

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

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

BY: **SOUTH TRAIL H LTD.**
operating as SOUTH TRAIL HYUNDAI
in the City of Calgary, 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, wholesale sales, leasing, service station and garage in the Province of Alberta.
- B. An administrative review was held on Oct. 7, 2025 at 9 a.m. via teleconference call. Participating in the administrative review were Kirk Temple, general manager for the Supplier; Madison Brown, general sales manager for the Supplier; [REDACTED], AMVIC investigator; [REDACTED], AMVIC manager of investigations south and Katie Lockton, Director of Fair Trading (as delegated).
- C. A consumer traded in a 2014 Dodge Charger (the "Dodge") to the Supplier and purchased another vehicle. The Supplier subsequently advertised the Dodge for sale and an AMVIC investigation was generated (case file 25-08-148) when it was identified that there were compliance concerns with the Supplier's advertisements of the Dodge.
- D. During the investigation into the consumer complaint, on Aug. 11, 2025, the AMVIC investigator found the Dodge advertised by the Supplier for sale on Kijiji and on the Supplier's website. The advertisements of the Dodge had numerous compliance issues including, failing to disclose that the Dodge had previously been a rental, that the Dodge had been in an incident or collision where the total cost of repairs fixing the damage exceeded \$3,000 and that the Dodge had been assigned a status of salvage at any time as required by Section 31.1 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.

- E. The advertisements further did not disclose an odometer discrepancy. The Dodge was advertised with an odometer reading of 116,345 kilometres ("kms"). The information in the CarFax indicated the last reported odometer reading as 136,974 kms in June of 2023, two years prior to the Supplier advertising the Dodge for sale with less kms. In the opinion of the Director, failing to disclose the odometer discrepancy and listing an unverified odometer reading in the advertisements might reasonably deceive or mislead a consumer therefore, the Supplier has breached 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;

- F. The Kijiji advertisement of the Dodge listed the correct Vehicle Identification Number ("VIN") and included a photo of a red Dodge Charger, which was not the Dodge that was subject to the complaint. The Dodge that the consumer had traded in to the Supplier was black. The Kijiji advertisement did not state whether the vehicle pictured in the advertisement was or was not the specific vehicle that is for sale. The Supplier's Kijiji advertisement therefore breached Section 11(2)(a) 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

(a) states whether the vehicle pictured in the advertisement is or is not the specific vehicle that is for sale,

- G. On Aug. 12, 2025, the AMVIC investigator messaged the Supplier through the website about the advertisement of the Dodge. A registered salesperson for the Supplier engaged in correspondence with the AMVIC investigator indicating the vehicle was available and being sold "**AS IS**". In response to additional questions by the AMVIC investigator, the salesperson went into further details regarding what "**AS IS**" meant. The information provided by the Supplier's salesperson alluded that in purchasing the Dodge "**AS IS**" the consumer would be waiving their rights, benefits or protections under the CPA or the regulations. This is concerning to the Director as the average consumer is not aware of their rights, benefits and protections under the CPA and its associated regulations and therefore would likely be unaware they were doing so and misled to believe they did not have any recourse under the CPA if an issue arose. In accordance with Section 2 of the CPA a release by a person of the person's rights, benefits or protections under this Act or the regulations is void.

Consumer Protection Act

Act prevails

Section 2

(1) Any waiver or release by a person of the person's rights, benefits or protections under this Act or the regulations is void.

- H. Further, in the correspondence between the AMVIC investigator and the Supplier on Aug. 12, 2025, the salesperson indicated the Dodge would be sold without an inspection. In the AMVIC investigator's review of the Supplier's website, it indicates "*The Hyundai Promise Certified Pre-Owned program is our promise to you that **every previously enjoyed vehicle we offer** [emphasis added] meets the same exacting quality standards as our new vehicles.*" This is contrary to the information the AMVIC investigator was provided by the Supplier in relation to the Dodge on Aug. 12, 2025.

- I. The bill of sale ("BOS") completed by the Supplier when the consumer traded in the Dodge and purchased another vehicle was not completed in compliance with Section 31.2 of the ABR. The BOS was missing the number of the government-issued identification that the business operator used to confirm the identity of the consumer and had an incorrect delivery date for the vehicle being purchased by the consumer.

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.

- J. During the administrative review, the Supplier advised the Dodge was not supposed to be advertised for sale on their website, as the Supplier wholesaled the Dodge to a wholesale company and never intended to sell the Dodge to the public. Prior to the administrative review, the Supplier submitted two documents in relation to the Dodge, a BOS dated Aug. 12, 2025 of the Dodge to the wholesale company and a cash receipt which demonstrated the wholesale company paid for the Dodge on Aug. 11, 2025. These documents demonstrated that the Dodge had been purchased by a wholesale company at the time the AMVIC investigator found the advertisements posted online by the Supplier for the Dodge.
- K. The Supplier took responsibility for the error in advertising the Dodge, for the compliance issues with their advertising and not fully completing their BOS in compliance with the legislation. The Supplier stated they do not sell any vehicles "as is". The Supplier indicated they take their compliance with the legislation seriously and are committed to working with the regulator.
- L. During the administrative review, the Supplier provided information regarding changes that have been made to assist in bringing their business practices into compliance and that they have provided additional training to the salesperson who corresponded with the AMVIC investigator and required them to retake the AMVIC salesperson registration course.

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 they disclose the vehicle history information in accordance with Section 31.1 of ABR, including ensuring the information is appropriately disclosed in their advertisements.
3. The Supplier will undertake to ensure their advertisements state whether the vehicle pictured in the advertisement was or was not the specific vehicle that is for sale in compliance with Section 11(2)(a) of the ABR.
4. The Supplier will undertake to ensure that they do not do or say anything that might reasonably mislead or deceive a consumer in accordance with Section 6(4)(a) of the CPA.
5. The Supplier will undertake to ensure that they do not provide consumers information indicating they would be waiving their rights, benefits or protections under the CPA or the regulations in a transaction or potential transaction with the Supplier. In accordance with Section 2 of the CPA a release by a person of the person's rights, benefits or protections under this Act or the regulations is void.
6. The Supplier will undertake to ensure their BOS is completed in full and in compliance with Section 31.2 of the ABR.
7. 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 **June 30, 2026**.
8. The Supplier shall pay the sum of **\$1,500** 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.
9. 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.

10. 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.
11. 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*.
12. 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 21 day of October, 2025.

PER: "original signed by"
South Trail H Ltd. o/a South Trail Hyundai
Michael MCMANES
Director

ACCEPTED by the Director of Fair Trading on the 21 day of October, 2025

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