

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

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

BY: NICHOLSON CHEVROLET (1977) LTD.
o/a SHERWOOD PARK CHEVROLET/SHERWOOD PARK AUTO CREDIT
in the City of Sherwood Park, 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 new and used sales, agent or broker, wholesale, specialty service, service station, leasing and garage in the Province of Alberta.
- B. An administrative review was held on Sept. 9, 2025 at 9 a.m. via teleconference call. Participating in the administrative review were Darren Bannink, general sales manager for the Supplier; [REDACTED], AMVIC investigator; [REDACTED], AMVIC investigations north and Gerald Gervais, Director of Fair Trading (as delegated).
- C. AMVIC received a consumer complaint in April 2025 (case file 25-04-261) relating to the purchase of a 2019 Mercedes Benz AMG E53 (the "Mercedes") from the Supplier on March 28, 2025 by the consumer ("VV") in which VV felt he was misled by the Supplier.
- D. After seeing an online advertisement for the Mercedes for \$51,900 which included "Two Sets of Rims/Tires", VV was interested in purchasing the Mercedes. The Mercedes had winter tires and rims on it and the summer tires and rims were stored elsewhere at a warehouse, which was a different location than the Supplier according to the salesperson.
- E. The Mechanical Fitness Assessment ("MFA") that was issued lists that all items were compliant on the Mercedes including the tires and brakes, however the licensed technician provided front and rear tire measurements along with the brake pad measurements: "Front Pads: 3mm, Rear Pads: 5mm, Front Tires: 7mm 41 psi, Rear Tires: 4 mm 41 psi".
- F. As VV was concerned about the 3 mm measurements of the brake pads, according to the consumer complaint made to AMVIC, he contacted the salesperson and asked him to replace the front brakes as part of the deal. After some negotiation, the Supplier agreed to supply and install brake pads.
- G. Prior to completing the purchase of the Mercedes, VV requested the Supplier send him photos of the extra set of summer tires and rims as this was important to him to determine whether to proceed with

the purchase of the Mercedes. After the photos of the tires were texted to VV by the salesperson, VV commented to the salesperson via text message that he noticed there was curb damage on the summer tires and rims. The Supplier replied back *"I bet we can clean them up though"*.

- H. When VV took possession of the summer tires and rims they were in plastic bags. When a licensed technician was changing the winter tires to the summer tires, the licensed technician informed him that the summer tires were excessively worn down to the metal cords and needed to be discarded. In addition, two of the summer tires in the photographs supplied by VV are labeled with a sticker that stated *"Not recommended for replacement"*. These warnings are clearly visible but were not photographed or disclosed to VV by the salesperson. VV tried to resolve the issue with the Supplier to no avail.
- I. As a result, VV was required to purchase two new summer tires for the extra rims. At the same time, VV purchased two new winter tires on the Mercedes based on the measurements listed on the MFA that was completed. By failing to notify VV of the true condition of the summer tires and rims and providing him proper pictures including the warning sticker labels on the tires, 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.

- J. The BOS completed for this transaction was not in compliance with Section 31.2 of the ABR. The BOS did not have an itemized list of any items or inducements the business operator agreed to provide with the vehicle at no extra charge including the extra set of summer tires and rims as per the Supplier's advertisement. In addition, the BOS listed a deposit of \$10,000 that VV put down on the Mercedes, however this was inaccurate as VV never put down a deposit and instead the Supplier inflated the price of the car by \$10,000 to offset a fake deposit. The BOS must represent a true reflection of the consumer transaction. As per Section 4 of the CPA, if a provision of a document is ambiguous in a consumer transaction, the provision must be interpreted against the Supplier.

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.

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.

K. The Supplier took responsibility for the shortcomings in their BOS and for misleading the consumer.

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 in accordance with Section 6(4)(a) of the CPA.
3. The Supplier will undertake to ensure their BOS is completed in full and in compliance with Section 31.2 of the ABR.
4. To ensure that the Supplier is in full compliance with the CPA and its related regulations, the Supplier agrees to assist AMVIC with an industry standards inspection which will take place before **May 30, 2026**.
5. The Supplier will reimburse the consumer, VV directly with a cheque or money order in the amount of **\$2,121.75** which represents the cost of two tires purchased by VV 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 VV was reimbursed.

6. The Supplier shall pay the sum of **\$500** to AMVIC, an amount that represents a portion of the costs AMVIC has incurred investigating the matters herein. Such payment is to be made to AMVIC within **thirty (30) days** from the date of signing this Undertaking.

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 11 day of September, 2025.

PER: "original signed by"

NICHOLSON CHEVROLET (1977) LTD.

o/a SHERWOOD PARK CHEVROLET / SHERWOOD PARK AUTO CREDIT

Darren BANNINK

General Sales Manager

ACCEPTED by the Director of Fair Trading on the 23 day of September, 2025

PER: "original signed by"

Gerald Gervais

Director of Fair Trading

(as delegated)