

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

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

BY: **ERICKSEN M-B LTD.**
operating as MERCEDES-BENZ HERITAGE VALLEY
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 activities of retail sales, leasing and garage in the Province of Alberta.
- B. An administrative review was held on Aug. 26, 2025 at 1:01 p.m. via teleconference call. Participating in the administrative review were Chris Clarke, general sales manager of the Supplier; Kevin Acuna, legal counsel for the Supplier; [REDACTED], AMVIC investigator; [REDACTED] manager of investigation north; and K. Lockton, Director of Fair Trading (as delegated).
- C. AMVIC received a consumer complaint in January 2025 (case file 25-01-397) relating to the purchase of a 2021 Toyota Corolla (the "Toyota") from the Supplier on April 13, 2024 by the consumer ("MA").
- D. A few months after the purchase MA took the vehicle to a third party automotive business ("PCS") to have repairs completed on the Toyota. PCS uncovered damage to the frame and body of the Toyota behind the front bumper. When contacted regarding the damage uncovered by PCS, the Supplier advised that they had repairs completed on the front end of the Toyota prior to MA's purchase. MA paid \$3,147.13 to have the required repairs completed to the frame and body of the Toyota.
- E. Prior to selling the Toyota to MA, the Supplier had taken the Toyota in on trade in December 2023. A repair order from the Supplier's service department shortly after taking possession of the Toyota included a note that stated the Toyota had front end collision damage. The Supplier took the Toyota to a third party automotive business ("AAI") to have the collision/incident damage repaired at a cost of \$4,591.52 to the Supplier. These repairs were not disclosed to MA prior to the purchase of the Toyota as required by Section 31.1(1)(h) of the Automotive Business Regulation ("ABR").

Automotive Business Regulation**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.

- F. During the course of the investigation, it was determined that the salesperson ("JT") who was acting on behalf of the Supplier in a capacity that would require an AMVIC salesperson registration did not hold a valid salesperson registration and was not authorized to act on behalf of the Supplier. Any individual who is soliciting, negotiating or concluding a sale on the Supplier's behalf must hold an AMVIC salesperson registration. In accordance with Section 20.1 of the ABR, the Supplier must ensure a person acting within the definition of a salesperson is registered and authorized with AMVIC to act on the Supplier's behalf.

Automotive Business Regulation

Definitions

Section 1

(1) In this Regulation,

- (j) “salesperson” means a person who is authorized by an automotive sales licensee, automotive leasing licensee or automotive consignment licensee to solicit, negotiate or conclude on the licensee’s behalf an agreement to buy, sell, lease, exchange or consign a vehicle;

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.

- G. AMVIC received another consumer complaint regarding the Supplier in April of 2025 (case file 25-04-288) relating to the purchase of 2017 Infinity Q60 (the “Infinity”). This consumer complaint was regarding the engine failure of the Infinity. The AMVIC investigator did not put forward any evidence in relation to the engine failure of the Infinity.
- H. The bills of sale (“BOS”) completed for both transactions were not in compliance with Section 31.2 of the ABR. The BOS regarding the Toyota did not have the AMVIC business number of the Supplier, did not have the AMVIC salesperson registration of the salesperson and did not have any disclosure statement or documentation respecting the Toyota’s previous use, history or condition. The BOS in relation to the Infinity did not have the AMVIC business number of the Supplier and did not have the AMVIC salesperson registration of the salesperson.

Automotive Business Regulation

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.

- I. The Supplier took responsibility for the shortcomings in their BOS, for allowing an unregistered salesperson to act on their behalf and for failing to properly disclose the required information regarding the repairs that had been completed on the Toyota.

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 any individual who is soliciting, negotiating or concluding an agreement to buy or sell a motor vehicle on their behalf is a registered salesperson with AMVIC and is authorized to act on behalf of the Supplier as a designated agent with AMVIC as required by Section 20.1 of the ABR.
3. The Supplier will undertake to ensure their BOS is completed in full and in compliance with Section 31.2 of the ABR.
4. The Supplier will undertake to ensure they disclose the vehicle history information in accordance with Section 31.1 of ABR
5. 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 **April 30, 2026.**
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 22 day of September, 2025.

PER: "original signed by"
ERICKSEN M-B LTD. o/a MERCEDES-BENZ HERITAGE VALLEY
Jeffrey THORPE
director

ACCEPTED by the Director of Fair Trading on the 30 day of September, 2025

PER: "original signed by"
Katie Lockton
Director of Fair Trading
(as delegated)