dated May 21, 2020.

On Sept. 22, 2020 the Supplier was sent an inspection Findings Letter based on an inspection that took place on Sept. 14, 2020. The Findings Letter addressed a number of shortcomings and deficiencies including the Supplier's BOS. The Findings Letter included the entire legislative section in relation to the BOS requirements for the Supplier's reference.

On Feb. 22, 2023, an investigation Findings Letter was sent to the Supplier relating to BOS issues and appropriate legislation was provided. On June 19, 2023, an investigation Findings Letter was sent to the Supplier that addressed BOS concerns.

In reviewing the documents in relation to all four consumer transactions (case files 24-02-262, 24-05-454, 24-06-074 and 24-07-054), all of the Supplier's BOS' reviewed did not include a statement that an MFA has been issued under the VIR contrary to the requirement of Section 31.2(1)(u) of the ABR.

Case file 24-02-262

In the transaction to purchase the Pathfinder, DA received cash back. The BOS in relation to the sale of the Pathfinder does not indicate or itemize DA received cash back as part of the transaction. Section 31.2(1)(r) of the ABR requires that the Supplier use a BOS that includes an itemized list of any items or inducements that the Supplier agrees to provide with the vehicle at no extra charge.

The cash back was added to the purchase price of the Pathfinder meaning DA financed the money she received as cash back. To the Director's knowledge the Supplier provided the cash back to DA at no extra charge to DA. It is reasonable to believe that being able to receive cash back as part of the transaction to purchase a vehicle is an inducement to complete a transaction.

In the opinion of the Director, by failing to itemize the cash back DA received as part of the transaction, the Supplier breached Section 31.2(1)(r) of the ABR.

Case File 24-05-454

The BOS in relation to the sale of the Ram to KB included a \$3,000 down payment. KB did not put a \$3,000 down payment towards the purchase of the Ram. The Supplier listed a fake down payment and inflated the purchase price to offset the fake down payment to obtain financing for KB.

Section 31.2(1)(n) of the ABR requires the Supplier to use a BOS that includes the down payment or deposit paid by the consumer, if any, and the balance remaining to be paid. The Supplier included a fake down payment that was not paid by the consumer. There should have been no down payment included on the BOS as the consumer did not put a down payment towards the purchase. This further created inaccurate records in relation to this transaction, which is discussed below.

In the opinion of the Director, by including a fake down payment that was not paid by the consumer, the Supplier breached Section 31.2(1)(n) of the ABR.

Case File 24-06-074

The Supplier's BOS in relation to the sale of the RVR to ST & LT did not itemize the cost of the "Financial Loss Membership (GAP) insurance" that was sold to the ST & LT in connection with the RVR at the time of the sale as required by Section 31.2(1)(j) of the ABR. ST & LT did however pay for the "Financial Loss Membership (GAP) insurance" as there was a \$3,500 discrepancy in the amount ST & LT paid for the RVR on the BOS, which is equivalent to the cost of the "Financial Loss Membership (GAP) insurance".

By failing to itemize the cost of the "Financial Loss Membership (GAP) insurance" on the BOS, in the opinion of the Director, the Supplier has breached Section 31.2(1)(j) of the ABR.

The BOS selling the RVR to ST & LT is missing the salesperson registration number of the salesperson acting on behalf of the Supplier as required by Section 31.2(1)(d) of the ABR.

Case File 24-07-054

On Nov. 1, 2023, BU traded in his 2014 Land Rover and purchased the Dodge from the Supplier. The BOS in relation to the sale of the Dodge lists the 2014 Land Rover as a trade-in and indicates there is approximately \$34,000 remaining on the loan. In addition, the BOS indicates the Supplier is paying BU a trade-in allowance of \$34,000 for the 2014 Land Rover, the same amount as the remaining loan. Based on the BOS BU would have no balance from the outstanding loan on the 2014 Land Rover to be incorporated into the cost of purchase of the Dodge.

In reviewing the other documentation in relation to this transaction it was determined that the Supplier did not pay BU \$34,000 for the 2014 Land Rover he traded in, they paid him \$27,000. The Supplier then inflated the purchase price of the Dodge on the BOS to hide the negative equity, or outstanding balance on the loan.

The Supplier is required to use a BOS that includes the value of the trade-in allowance incorporated into the cost of purchase of the vehicle and the balance of any outstanding loan that is incorporated into the cost of purchase of the vehicle. The Supplier listed the value of the trade-in allowance of the 2014 Land Rover as \$34,000, when it in fact was \$27,000. In addition, the Supplier failed to include the balance of the outstanding loan on the 2014 Land Rover that is incorporated into the cost of purchase of the Dodge and instead misrepresented the purchase price of the Dodge to hide the balance of the outstanding loan.

The Supplier created an inaccurate document that does not represent the true nature of the transaction that occurred as outlined above and in doing so, in the opinion of the Director, breached Sections 31.2(1)(o)(ii) and 31.2(1)(p) of the ABR.

E. MFA Compliance Issues (15(1) VIR)/General Code of Conduct (12(o) ABR)

The MFA is required as per Section 15(1) 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.

Case file 24-02-262

The Supplier's MFA in relation to this transaction did not include the statement that the MFA expires 120 days after the date on which it was issued as required by Section 15(1)(d) of the VIR.

In the opinion of the Director, based on the evidence, the Supplier breached Section 15(1)(d) of the VIR.

Case File 24-05-454

AMVIC received a consumer complaint from KB in relation to the purchase of the Ram on Oct. 6, 2023. In KB's complaint she alleged that on Oct. 10, 2023, four days after she purchased the Ram, the Supplier contacted her to bring the Ram back as the MFA had not been completed. KB stated that she signed the MFA on Oct. 10, 2023.

The MFA is completed by a technician who certified and signed the MFA, however the date listed on the MFA is Sept. 23, 2023 and the date the consumer signed the MFA is listed as the same day she purchased the Ram, Oct. 6, 2023.

During the administrative review, when asked about this discrepancy between KB's account of events and the dates on the MFA, the Supplier stated KB is likely accurate. In which case, KB was not provided an MFA prior to entering into the transaction to purchase the Ram as required by Section 15 of the VIR.

The MFA does not have the selling dealers name and address as required by Section 15(1)(c) of the VIR.

Based on the evidence, on a balance of probabilities, the Director finds the Supplier has breached Section 15(1) of the VIR and Section 12(o) of the ABR.

F. Failure to Create and Maintain Records (CPA Section 132(1)/ABR Section 9)

Section 132(1) of the CPA sets out the requirement for all business operators to create and maintain complete and accurate records, and other records and documents described in the regulations. Section 9 of the ABR further requires 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.

In reviewing the evidence, the issues found with the Supplier's records show that they have failed to maintain accurate records. The Supplier did not create accurate BOS' in relation to all four consumer transactions.

Three of the four consumers who submitted complaints to AMVIC paid for an etch product. The Supplier did not maintain the documents in relation to this product in all three instances. The etch documents were created while carrying on the activities authorized by the Supplier's AMVIC licence and therefore they must be maintained by the Supplier for a period of three years in accordance with the legislation.

Case File 24-02-262

The BOS did not itemize or indicate the cash back being provided to DA, the Supplier added the cash back to the purchase price of the Pathfinder. The Supplier misrepresented the purchase price of the Pathfinder and in doing so created an inaccurate BOS that did not reflect the true financial nature of the transaction.

When the Pathfinder's check engine light persisted, the Supplier advised DA and her husband that they had a warranty on the Pathfinder and suggested they take it to a Nissan dealership. The Supplier had not provided DA with the warranty documents. When DA's husband took the Pathfinder to the Nissan dealership he requested the warranty documents. The Supplier did not provide him with the signed warranty documents in relation to the transaction, but instead created a new, unsigned document and sent that to DA's husband. The Nissan dealership did not recognize the warranty document supplied to DA's husband. In addition, the Supplier did not maintain this new warranty document they created and sent to DA's husband.

Case File 24-05-454

The Supplier's BOS indicated KB made a \$3,000 down payment towards the purchase of the Ram, when in fact KB did not put a down payment towards the purchase of the Ram. The Supplier then inflated the purchase price by the same amount to offset the fake down payment listed on the BOS. The Supplier created an inaccurate BOS that did not reflect the true financial nature of the transaction.

Case File 24-06-074

The Supplier created two BOS' in relation to this transaction. One BOS lists the buyers of the RVR as ST & LT and the second BOS lists JT as the buyer of the RVR. The Supplier created a fake BOS in JT's name, which was used to register the RVR and the Supplier did not maintain it for their records. The Supplier created the BOS that lists JT as the buyer while carrying on the activities authorized by their AMVIC licence and therefore they must maintain it in their records.

The BOS that lists ST & LT as the buyers of the RVR has a \$3,500 discrepancy in the price that is not accounted for on the BOS. The unaccounted-for discrepancy was explained to be the cost of the "*Financial Loss Membership (GAP) insurance*", however "*Financial Loss Membership (GAP) insurance*" is not itemized on the BOS. The Supplier's BOS is therefore financially inaccurate as the costs and fees listed on the BOS do not add up to the total amount ST & LT paid for the RVR.

The conditional sales contract created in the course of this transaction that lists ST & LT as the buyers of the RVR listed the bank account information of JT. When ST & LT signed the conditional sales contract, they authorized the automatic debit for the loan to come out of JT's bank account however, since their names are not on JT's bank account they did not have the authority to authorize the automatic debit for the loan from his account. The Supplier created an inaccurate conditional sales contract, which is a financial document created while carrying on the activities authorized by their AMVIC licence.

ST & LT provided the Supplier with a voided cheque as requested by the Supplier however, the Supplier did not maintain a copy of the voided cheque. The cheque was received by the Supplier while carrying on the activities authorized by their AMVIC licence.

Case File 24-07-054

The BOS in relation to the sale of the Dodge to BU lists the 2014 Land Rover as a trade-in and indicates there is approximately \$34,000 remaining on the loan. In addition, the BOS indicates the Supplier is paying BU \$34,000 for the 2014 Land Rover. In reviewing the other documentation in relation to this transaction it was determined the Supplier only paid BU \$27,000 for 2014 Land Rover he traded in, therefore leaving a \$7,000 outstanding balance on the loan. The Supplier then inflated the purchase price of the Dodge on the BOS to hide the \$7,000 in negative equity, or outstanding balance on the loan.

The Supplier misrepresented the trade-in allowance of the 2014 Land Rover, misrepresented the purchase price of the Dodge and did not indicate there was an outstanding balance on the loan being incorporated into the purchase of the Dodge. The Supplier created an inaccurate BOS that did not reflect the true financial nature of the transaction

During the administrative review, the Supplier indicated they have made many changes and have done compliance training with their staff in efforts to ensure their records are in compliance with the legislation, however did not provide evidence to the Director to support their claims.

Record keeping is an incredibly important part of running a business within a regulated industry. Failure to keep proper records is an “*extremely serious contravention*” of the CPA. A recent Service Alberta Appeal Board rendered a decision (attached as Schedule “B”) regarding the importance of record keeping as a member of a regulated industry. Paragraph 152 of the Service Alberta Appeal Board decision states:

The Board finds that there is a need for general deterrence as well, such that other members of the industry understand that failure to keep proper records is an extremely serious contravention of the act, and a business practise that puts the public at risk. The sanction must be sufficient to communicate this seriousness to the industry at large.

The seriousness of the contravention is further supported in the Administrative Penalties (*Consumer Protection Act*) Regulation, in which Section 2(5) of the regulation states the contravention of the record keeping legislation in the CPA (Section 132) has a maximum penalty amount of \$25,000 per contravention. This is the highest amount indicated for a contravention in the Administrative Penalties (*Consumer Protection Act*) Regulation.

Administrative Penalties (*Consumer Protection Act*) Regulation

Amount of administrative penalty

Section 2

(5) The maximum administrative penalty that may be imposed for a contravention of section 132 of the Act is \$25 000 for each contravention.

Creating and maintaining accurate records is the best way for the Supplier to demonstrate that they have complied with the legislation in the course of a transaction or potential transaction. On a balance of probabilities, the Director finds that the Supplier failed to maintain accurate records and has contravened Section 132(1) of the CPA and Section 9 of the ABR.

G. Breach of Undertaking

On April 8, 2020, the Supplier voluntarily agreed to enter into an Undertaking. The Supplier agreed to

- "1. The Supplier acknowledges that it failed to comply with certain provisions of the CPA and ABR, and undertakes to the Director that the Supplier will make every effort to ensure that all future transactions are completed in accordance with the CPA and its related regulations.*
- 2. The Supplier undertakes to maintain accurate business records and ensure they do not over charge consumers or make representations or exaggerations of a price benefit or advantage when they do not exist, which is misleading to the consumer.*
- 3. The Supplier will review their current BOS and ensure their form as well as the completion of the form meet the legislative requirements as set out in Section 31.2 (1) and (2) of the ABR.*
- 4. To ensure that the Supplier is in full compliance with the CPA and its related regulations, the Supplier agrees to assist AMVIC with an inspection to take place between **May 1, 2020 and Aug. 31, 2020.***
- 5. The Supplier has agreed to reimburse the complainant the sum of \$13,406.03, which represents restitution amounts to remedy the anomalies in the sales transaction (\$9,566.46 the amount of discount misrepresented to the consumer; \$1,725 the difference for the trade in value, \$1,000 the difference in the higher amount charged for the documentation fee; \$500 to replace or reimburse the running boards and rubber floor mats that were not transitioned over; and \$614.57 the additional GST cost savings). Such payment can be made by cheque or money order made payable to Lawson, Glod, Mahoney in trust to the complainant within 30 days of entering into this Undertaking. Lawson, Glod, Mahoney will facilitate the transaction and provide AMVIC with confirmation that complainant has received the restitution payment."*

The Supplier agreed to ensure their BOS meets the legislative requirements as set out in Section 31.2 of the ABR as outlined in paragraph four above. In relation to all four consumer transactions (case files 24-02-262, 24-05-454, 24-06-074 and 24-07-054) the Supplier's BOS did not include a statement that an MFA has been issued under the VIR contrary to Section 31.2(1)(u) of the ABR. In addition, the BOS' in relation to each case file have various issues that do not comply with Section 31.2 of the ABR. The Supplier therefore failed to comply with the voluntarily agreed upon Undertaking.

In accordance with paragraph two of the Undertaking the Supplier undertook to maintain accurate business records. In relation to all four consumer transactions (case files 24-02-262, 24-05-454, 24-06-074 and 24-07-054) the Supplier did not maintain **accurate** business records. The Supplier's BOS in relation to all four transactions were not accurate and did not reflect the true nature of the transaction.

On a balance of probabilities, the Director finds that the Supplier has breached their agreed upon voluntary Undertaking and has contravened Section 163(d) of the CPA.

G. Other Considerations

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 their decision to ensure what level of enforcement is appropriate to the contravention.

The Supplier has been subject to the following enforcement actions:

- 2014 – Undertaking for advertising issues.
- 2016 – Administrative Penalty for advertising issues in the amount of \$1,000.
- 2020 – Undertaking in which Supplier agreed to comply with the CPA and ABR, maintain accurate business records and ensure their BOS meets legislative requirements.
- 2020 – Administrative Penalty in the amount of \$4,500 for unfair practices.
- 2023 – Administrative Penalty in the amount of \$6,000 for unfair practices, a non-compliant BOS, and failing to create and maintain records.

The Director considered other enforcement actions however, given the Supplier has sold the business and Dave Lamont is no longer the owner, other potential enforcement actions are not available to the Director.

The Supplier has been provided education in the form of an industry standards inspection Findings Letter, investigation Findings Letters, previous administrative reviews held and has been subject to multiple administrative enforcement actions however, they continued to engage in non-compliant business practices.

The Director acknowledges the Supplier's representations during the administrative review that they have made extensive changes to bring their business practices into compliance. It is the Supplier's responsibility to ensure their paperwork conforms with the legislation that governs the automotive industry.

The Director is concerned that all four consumers who complained to AMVIC independently made statements that they did not receive the paperwork in relation to their transaction with the Supplier and that they were unaware of the products they purchased, and therefore would be unable to utilize these products such as etch, warranty and "Financial Loss Membership (GAP) insurance".

Based on the education previously provided to the Supplier, the administrative enforcement history of the Supplier and the evidence regarding the current matter, in the opinion of the Director, the previous education and enforcement have not resulted in the Supplier bringing their business practices into compliance with the legislation that governs the automotive industry. 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.

There exists an onus on the Supplier to do their due diligence and ensure they are complying with the law. As stated in 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.

A recent Service Alberta and Red Tape Reduction Appeal Board rendered a decision (attached as Schedule “C”) regarding the importance of the legislation that regulates the automotive industry as well as the importance of the members within the regulated industry to operate within the regulatory framework. Paragraph 39 of the Service Alberta and Red Tape Reduction Appeal Board decision states:

“Regulations are not merely a formality. They exist to protect consumers and fulfil the mandate of the CPA as described in its preamble.” [Paragraph 39.b.]

“...it is [the Supplier’s] responsibility to be compliant with regulations at all times.” [Paragraph 39.c.]

“...regulations are not optional, they serve an important social purpose”. [Paragraph 39.d.]

Further, the Service Alberta and Red Tape Reduction Appeal Board decision (see Schedule “C”) 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]

In reviewing all the evidence and determining the contraventions of the legislation, in the opinion of the Director, the Supplier’s business practices have continued to fall short of what is expected of a business in the automotive industry. A recent Service Alberta Appeal Board rendered a decision (attached as Schedule “D”) and addressed the onus and responsibility of salespeople and suppliers. The appeal panel at paragraph 91 stated:

“At the same time, we recognize that AMVIC is not there to hold a party’s hand through the administrative process. Nor is it there to train applicants in terms of being administratively efficient. AMVIC is there to protect the public. The onus is on salespersons and car dealerships to remain current with AMVIC and to comply with the regulatory framework in place at any given time.”

The Supplier misled three consumers during their transactions, used a non-compliant BOS in all four transactions, used a false and misleading statement in the advertisement of the Ram, charged two consumers over the advertised price, two transactions had non-compliant MFAs, the Supplier failed to create and maintain accurate records, and the Supplier breached their agreed upon voluntary Undertaking. The Supplier’s actions as outlined above leverages the Supplier’s knowledge, and does not foster a level playing field between the consumer and the Supplier which eliminates the consumer’s ability to make an informed purchasing decision. It further concerns the Director that the Supplier, despite the education and administrative enforcement actions, continued to breach the legislation, to the detriment of consumers.

The aggravating factors in this matter include the resulting impact adversely affecting the consumers, the continued non-compliance with the rather straightforward requirements of the legislation despite multiple attempts to educate the Supplier, the previous administrative enforcement actions and breaching the agreed upon voluntary Undertaking.

The mitigating factor in this matter include the Supplier reimbursing BU for the amount he was charged over the advertised price, the Supplier's efforts to rectify the mechanical issues of the vehicles sold and the Supplier's representations in relation to the actions they have taken to bring their business practices into compliance. In addition, the Director took into consideration that the Supplier has sold the business.

This Administrative Penalty is taking into account the number and seriousness of the contraventions of the legislation found during the four investigations; the cost of investigating the Supplier's activities; the aggravating and mitigating factors listed above; and the continued non-compliant business practices despite education and enforcement.

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. This is based on my opinion Renfrew Chrysler Inc. has contravened Sections 6(4)(a), 132(1) and 163(d) of the CPA, Sections 9, 11(2)(l), 11(2)(n), 12(o) and 31.2 of the ABR, and Section 15(1) of the VIR.

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 **\$17,500**.

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 the above listed aggravating and mitigating facts as well as:

1. The Supplier's history of non-compliance;
2. The seriousness of the contraventions or failure to comply;
3. The degree of wilfulness or negligence in the contravention or failure to comply;
4. The harm on the persons adversely affected by the contraventions or failure to comply;
5. The maximum penalty under Section 158.1(3) of the CPA of \$100,000; and
6. The deterrent effect of the penalty.

The amount of the Administrative Penalty is \$17,500.

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 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)
Katie Lockton, Deputy Registrar
Director of Fair Trading (as Delegated)

KL/ks

Encl.

cc: [REDACTED] Senior Manager of Investigations, AMVIC