

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

THIS **UNDERTAKING** is made pursuant to Section 152 of the *Consumer Protection Act*.

BY: 2146088 ALBERTA LTD.
o/a NORTH EDMONTON KIA
in the City of Edmonton, in the Province of Alberta
(hereinafter called the "Supplier")

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

WHEREAS:

- A. At the time of the complaint, the Supplier was licensed by the Alberta Motor Vehicle Industry Council ("AMVIC") to carry on the automotive business activity of new and used sales, garage, leasing, specialty service, service station, agent or broker and wholesale sales in the Province of Alberta.
- B. An administrative review was held on July 15, 2025 at approximately 1:30 p.m. via teleconference call. Participating in the administrative review were Bob Aaltonen, dealer principal for the Supplier, Kurt Hering, chief financial officer for the Supplier; [REDACTED], AMVIC investigator; [REDACTED], manager of investigations north; and G. Gervais, Director of Fair Trading (as delegated).
- C. AMVIC received a consumer complaint in March 2025 (case file 25-03-134) relating to the purchase of a 2025 Kia Sportage (the "Sportage") from the Supplier on Feb. 21, 2025 by a consumer ("EG").
- D. On Feb. 21, 2025, the day of the transaction, the Sportage was advertised for \$39,987 and the advertisement stated "*Price does not include taxes and licensing fees*". When signing the documents to complete the transaction, EG was told by the salesperson he also had to pay for the block heater, mud guards, nitrogen in the tires, wheel locks and all weather mats as they were installed on the vehicle, so he agreed to pay the \$2,499 plus the goods and services tax ("GST") when he was presented with this information, known as the "*North Edmonton Kia Assurance Package*" (the "NEK package"). The AMVIC investigation determined that the NEK package had already been installed on the Sportage on Feb. 6, 2025, well in advance of EG's purchase and the advertisement of the Sportage. EG had not been given an option to decline the purchase of these items at the time of the sale and the advertisement was silent in regards to the NEK package. Based on the evidence before me, the Supplier has breached Section 11(2)(l) of the ABR.

**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

(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

- E. When EG was speaking with the salesperson for the Supplier, he informed the salesperson that another Supplier had offered him the same vehicle for \$600 less. EG was advised by the salesperson that the Supplier would match the price. The AMVIC investigation revealed that the Supplier did not discount the price by \$600. As the Supplier did not discount the price as they indicated they would, in the opinion of the Director, the Supplier misled or deceived the consumer by making this statement. In addition, the investigation determined the Sportage came equipped with mud guards from the factory and the other optional accessories had already been installed on the Sportage prior to EG's transaction with the Supplier. The Supplier advising EG he had to purchase the NEK package for the already installed equipment on the Sportage is a misleading practice. The evidence supports that there has been a breach of Section 6(4)(a) of the CPA.

Consumer Protection Act

Unfair practices

Section 6

(4) Without limiting subsections (2) and (3), the following are unfair practices if they are directed at one or more consumers or potential consumers:

- (a) a supplier's doing or saying anything that might reasonably deceive or mislead a consumer;

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.

- F. In advance of the scheduled administrative review, the Supplier provided detailed representations and supporting documentation regarding the steps they have taken to improve their level of compliance since 2023. In addition, they provided steps they have taken as a result of the findings of a recent AMVIC industry standards inspection conducted in May 2025. The steps the Supplier has taken include but are not limited to:

- Termination of numerous employees and the recruitment and hiring of several key management positions.
- Implementation of new compliance oversight measures and strategies.
- Creation of compliance checklists and improvements to existing processes.
- The recent hiring of a full time Compliance Officer and engaging a third party to conduct regular compliance audits.

- On-going training for all staff.
- G. In the Supplier's written representations in advance of the scheduled administrative review, they stated *"The actions our team took that led to this violation and the misunderstandings (on their part) concerning how these actions violate the Automotive Business Regulation certainly prove that there is further work to be done on our part to truly respect and comply with the regulation."*
- H. During the administrative review, the Supplier took responsibility for their actions. The Supplier acknowledged the general conduct described in the AMVIC investigation and regrets engaging in the aforementioned activity.

NOW THEREFORE THIS UNDERTAKING WITNESSES THAT:

1. The Supplier acknowledges and admits that it failed to comply with the provisions of the CPA and ABR, and undertakes to the Director that the Supplier will make every effort to ensure that it does not engage in acts or practices similar to those described above.
2. The Supplier will undertake to ensure that they do not mislead or deceive a consumer as per Section 6(4)(a) of the CPA.
3. The Supplier will undertake to ensure they will not charge a consumer over the advertised price in accordance with Section 11(2)(l) of the ABR. The Supplier acknowledges that the cost of any equipment affixed to the vehicle must be included in the advertised price.
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 industry standards inspection which will take place before **Jan. 31, 2026**.
5. The Supplier will reimburse the consumer, EG directly with a cheque or money order in the amount of **\$3,223.95** (\$2,499 plus GST + \$600) which represents the cost of the NEK package and the price savings discount promised within **thirty (30) days** from the date of signing the Undertaking. The Supplier will provide AMVIC with a copy of the cheque or any other document which demonstrates that EG was reimbursed.
6. The investigation costs in completing this investigation will be waived.
7. This Undertaking will remain in force,

Unless:

- a. Terminated by the Director or varied with the consent of the Supplier;
- b. Varied by an Order of the Judge of the Court of King's Bench where the Judge is satisfied that the circumstances warrant varying the provisions of the Undertaking; or
- c. Terminated by an Order of the Judge of the Court of King's Bench where the Judge is satisfied that the act or practice that the Supplier has undertaken to refrain from engaging in was not unfair; however, in any such case, the termination or variance does not invalidate anything done under this Undertaking prior to termination or variance.

8. The Supplier acknowledges the Director may, upon breach of any term of the Undertaking, institute such proceedings and take such action under the *Consumer Protection Act* as they may consider necessary.
9. The Supplier acknowledges this Undertaking is a public document and will be maintained in the public record by the Director of Fair Trading (as delegated) as required by Section 157.1 of the *Consumer Protection Act*.
10. The Supplier acknowledges that they were advised by AMVIC and are aware that they are entitled to seek independent professional advice regarding the signing of this Undertaking, and the Supplier acknowledges they are entering into this Undertaking voluntarily.

IN WITNESS WHEREOF the Supplier, has on the 28 day of July, 2025.

2146099 Alberta Ltd. o/a North Edmonton Kia

PER: "original signed by"
Bob AALTONEN
Dealer Principal

ACCEPTED by the Director of Fair Trading on the 12 day of August, 2025

PER: "original signed by"
Gerald Gervais
Director of Fair Trading
(as delegated)