

July 10, 2025

Administrative Review – 24-06-011

Served via email: [REDACTED]

Administrative Penalty

FRASERWAY RV GP LTD.
o/a FRASERWAY RV LIMITED PARTNERSHIP
536 KINGSVIEW WAY SE
AIRDRIE, AB
T4A 0B3

Attention: Vanessa Epp

Dear Vanessa Epp:

**Re: Fraserway RV GP Ltd. operating as Fraserway RV Limited Partnership
– Provincial Automotive Business Licence No. B1022456**

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.

Facts

The evidence before me in relation to this matter consists of the material contained in an Alberta Motor Vehicle Industry Council (“AMVIC”) industry standards department application report (the “Application Report”) prepared by an industry standards officer (“ISO”) and the manager of industry standards. A copy of the Application Report is attached as Schedule “A” to this letter. The Supplier provided written representations via email dated July 9, 2025 (attached as Schedule “B”), in response to the Proposed Administrative Penalty, which I have also taken into consideration.

Licensee Status

Fraserway RV GP Ltd. o/a Fraserway RV Limited Partnership (the “Supplier”) holds an automotive business licence and is licensed to carry on the designated business activities of new and used sales, agent or broker, service station, specialty service, consignment and wholesale sales in the Province of Alberta.

Direct communications with the Supplier and its representatives

1. On Nov. 22, 2016, a routine AMVIC industry standards inspection was completed at the business location of the Supplier. A Findings Letter outlining the inspection findings was completed and sent to the Supplier on Nov. 29, 2016. The Findings Letter outlined some concerns including but not limited to:

- a) Advertising issues contrary to requirements in Section 11 of the Automotive Business Regulation ("ABR").
 - b) Various issues with the completion of and/or disclosure of Mechanical Fitness Assessments ("MFAs") contrary to Section 15(1) of the Vehicle Inspection Regulation ("VIR").
 - c) Issues with consignment agreements which did not meet the legislative requirements and terms contrary to the applicable sections in the ABR.
2. On March 6, 2019, a followup AMVIC industry standards inspection was completed on the Supplier. A Findings Letter outlining the inspection findings was completed and sent to the Supplier on April 9, 2019. The Findings Letter outlined some concerns including but not limited to:
 - a) The Supplier was found to be engaging in wholesale sales without the required AMVIC business licence contrary to Section 104(1) of the CPA and Section 3(7) of the ABR.
 - b) Advertising issues contrary to requirements in Section 11 of the ABR.
 - c) Issues with the completion of and/or disclosure MFAs contrary to Section 15(1) of the VIR.
 - d) Some of the bills of sale ("BOS") that were reviewed in the deal jackets had issues contrary to Section 31.2 of the ABR.
 - e) In one deal jacket reviewed the Supplier failed to disclose the relevant vehicle history information contrary to Section 31.1 of the ABR.
3. On Oct. 17, 2023, a followup AMVIC industry standards inspection was completed on the Supplier. A Findings Letter outlining the inspection findings was completed and sent to the Supplier on Oct. 20, 2023. The Findings Letter outlined some concerns including but not limited to:
 - a) Advertising issues contrary to requirements found in Section 11 of the ABR.
 - b) Issues with the completion of and/or disclosure of MFAs contrary to Section 15(1) of the VIR.
 - c) Some of the BOS' that were reviewed in the deal jackets had issues contrary to Section 31.2 of the ABR.
 - d) The Supplier was found to be engaging in wholesale sales without the required AMVIC business licence contrary to Section 104(1) of the CPA and Section 3(7) of the ABR.
 - e) Discrepancy in information provided by a consumer in comparison to the information relayed to a financial institution in two credit applications in which the income had been inflated contrary to Section 6 of the CPA.

On Oct. 24, 2023, the Supplier was issued a Warning Letter as a result of the findings identified in the Oct. 17, 2023 inspection.

4. On May 29, 2024, a followup AMVIC industry standards inspection was completed on the Supplier. A Findings Letter outlining the inspection findings was completed and sent to the

Supplier on June 10, 2024. The Findings Letter outlined some concerns including but not limited to:

- a) Advertising issues contrary to requirements found in Section 11 of the ABR.
 - b) During the inspection, six deals were reviewed by the ISO and compared with an advertisement and of those six deals, three did not reflect all-in pricing contrary to Section 11(2)(l) of the ABR.
 - c) Some of the BOS' that were reviewed in the deal jackets had issues contrary to Section 31.2 of the ABR.
5. Selling a vehicle over the advertised price was found in one of the four AMVIC industry standards inspections, based on the Findings Letters provided to the Supplier following each AMVIC industry standards inspection.
6. The Proposed Administrative Penalty dated June 9, 2025 was served to the Supplier on June 10, 2025. The Proposed Administrative Penalty provided the Supplier an opportunity to make written representations by July 10, 2025. The Supplier provided written representations on July 9, 2025, in response to the Proposed Administrative Penalty (see Schedule "B"). The Supplier's response to the Proposed Administrative Penalty was fulsome and provided details of all actions they have taken to ensure compliance with the legislation moving forward.

Applicable Legislation

Automotive Business Regulation

Advertising

Section 11

- (2) A business operator must ensure that every advertisement for an automotive business that promotes the use or purchase of goods or services
- (d) uses descriptions and makes promises only in accordance with actual conditions, situations and circumstances,
 - (l) includes in the advertised price for any vehicle the total cost of the vehicle, including, but not limited to, all fees and charges such as the cost of accessories, optional equipment physically attached to the vehicle, transportation charges and any applicable taxes or administration fees, but not including GST or costs and charges associated with financing, and
 - (n) does not use false, misleading or deceptive statements, and

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.

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.

Administrative Penalties**Notice of administrative penalty****Section 158.1**

- (1) If the Director is of the opinion that a person
 - (a) has contravened a provision of this Act or the regulations, or
 - (b) has failed to comply with a term or condition of a licence issued under this Act or the regulations,the Director may, by notice in writing given to the person, require the person to pay to the Crown an administrative penalty in the amount set out in the notice.
- (2) Where a contravention or a failure to comply continues for more than one day, the amount set out in the notice of administrative penalty under subsection (1) may include a daily amount for each day or part of a day on which the contravention or non-compliance occurs or continues.
- (3) The amount of an administrative penalty, including any daily amounts referred to in subsection (2), must not exceed \$100 000.
- (4) Subject to subsection (5), a notice of administrative penalty shall not be given more than 3 years after the day on which the contravention or non-compliance occurred.
- (5) Where the contravention or non-compliance occurred in the course of a consumer transaction or an attempt to enter into a consumer transaction, a notice of administrative penalty may be given within 3 years after the day on which the consumer first knew or ought to have known of the contravention or non-compliance but not more than 8 years after the day on which the contravention or non-compliance occurred.

Right to make representations**Section 158.2**

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

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

Vicarious liability**Section 166**

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

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

Analysis – Did the Supplier fail to comply with the provisions of the ABR?

A routine AMVIC industry standards inspection was completed on Nov. 22, 2016. The inspection findings were discussed with the Supplier and a Findings Letter was emailed to the Supplier on Nov. 29, 2016.

Two subsequent AMVIC industry standards inspections were completed in 2019 and 2023. As a result of each inspection, a Findings Letter was completed and provided to the Supplier after each inspection providing education to the Supplier. The Supplier was issued a Warning Letter dated Oct. 24, 2023 as a result of the findings identified in the Oct. 17, 2023 inspection.

On May 29, 2024, a fourth AMVIC industry standards inspection was completed on the Supplier. A Findings Letter outlining the inspection findings was completed and sent to the Supplier on June 10, 2024. Based on the facts outlined in the Application Report and supporting documents (see Schedule "A"), I will be considering the alleged breaches from the 2024 AMVIC industry standards inspection.

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

During the May 29, 2024 inspection, the ISO found three recreational vehicles ("RVs") were sold above the advertised price. Prices advertised must include all fees the seller intends to charge. The only fee that can be added to the advertised price is the goods and services tax ("GST") and costs associated with financing as per Section 11(2)(l) of the ABR. Pre-installed products such as batteries and anti-theft must be included in the advertised price. Destination fees, documentation fees, the AMVIC levy and tire recycling levy must be included in the advertised price. In three consumer transactions the Supplier derived an economic benefit of **\$1,266** at the cost of the consumers.

- Stock No. 79490 was sold over the advertised price by \$416;
- Stock No. 78677A was sold over the advertised price by \$425; and
- Stock No. 60644 was sold over the advertised price by \$425.

The application report on page two, states six retail sales files were reviewed with an advertisement to compare against the documents in the sales files and three RVs were sold over the advertised price contrary to Section 11(2)(l) of the ABR.

The Supplier was provided the legislation and educated in relation to all-in pricing during the 2016 and 2019 industry standards inspections.

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

B. Advertising Concerns (11(2)(d) and 11(2)(n) ABR)

On the Supplier's website (see Schedule "A"; Exhibit 10) it states:

"Prices are in Canadian funds and do not include applicable taxes and safety and environmental fee. Prices listed includes dealer preparation, freight to dealership, installed options, and other applicable charges. Contact dealership for details".

The disclaimer uses descriptions and promises that are false and misleading contrary to Section 11(2)(d) and 11(2)(n) as the Supplier is required to adhere to all-in pricing legislation in Section 11(2)(l) of the ABR. The Supplier's website indicating that their prices do not include *"..do not include applicable taxes and safety and environmental fee"* is inaccurate as the Supplier is required to include all costs except the GST and costs associated with financing in their advertised price. The average consumer is not knowledgeable on the legislation that governs the automotive industry and would not know that this statement is not true. The business practice of having disclaimer statements on their website that are not in line with the legislative requirements communicate to consumers that the Supplier's advertised price does not need to include certain costs, which is not accurate. The use of a disclaimer, such as the one outlined above, is misleading to consumers. It misleads consumers to believe the Supplier can tell them the advertised price is not the price of the vehicle and the Supplier will add costs that do not fall within 11(2)(l) of the ABR. This potentially puts consumers into a transaction where they are paying over the advertised price because they do not understand the legislative requirements the Supplier must adhere to. The disclaimer misleads the consumer to believe the Supplier can and does do this in their transactions with consumers based on their advertising.

In their written representations (see Schedule "B"), the Supplier indicated they have updated their website to state *"advertised prices include all fees and charges except GST and financing costs"* to bring their website disclaimer into compliance with the legislation.

As a Supplier, you are vicariously liable for all of your advertising. Using disclaimers do not exempt or absolve the Supplier's responsibility of adhering to legislative requirements.

The Director finds that on a balance of probabilities, the Supplier has breached Sections 11(2)(d) and 11(2)(n) of the ABR.

C. Bill of Sale Issues (31.2 ABR)

On Oct. 31, 2018, legislation was put into effect with regards to BOS requirements. Between Sept. 25, 2018 and Nov. 6, 2018, AMVIC sent out a number of industry bulletins, updated the AMVIC website with information regarding the legislative amendments, sent multiple bulletins to inform the industry and the public regarding the changes, updated social media regularly, sent out a special edition of the IMPACT

newsletter to the industry regarding the legislative changes and all AMVIC employees had an email signature attached to staff emails regarding the legislative changes. These are just a few of the initiatives that AMVIC took to ensure all licensees were advised of the legislative changes that were coming into effect on Oct. 31, 2018 regarding the BOS.

In reviewing the documentation before me, relating to the most recent inspection conducted on May 29, 2024, it is noted that the Supplier continues to not comply with the rather straightforward legislation when completing their BOS despite having been inspected and educated only one year earlier. Three of the four inspections conducted on the Supplier were after the legislative changes to BOS requirements and all three found compliance concerns with the Supplier's BOS.

The bills of sale reviewed were found to be incomplete in a number of instances:

- Six BOS' (see Schedule "A"; Exhibits 11-16) were missing the consumer's government-issued identification number as required by Section 31.2(1)(b) of the ABR.
- Seven BOS' (see Schedule "A"; Exhibits 17-23) were missing the salesperson registration number as required by Section 31.2(1)(d) of the ABR.
- 22 BOS' (see Schedule "A"; Exhibits 24-46) were missing the date the BOS was entered into as required by Section 31.2(1)(h) of the ABR. In reviewing the documents currently before the Director, the BOS' found in Exhibits 27 and 32 are the same BOS. Therefore, while there are 23 exhibits listed (Exhibits 24-46) the Director only finds 22 BOS' were missing the date the BOS was entered into.
- Eight BOS' failed to list the color of the RV (see Schedule "A"; Exhibits 47-55) as required by Section 31.2(1)(f) of the ABR. In reviewing the documents currently before the Director, the BOS' found in Exhibits 48 and 51 are the same BOS. Therefore, while there are nine exhibits listed (Exhibits 47-55) the Director only finds 8 BOS' were missing the date the BOS was entered into.
- Five BOS' do not identify whether the RVs sold were new or used (see Schedule "A"; Exhibits 57-61) as required by Section 31.2(1)(t) of the ABR.
- The BOS for Stock No. 70266 (see Schedule "A"; Exhibit 62) lists a trade-in vehicle and some details are provided however, the odometer reading is missing. The trade-in vehicle listed is a motorhome and therefore has an odometer, which is required to be included as per Section 31.2(1)(o) of the ABR.
- Five BOS' (see Schedule "A"; Exhibits 63-67) are missing the business licence number of the operator as per Section 31.2(1)(c) of the ABR

In addition, Stock No. 60644 (see Schedule "A"; Exhibits 56) lists a delivery date of the RV before the date the BOS was entered into, which is ambiguous. The BOS contains a list of the four locations of the Supplier which includes the AMVIC business licence numbers, and there is a check box to mark which location the RV was purchased from. However the location is not checked off on these five bills of sale and there is no AMVIC business licence number listed to demonstrate which location sold the RVs. Further, all the BOS' that are currently before the Director that do contain an AMVIC business licence number, state the AMVIC licence number of a different Fraserway location (Lacombe County AMVIC business licence B1043745), not the Airdrie location where the inspection took place. While the industry standards Findings Letter does not address this, in reviewing the documents contained in the Application Report (see Schedule "A") the Director noted this compliance issue.

In accordance with Section 166 of the CPA, the Supplier is vicariously liable for all records created and maintained by an employee or agent acting on behalf of the Supplier in the course of completing the Supplier's delegated business activities.

In their July 9, 2025 written representations (see Schedule "B") the Supplier advised:

"2. Bill of Sales (BOS) Accuracy

We have adopted a standardized Alberta Bill of Sale checklist to be used at all dealerships. Every deal will be reviewed by dealership administration or the Finance & Sales manager (FSM) prior to completion to ensure compliance with Section 31.2 of the ABR.

Alberta purchase agreement forms have been updated to include the required AMVIC verbiage regarding restrictions, limitations, and conditions."

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

D. Other Considerations

In addition to the individual education AMVIC provided the Supplier in the form of the Findings Letters provided after each AMVIC industry standards inspection, AMVIC has issued industry bulletins and newsletters over the past two years explaining advertising regulations to educate the automotive industry as a whole. As a licensed member of the automotive industry, the Supplier would have received the AMVIC industry bulletins and newsletters and in the opinion of the Director, is expected to have reviewed these education bulletins and newsletters to ensure their business practices are in compliance.

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

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

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

The Supplier's response to the Proposed Administrative Penalty (see Schedule "B") was fulsome and provided details of all actions they have taken to ensure compliance with the legislation moving forward. The Supplier indicated they have committed resources dedicated to *"training, process improvement, and compliance monitoring."*

The aggravating factors in this matter include the resulting financial impact adversely affecting the consumer due to paying over the advertised price, in three transactions the Supplier derived an economic benefit of **\$1,266** and continued non-compliance with the rather straightforward requirements of the legislation despite education provided to the Supplier.

The mitigating factors in this matter are the extensive changes the Supplier has implemented to ensure they are in compliance with the legislation.

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

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

Action

In accordance with Section 158.1(a) of the CPA and based on the above facts, I am requiring that Fraserway RV GP Ltd. o/a Fraserway RV Limited Partnership pay an Administrative Penalty. This is based on my opinion that Fraserway RV GP Ltd. o/a Fraserway RV Limited Partnership has contravened Sections 11(2)(d), 11(2)(l), 11(2)(n) and 31.2(1) of the ABR.

Taking into consideration all the evidence currently before the Director, the amount of the Administrative Penalty is **\$3,500**.

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

1. The harm on the persons adversely affected by the contraventions or failure to comply;
2. The economic benefit derived from the contraventions or failure to comply;
3. Administrative Penalties issued in similar circumstances;
4. The maximum penalty under Section 158.1(3) of the CPA of \$100,000; and
5. The deterrent effect of the penalty.

The amount of the Administrative Penalty is \$3,500.

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)
Gerald Gervais, Registrar
Director of Fair Trading (as Delegated)

GG/kl
Encl.

cc: Roxanne S█████, Manager of Industry Standards, AMVIC