

August 19, 2025

Administrative Review – 25-03-007
Served Personally

Administrative Penalty

2220330 ALBERTA LTD.
o/a WEST SIDE MITSUBISHI
10152 - 179 STREET
EDMONTON, AB
T5S 1S1

Attention: Amedeo Palazzo

Dear Amedeo Palazzo:

**Re: 2220330 Alberta Ltd. operating as West Side Mitsubishi
– Provincial Automotive Business Licence No. B2031790**

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.

Licensee Status

2220330 Alberta Ltd. operating as West Side Mitsubishi (the “Supplier”) holds an automotive business licence and is licensed to carry on the designated business activities of new and used sales, garage, leasing, agent or broker and wholesale sales in the Province of Alberta.

Direct communications with the Supplier and its representatives

1. On Oct. 13, 2021, a routine AMVIC industry standards inspection was completed on the Supplier. This inspection was conducted over the phone. A Findings Letter outlining the inspection findings was completed and sent to the Supplier on Oct. 18, 2021. The Findings Letter stated the inspection took place on Aug. 5, 2021, however in the Application Report (see

Schedule "A") it states that this was a typographical error. 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") and Section 6 of the Cost of Credit Disclosure Regulation ("COC").
 - b) During the inspection, four deal jackets reviewed by the ISO did not reflect all-in pricing and were sold over the advertised price contrary to Section 11(2)(l) of the ABR.
 - c) Various issues with the completion of and/or disclosure of Mechanical Fitness Assessments ("MFAs") contrary to Sections 15 and 16 of the Vehicle Inspection Regulation ("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.
2. On Feb. 9, 2023, a followup AMVIC industry standards inspection was completed on the Supplier. This inspection focused specifically on the Supplier's advertising and compliance with all-in pricing legislation. The inspection conducted on Feb. 9, 2023 was therefore not comprehensive in nature and as such, not all documentation or business practices were reviewed in comparison to the previous comprehensive inspection conducted in 2021. A Findings Letter outlining the inspection findings was completed and sent to the Supplier on Feb. 23, 2023. The Findings Letter outlined the following concerns:
 - a) During the inspection, 13 deals were reviewed by the ISO and of those 13 deals, 10 did not reflect all-in pricing contrary to Section 11(2)(l) of the ABR.
 - b) During the inspection, one vehicle that had been sold was still being advertised for sale on the Supplier's website after more than 14 days had elapsed contrary to Section 11(2)(o) of the ABR.
3. As a result of the Feb. 9, 2023 inspection, an Administrative Penalty of \$15,000 was assessed on the Supplier on July 18, 2023.
4. On March 21, 2024, a follow-up 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 15, 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 and Section 6 of the COC.
 - b) During the inspection, two deal jackets reviewed by the ISO did not reflect all-in pricing and were sold over the advertised price contrary to Section 11(2)(l) of the ABR.
 - c) One salesperson designated to act on behalf of the Supplier to sell vehicles did not have the required salesperson registration contrary to Section 20.1 of the ABR.
 - d) Some of the BOS that were reviewed in the deal jackets had issues contrary to Section 31.2 of the ABR.
 - e) Issues with the completion of and/or disclosure of MFAs contrary to Section 15 of the VIR.

5. As a result of the March 21, 2024 inspection, a Warning Letter was emailed to the Supplier on April 15, 2024.
6. On Jan. 14, 2025, a follow-up AMVIC industry standards inspection was completed on the Supplier. A Findings Letter outlining the inspection findings was completed and sent to the Supplier on Jan. 29, 2025. The Findings Letter outlined some concerns including but not limited to:
 - a) Advertising issues contrary to requirements found in Section 11 of the ABR, Section 6 of the COC and Section 76 of the CPA.
 - b) During the inspection, 16 deals were reviewed by the ISO and compared with an advertisement and of those 16 deals, seven did not reflect all-in pricing contrary to Section 11(2)(l) of the ABR.
 - c) One salesperson was selling vehicles on behalf of the Supplier without being designated to act on behalf of the Supplier contrary to Section 20.1 of the ABR.
 - d) Some of the BOS that were reviewed in the deal jackets had issues contrary to Section 31.2 of the ABR.
 - e) Various issues with the completion of and/or disclosure of MFAs contrary to Sections 15 and 16 of the VIR.
 - f) Unfair practices by the Supplier contrary to Section 6 of the CPA.
7. Selling vehicles over the advertised price was found in all four of the AMVIC inspections, based on the Findings Letters provided to the Supplier following each AMVIC industry standards inspection.
8. The Proposed Administrative Penalty dated July 15, 2025 was served to the Supplier on July 16, 2025. The Proposed Administrative Penalty provided the Supplier an opportunity to make written representations by August 15, 2025. The Supplier did not submit written representations in response to the Proposed Administrative Penalty.

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
- (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

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.

Acting on behalf of business operator**Section 20.1**

No business operator may allow a salesperson to act on the business operator's behalf unless

- (a) the salesperson is registered for the class of licence held by the business operator, and
- (b) the business operator authorizes the salesperson to act on its behalf.

Bill of sale**Section 31.2**

(1) A business operator engaged in automotive sales must use a bill of sale that includes the following:

- (a) the name and address of the consumer;
- (b) the number of the government-issued identification that the business operator uses to confirm the identity of the consumer;
- (c) the name, business address and licence number of the business operator;
- (d) if a salesperson is acting on behalf of the business operator, the name and registration number of the salesperson;
- (e) the make, model and model year of the vehicle;
- (f) the colour and body type of the vehicle;
- (g) the vehicle identification number of the vehicle;
- (h) the date that the bill of sale is entered into;
- (i) the date that the vehicle is to be delivered to the consumer;
- (j) an itemized list of all applicable fees and charges the consumer is to pay, including, without limitation:
 - (i) charges for transportation of the vehicle;
 - (ii) fees for inspections;
 - (iii) fees for licensing;
 - (iv) charges for warranties;
 - (v) taxes or levies, including GST;
- (k) the timing for payment by the consumer of the fees and charges under clause (j);
- (l) an itemized list of the costs of all extra equipment and options sold to the consumer in connection with the vehicle or installed on the vehicle at the time of sale;
- (m) the total cost of the vehicle, which must include the fees, charges and costs listed under clauses (j) and (l);
- (n) the down payment or deposit paid by the consumer, if any, and the balance remaining to be paid;
- (o) if the consumer is trading in another vehicle to the business operator in connection with the purchase of the vehicle,

- (i) information about the vehicle being traded in, and
 - (ii) the value of the trade-in allowance incorporated into the cost of purchase of the vehicle;
 - (p) the balance of any outstanding loan that is incorporated into the cost of purchase of the vehicle;
 - (q) if, in connection with the purchase of the vehicle, the business operator enters into a credit agreement with the consumer or arranges a credit agreement for the consumer, the disclosure statement required under Part 9 of the Act;
 - (r) an itemized list of any items or inducements the business operator agrees to provide with the vehicle at no extra charge;
 - (s) the odometer reading of the vehicle at the time the bill of sale is entered into, if the vehicle has an odometer and the odometer reading is available to the business operator;
 - (t) the maximum odometer reading of the vehicle at the time of delivery to the consumer if the vehicle has an odometer and
 - (i) the odometer reading is not available to the business operator at the time the bill of sale is entered into, or
 - (ii) the vehicle is a new, specifically identified vehicle;
 - (u) any mechanical fitness assessment that has been issued under the Vehicle Inspection Regulation (AR 211/2006);
 - (v) any disclosure statement or documentation respecting a vehicle's previous use, history or condition, including disclosure statements or documentation required under the laws of another jurisdiction;
 - (w) a declaration that the business operator has disclosed to the consumer the information required under section 31.1.
- (2)** the business operator must ensure that all restrictions, limitations, and conditions imposed on the consumer under the bill of sale are stated in a clear and comprehensible manner.

Cost of Credit Disclosure Regulation

Fixed Credit Advertisements

Section 6

- (1)** This section applies only to advertisements that offer credit and state the interest rate or amount of any payment.
- (2)** The information required to be disclosed for the purposes of section 76(1) of the Act is
- (a) the APR, and
 - (b) the term.
- (3)** In addition to the information required under subsection (2),
- (a) an advertisement for a credit sale of a specifically identified product must disclose the cash price, and
 - (b) an advertisement for a credit sale in connection with which any non-interest finance charge would be payable must disclose
 - (i) the cash price, and
 - (ii) the total cost of credit,

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

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

Vehicle Inspection Regulation

Sale of out of province motor vehicle

Section 14

A person shall not sell a motor vehicle that is an out of province motor vehicle unless, before the sale,

- (a) the person provides the buyer with a subsisting out of province motor vehicle inspection certificate for the motor vehicle, or
- (b) the person provides the buyer with a written statement advising that the motor vehicle is an out of province motor vehicle for which there is no subsisting out of province motor vehicle inspection certificate.

Sale of used motor vehicle

Section 15

(1) Subject to subsection (2), a dealer in used motor vehicles shall, before entering into a contract to sell a motor vehicle, give to the buyer a used motor vehicle mechanical fitness assessment that contains the following:

- (a) a statement identifying the type of motor vehicle as a truck, motorcycle, bus, van, light truck, automobile or other type of motor vehicle;
- (b) a statement showing the make, model, year, vehicle identification number, odometer reading in kilometres or miles, licence plate number and province of registration of the vehicle;
- (c) the name and address of the dealer selling the vehicle and the name of the technician who issued the mechanical fitness assessment;
- (d) a statement that the mechanical fitness assessment expires 120 days after the date on which it was issued;
- (e) a statement certifying that at the time of sale the motor vehicle
 - (i) complies with the Vehicle Equipment Regulation (AR 122/2009), or
 - (ii) does not comply with the Vehicle Equipment Regulation (AR 122/2009) and containing a description of the items of equipment that are missing or do not comply with the Vehicle Equipment Regulation (AR 122/2009);
- (f) the signature of the technician who conducted the mechanical fitness assessment;
- (g) the date the mechanical fitness assessment was issued.

Expiry of mechanical fitness assessment

Section 16

A dealer's mechanical fitness assessment provided under section 15(1) for a used motor vehicle expires 120 days after the date on which it was issued.

Consumer Protection Act**Interpretation of documents****Section 4**

If a consumer and a supplier enter into a consumer transaction, or an individual enters into a contract with a licensee and the licensee agrees to supply something to the individual in the normal course of the licensee's business, and

- (a) all or any part of the transaction or contract is evidenced by a document provided by the supplier or licensee, and
- (b) a provision of the document is ambiguous,

the provision must be interpreted against the supplier or licensee, as the case may be.

Advertising for fixed credit**Section 76**

(1) Every advertisement that offers credit and that states the interest rate or amount of any payment must disclose the information provided by the regulations.

(2) An advertisement that states or implies that no interest is payable for a certain period in respect of a transaction must, in the form and manner referred to in the regulations, disclose the information prescribed by the regulations.

(3) An advertisement to which subsection (2) applies that does not, in the form and manner referred to in the regulations, disclose the information required under subsection (2) is deemed to represent that the transaction is unconditionally interest-free during the relevant period.

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 CPA, ABR, COC and VIR?

A routine AMVIC industry standards inspection was completed on Oct. 13, 2021. This inspection was conducted over the telephone. The inspection findings were discussed with the Supplier and a Findings Letter was emailed to the Supplier on Oct. 18, 2021. The Findings Letters addressed a number of legislative breaches including the Supplier selling vehicles above the advertised price.

A second AMVIC industry standards inspection was completed on Feb. 9, 2023. This inspection focused solely on the Supplier's advertising and compliance with all-in pricing legislation. The inspection conducted on Feb. 9, 2023 was therefore not comprehensive in nature and as such, not all documentation or business practices were reviewed in comparison to the previous comprehensive inspection conducted in 2021. A Findings Letter outlining the inspection findings was completed and sent to the Supplier on Feb. 23, 2023. It was determined that the Supplier continued to sell vehicles over the advertised price contrary to Section 11(2)(l) of the ABR and an Administrative Penalty of \$15,000 was levied on the Supplier on July 18, 2023.

A subsequent AMVIC industry standards inspection was completed on March 21, 2024. A Findings Letter was completed and provided to the Supplier providing education to the Supplier on April 15, 2024. The Findings Letters addressed a number of legislative breaches including the Supplier selling vehicles above the advertised price. As a result of the March 21, 2024 inspection, a Warning Letter was emailed to the Supplier on April 15, 2024.

On Jan. 14, 2025, 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 Jan. 29,

2025. Based on the facts outlined in the Application Report and supporting documents (see Schedule "A") I will be considering the alleged breaches from the AMVIC industry standards inspection completed on Jan. 14, 2025.

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

During the Jan. 14, 2025 inspection, the ISO reviewed 16 retail vehicle deal jackets which included advertisements and found that seven vehicles had been 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 these consumer transactions the Supplier derived an economic benefit of **\$7,680** at the cost of the consumers.

- Stock No. P25004 was sold over the advertised price by \$4,025;
- Stock No. E24085 was sold over the advertised price by \$128;
- Stock No. E24118 was sold over the advertised price by \$135;
- Stock No. T24083 was sold over the advertised price by \$128;
- Stock No. T24442 was sold over the advertised price by \$2,124;
- Stock No. R24202 sold over the advertised price by \$130; and
- Stock No. BM4636 was sold over the advertised price by \$1,010.

The Application Report on page two states that 30 retail vehicle deal jackets were reviewed and 16 vehicle sale files had an advertisement to compare against the sold vehicle. Of those 16 deal jackets, seven vehicles were sold over the advertised price contrary to Section 11(2)(l) of the ABR. The Supplier has been provided the opportunity and education to rectify their business practices, however continues to engage in selling over the advertising price which is concerning.

In addition to the above, the Supplier's website advertisements state "*Price does not include taxes and licensing fees*" (see Schedule "A"; Exhibit 17) and the Supplier's Kijiji advertisements state "*plus taxes and licensing fees*" (see Schedule "A"; Exhibit 18). The advertised price must include everything except GST and costs and charges associated with financing to adhere to Section 11(2)(l) of the ABR. The Supplier's website indicating otherwise is concerning to the Director.

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

B. Advertising Fixed Credit (76 CPA/ 6 COC)

The Supplier is advertising fixed credit and leasing as part of a "*LEVEL UP SALES EVENT*" (see Schedule "A"; Exhibits 15 & 19). The advertisement found at exhibit 15 states "*LEASE AND FINANCE RATES STARTING FROM 1.99% ON MOST NEW VEHICLES*" and the advertisement found at exhibit 19 states "*RATES STARTING FROM 1.99% ON SELECT MODELS*". The advertisement found at exhibit 16 also shows a similar looking advertisement however, the advertisement is illegible and therefore the Director will

not be finding a breach in relation to this exhibit. In accordance with the CPA and the COC advertisements for fixed credit require financing details to be properly disclosed when an annual percent rate ("APR") is included in an advertisement.

The advertisements included in the Application Report (see Schedule "A"; Exhibits 15 & 19) include an APR and therefore require addition financing details be disclosed. In advertising fixed credit at 1.99 percent, the Supplier must then ensure they are meeting Section 6 of the COC. The Supplier's advertisement stated the interest rate and therefore must include the term in accordance with Section 6(2)(b) of the COC. This information is required to be disclosed for the purposes of Section 76(1) of the CPA. The Supplier's advertisements do not include the required term as per Section 6(2)(b) of the COC. In addition, in accordance with Section 6(4) of the COC, where any of the information required to be disclosed by subsections (2) and (3) would not be the same for all credit agreements to which the advertisement relates, the information must be for a representative transaction and must be disclosed as such.

The Director finds that on a balance of probabilities, the Supplier has breached Section 6 of the COC and Section 76(1) of the CPA.

C. Acting on Behalf of Business Operator (20.1 ABR)

During the inspection on Jan. 14, 2025, the Supplier was found to have one salesperson working at their business who was not authorized to act as a designated agent on behalf of the Supplier. The salesperson ("JS") was not authorized to act on behalf of the Supplier, however was listed as a Finance Manager on a staff list for the Supplier (see Schedule "A"; Exhibit 21). The ABR requires salespeople to be registered and authorized to act on behalf of AMVIC business licence. Section 16 of the ABR states:

Automotive Business Regulation

Registration

Section 16

(1) A salesperson of an automotive sales business operator must be registered for automotive sales before acting on behalf of the business operator.

(5) A salesperson who acts on behalf of more than one business operator within the same class of automotive business licence must be registered separately in respect of each such business operator but is required to pay only one registration fee annually.

(6) A salesperson who acts on behalf of more than one business operator shall forthwith identify to the Director each business operator on whose behalf the salesperson acts.

In addition, Section 20.1 of the ABR holds the business operator accountable for ensuring their salespeople not only hold the required salesperson registration but that they authorize each salesperson to act on their behalf. In order for the salesperson to be authorized to act on the Supplier's behalf they must be attached in AMVIC's database to each AMVIC licence they will be acting on behalf of.

Acting on behalf of business operator**Section 20.1**

No business operator may allow a salesperson to act on the business operator's behalf unless

- (a) the salesperson is registered for the class of licence held by the business operator, and
- (b) the business operator authorizes the salesperson to act on its behalf.

In review of the evidence currently available, there is evidence of JS acting on behalf of the Supplier in transactions (see Schedule "A"; Exhibits 23, 25 & 46) while he was not authorized to act as a designated agent for the Supplier. JS was not authorized to act on behalf of the Supplier between Aug. 30, 2024 and Jan. 19, 2025.

Based on the evidence before me, on a balance of probabilities, I find the Supplier has breached Section 20.1 of the ABR.

D. Bill of Sale Issues (31.2 ABR)

On Oct. 31, 2018, legislation was put into effect with regards to BOS requirements. Between Sept. 25, 2018 and Nov. 6, 2018, AMVIC sent out a number of industry bulletins, updated the AMVIC website with information regarding the legislative amendments, sent multiple bulletins to inform the industry and the public regarding the changes, updated social media regularly, sent out a special edition of the IMPACT newsletter to the industry regarding the legislative changes and all AMVIC employees had an email signature attached to staff emails regarding the legislative changes. These are just a few of the initiatives that AMVIC took to ensure all licensees were advised of the legislative changes that were coming into effect on Oct. 31, 2018 regarding the BOS.

In reviewing the documentation before me, relating to the most recent inspection conducted on Jan. 14, 2025, it is noted that the Supplier continues to not comply with the rather straightforward legislation when completing their BOS despite previous inspections and education. During the inspection in 2021, which was the first inspection of the Supplier after the BOS amendments to the legislation, the Findings Letter identified compliance concerns with the Supplier's BOS and educated the Supplier by providing the applicable legislation.

The bills of sale reviewed identified the following breaches and deficiencies:

- The BOS for Stock No. E24085 (see Schedule "A"; Exhibit 22) had no kilometres listed for the purchase vehicle as required by Section 31.2(1)(s) of the ABR.
- Five BOS' (see Schedule "A"; Exhibit 23) were missing the salesperson's name and registration number as required by Section 31.2(1)(d) of the ABR.
- The BOS for Stock No. BM4680 (see Schedule "A"; Exhibit 24) was missing the salesperson's registration number as required by Section 31.2(1)(d) of the ABR.
- Three BOS' (see Schedule "A"; Exhibit 25) were missing the body type of the purchased vehicles as required by Section 31.2(1)(f) of the ABR.

- The BOS' for Stock No. BM4680 and Stock No. BM4773 (see Schedule "A"; Exhibit 25) were missing the stock number.
- The BOS for Stock No. 8112 (see Schedule "A"; Exhibit 26) had the delivery date was before the bill of sale date.
- The BOS for Stock No. E24559A (see Schedule "A"; Exhibit 27) was missing the colour of the purchased vehicle as required by Section 31.2(1)(f) of the ABR.
- The BOS for Stock No. BM4680 (see Schedule "A"; Exhibit 28) was missing the government-issued identification number of the consumer as required by Section 31.2(1)(b) of the ABR.
- On the BOS for Stock No. T24083 (see Schedule "A"; Exhibit 29), the GAP insurance was itemized as "*Fabric*". The vehicle amount of \$64,627 financed on the GAP document for this stock number did not match to the total balance due of \$64,810.88 on the bill of sale. Moreover, the vehicle purchase price amount of \$61,700 on the GAP document for this Stock did not match to the selling price of \$61,413 on the BOS.
- Fourteen BOS' (see Schedule "A"; Exhibits 33-46) had the finance registration fee added with the PPSA fee and/or the administration fee on the Registration Fee line item. All charges must be disclosed on their own line item on the BOS as required by Section 31.2(1)(m) of the ABR.

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. There are a number of discrepancies between the Supplier's records that in the opinion of the Director, make provisions of the document ambiguous. In accordance with Section 4 of the CPA if a provision of the document is ambiguous, the provision must be interpreted against the Supplier.

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

E. Out of Province Inspection Issues (14 VIR)

Section 14 of the VIR requires that a Supplier shall not sell a motor vehicle that is an out of province motor vehicle unless, before the sale, either:

- (a) the person provides the buyer with a subsisting out of province motor vehicle inspection certificate for the motor vehicle, or
- (b) the person provides the buyer with a written statement advising that the motor vehicle is an out of province motor vehicle for which there is no subsisting out of province motor vehicle inspection certificate.

The retail vehicle sales jackets for Stock No. BM4773 and Stock No. 8112 were missing the out of province inspection certificate or a written statement in the deal file. Based on the evidence put forward, the Director is unable to determine whether or not the two consumers received an out of province inspection certificate or a written statement as noted above and therefore there is insufficient evidence to determine if there has been a breach of Section 14 of the VIR.

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

The MFA is required as per Section 15 of the VIR. The VIR is a regulation under the *Traffic Safety Act* ("TSA"). The requirement to provide an MFA is required under the TSA and is therefore in the jurisdiction of Alberta Transportation. Although the MFA falls under the requirement of Alberta Transportation, it comes into AMVIC's purview in the course of our mandated duties as per a number of legislated sections that apply to following all legislation applicable to the sale of motor vehicles such as Section 12(o) of the ABR and Section 127(b)(v.1) of the CPA.

The MFAs reviewed identified the following concerns:

- The MFAs in relation to Stock No. BM4636, Stock No. 8112, Stock No. BM4773 and Stock No. E24559A (see Schedule "A"; Exhibits 47-50) had the wrong dealer information on the MFA.
- The MFA in relation to Stock No. BM4636 (see Schedule "A"; Exhibit 51) was expired by 69 days. As per Section 16 of the VIR, MFAs expire after 120 days, therefore the Supplier did not provide the consumer a valid MFA.
- The MFA in relation to Stock No. 8112 (see Schedule "A"; Exhibit 48) was dated after the BOS date indicating the consumer did not see the MFA before entering into a contract contrary to Section 15 of the VIR. Section 15(1) of the VIR requires the MFA to be provided before entering into a contract to sell a motor vehicle.
- Stock No. BM4680 did not have an the MFA on the vehicle file, indicating the Supplier did not have an MFA completed and therefore the consumer did not receive the required MFA contrary to Section 15 of the VIR.

As outlined above, the Supplier has breached the legislative requirements as per Section 15 and 16 of the VIR, and Section 12(o) of the ABR.

G. 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 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."

A recent Service Alberta and Red Tape Reduction Appeal Board rendered a decision (attached as Schedule “B”) 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.]

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. 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.

A recent Service Alberta Appeal Board rendered a decision (attached as Schedule “C”) 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 aggravating factors in this matter include the resulting financial impact adversely affecting the consumers due to paying over the advertised price. In seven transactions the Supplier derived an economic benefit of **\$7,680**, the Supplier’s previous administrative enforcement history outlined below and continued non-compliance with the rather straightforward requirements of the legislation despite education provided to the Supplier.

The Supplier was recently subject to the below administrative enforcement action:

- Administrative Penalty of \$15,000 on July 18, 2023 for selling 10 vehicles over the advertised price and advertising one vehicle for sale after more than 14 days had elapsed since the vehicle had been sold.

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

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

Action

In accordance with Section 158.1(a) of the CPA and based on the above facts, I am requiring that 2220330 Alberta Ltd. o/a West Side Mitsubishi pay an Administrative Penalty. This is based on my opinion that 2220330 Alberta Ltd. o/a West Side Mitsubishi has contravened Sections 11(2)(l), 12(o), 20.1 and 31.2 of the ABR, Sections 15 and 16 of the VIR and Section 76(1) of the CPA and Section 6 of the COC.

Taking into consideration all the evidence currently before the Director, the amount of the Administrative Penalty is **\$29,000**.

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

1. The 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. The degree of wilfulness or negligence in the contravention or failure to comply;
4. The Supplier's history of non-compliance;
5. Administrative Penalties issued in similar circumstances;
6. The maximum penalty under Section 158.1(3) of the CPA of \$100,000; and
7. The deterrent effect of the penalty.

The amount of the Administrative Penalty is \$29,000.

Pursuant to Section 3 of the Administrative Penalties (*Consumer Protection Act*) Regulation, you are required to submit payment within **thirty (30) days** of the date of service of this notice. Failure to pay the Administrative Penalty will result in a review of the licence status. Payment may be made payable to the **"Government of Alberta"** and sent to AMVIC at:

Suite 303, 9945 – 50th Street
Edmonton, AB T6A 0L4.

If payment has not been received in this time period, the Notice may be filed in the Court of King's Bench and enforced as a judgement of that Court pursuant to Section 158.4 of the CPA and further disciplinary action will be considered.

Section 179 of the CPA allows a person who has been served a notice of Administrative Penalty to appeal the penalty. To appeal the penalty, the person must serve the Minister of Service Alberta and Red Tape Reduction

Minister of Service Alberta and Red Tape Reduction
103 Legislature Building
10800 - 97 Avenue NW
Edmonton, AB
Canada T5K 2B6

with a notice of appeal within **thirty (30) days** after receiving the notice of Administrative Penalty. The appeal notice must contain your name, your address for service, details of the decision being appealed and your reasons for appealing.

Pursuant to Section 180(4) of the CPA, service of a notice of appeal operates to stay the Administrative Penalty until the appeal board renders its decision on the appeal or the appeal is withdrawn.

Under Section 4 of the Administrative Penalties (*Consumer Protection Act*) Regulation, the fee for appealing an Administrative Penalty is the lesser of \$1,000 or half the amount of the penalty. As such, the fee for an appeal of this Administrative Penalty, should you choose to file one, would be \$1,000. Should you choose to appeal this Administrative Penalty, you must send the appeal fee to the Minister of Service Alberta and Red Tape Reduction at the above noted address, made payable to the "Government of Alberta".

Yours truly,

"original signed by"



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

GG/ks
Encl.

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