

December 9, 2025

Administrative Review – 25-07-016

Served via email

Administrative Penalty

AUTOCANADA XTOWN MOTORS GP INC.
o/a CROSSTOWN CHRYSLER DODGE JEEP RAM / MOPAR EXPRESS LANE / QUICK LUBE
15520 123 AVENUE
EDMONTON, AB
T5V 1K8

Attention: Paul Antony, Samuel Cochrane and Jeffrey Thorpe

Dear Paul Antony, Samuel Cochrane and Jeffrey Thorpe:

**Re: Autocanada Xtown Motors GP Inc. operating as Crosstown Chrysler Dodge Jeep Ram
– Provincial Automotive Business Licence No. B2026855**

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 that section.

Facts

The evidence before me in relation to this matter consists of the material contained in an Alberta Motor Vehicle Industry Council (“AMVIC”) investigations department application report (the “Application Report”) prepared by the investigator and the senior manager of investigations. A copy of the Application Report is attached as Schedule “A” to this letter. I have also taken into consideration the information exchanged during the administrative review held via teleconference call on Sept. 23, 2025.

Licensee Status

Autocanada Xtown Motors GP Inc. operating as Crosstown Chrysler Dodge Jeep Ram (the “Supplier”) holds an automotive business licence in the Province of Alberta. The Supplier holds a current AMVIC business licence with an expiry date of March 31, 2026 and is licensed for the business activities of new and used sales, autobody, service station, wholesale sales and garage.

During the administrative review, the Supplier indicated they have approximately 120 employees, including 19 salespeople and sell approximately 100-120 vehicles per month.

Administrative Review

An administrative review was held on Sept. 23, 2025 at approximately 1:31 p.m., via teleconference call. Participating in the administrative review were Adam Najjar, general sales manager for the Supplier; Sam Yassin, controller for the Supplier; C. [REDACTED], AMVIC investigator; S. [REDACTED], AMVIC investigator; C. [REDACTED], AMVIC manager of investigations north; and K. Lockton, Director of Fair Trading (as delegated).

Previous Enforcement

On Feb. 26, 2020, the Supplier entered into a voluntary Undertaking in regards to an AMVIC investigation as a result of a consumer being misled with respect to the previous history of a motor vehicle.

As part of this voluntary Undertaking the Supplier agreed to comply with the CPA and Automotive Business Regulation ("ABR"). The Supplier agreed to undertake to a number of conditions including but not limited to:

- "1. The Supplier acknowledges and admits that it failed to comply with the provisions of the CPA 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 provide consumers with complete disclosure not limited to the previous history of the vehicle as required by the CPA and ensure records are properly completed and maintained to verify full disclosure has been provided to consumers.*
- 3. The Supplier will undertake not to make representations or do anything that could reasonably mislead or deceive a consumer."*

On May 19, 2022, the Supplier entered into a second voluntary Undertaking in regards to unfair practices and bill of sale issues ("BOS"). As part of this voluntary Undertaking the Supplier agreed to comply with the CPA and ABR. The Supplier agreed to undertake to a number of conditions including but not limited to:

- "1. The Supplier acknowledges and admits that it failed to comply with the provisions of the CPA and Automotive Business Regulation ("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 not to make representations or do anything that could reasonably mislead or deceive a consumer or result in harsh, oppressive or one sided terms as per Sections 6(3)(c) and 6(4)(b) of the CPA.*
- 3. The Supplier will undertake to ensure their BOS properly itemizes what is required and is completed in compliance with Section 31.2 of the ABR."*

On April 22, 2025, an Administrative Penalty of \$16,500 was assessed against the Supplier for unfair practices, breaching their agreed upon Undertakings, BOS compliance issues and Mechanical Fitness Assessment ("MFA") compliance issues. The Administrative Penalty was a result of four consumer complaints received by AMVIC.

Previous Education

The April 22, 2025 Administrative Penalty identified the Supplier was provided:

- The Supplier was issued a Warning Letter from AMVIC's investigation department dated Feb. 25, 2020 in relation to MFA issues.
- On July 23, 2024, the Supplier was provided an Inspection Findings Letter in relation to the findings of an inspection that took place on March 28, 2024.

On May 27, 2024, the Supplier was provided a Findings Letter from AMVIC's investigation department in relation to vehicle history disclosure and BOS compliance issues.

Summary of Investigation – Case File 24-06-022

1. In June of 2024, AMVIC received a consumer complaint from consumers ("WR & KR") in regards to the condition of a used 2019 Dodge Ram 3500 (the "Ram") that was purchased from the Supplier on March 5, 2024 along with an extended warranty.
2. The Ram required some repairs that needed to be addressed prior to WR & KR taking possession and therefore, arrangements were made for them to pick up the Ram on March 8, 2024. WR & KR were unable to pick the Ram up on March 8, 2024 as agreed upon as the repairs on the Ram were not completed. WR & KR attended the Supplier a few times over the next week and were told that there were still issues to be addressed with the Ram, which were negotiated as part of the sale.
3. WR & KR did take possession of the Ram for approximately one day as the Supplier has been unable to complete recalls on the Ram due to an emissions system delete. However, at this time WR & KR were not aware the reason for the delay was due to the emissions system delete. WR & KR took the Ram back to the Supplier, who kept the Ram for approximately another week working on completing repairs and recalls.
4. When WR & KR finally went back to the Supplier to pick up the Ram they found out about the emissions system delete and demanded their money back. The salesperson refused to unwind the deal but did refund WR & KR for the extended warranty they purchased.
5. In addition, when WR & KR went back to the Supplier to pick up the Ram they were presented with a \$3,000 repair invoice and a new MFA. WR & KR had not authorized repairs outside what was negotiated as part of the sale. After disputing this for some time WR & KR ultimately paid the Supplier \$905.11. Neither the Supplier nor WR & KR know what WR & KR paid for, only that they paid \$905.11.

6. Approximately one month after purchase the turbo in the Ram failed and WR & KR had to pay to repair the turbo. The full cost to repair the turbo is unknown based on evidence that was provided to the Director.
7. During the administrative review, the AMVIC investigator put forward the details of the consumer complaint and brought forward the repair orders from the Supplier's service department dated Feb. 12, 2024 (see Schedule "A"; Exhibit H), prior to the sale of the Ram to WR & KR. The Feb. 12, 2024 work order demonstrates the Supplier was aware of the emissions system delete in the Ram. In addition, the AMVIC investigator brought forward that the BOS for the Ram did not itemize a wheel balance WR & KR had paid for as part of the purchase of the Ram (see Schedule "A"; Exhibit G1).
8. The AMVIC investigation identified the following BOS compliance issues (see Schedule "A"; Exhibit B):
 - The number of the government issued identification that the business operator used to confirm the identity of the consumer is missing.
 - The wheel balance WR & KR paid for as part of the sale is not included on the BOS.
 - The repairs that were negotiated as part of the sale were not included in writing on the BOS.

Supplier's Representations during the Administrative Review – Case File 24-06-022

9. Mr. Najjar stated that their service department had not indicated on the MFA that the Ram had the emissions system delete and therefore, the salesperson had likely not been aware of this. Mr. Najjar advised that their service department now ensure to write this information on the MFA so the salesperson knows and the consumers will see it.
10. The Director sought additional clarification from the Supplier in relation to the consumer complaint (case file 24-06-022). The Supplier advised the following:
 - The emissions system delete is normal on diesel vehicles after the warranty expires as it increases power and fuel efficiency.
 - They did not know what repairs WR & KR paid for. It was possibly just an amount negotiated.
11. During the administrative review, the Director noted that the appropriate sections from the regulations were not included in the Application Report in relation to the Supplier completing repairs without the required authorization. As these sections were not included in the Application Report, the Director had not provided the required notice under Section 128 of the CPA and therefore, the Director will not be addressing this breach in the decision.

Summary of Investigation – Case File 25-03-242

12. In March of 2025, AMVIC received a consumer complaint from a consumer ("JEG") in regards to the purchase of a 2024 Dodge Durango (the "Durango"), the purchase of Guaranteed Auto Protection ("GAP") insurance and the potential trade-in of a 2019 Nissan (the "Nissan") with the Supplier on

June 2, 2024. Based on the documentation currently before the Director it is unclear if the Nissan was a Rogue model or a Qashqai model.

13. According to JEG, she attended the Supplier on advice from a friend who put her in contact with a salesperson ("DS") who spoke Spanish and she does not speak English. JEG went forward with the purchase of the Durango as she wanted to rent the Durango on a rental platform called Turo, which she advised DS. At the same time JEG told DS she wanted to purchase GAP insurance for extra protection given that she would be renting out the Durango. JEG stated that DS agreed with her that purchasing GAP insurance was a good idea. JEG was then taken into the office of another employee of the Supplier, a finance manager ("PD"), who completed the paperwork for the transaction with JEG, with some assistance from DS as a translator.
14. JEG indicated in her consumer complaint that she thought she was trading in her Nissan as part of the transaction to purchase the Durango. However, the BOS completed for the transaction, along with other supporting evidence, demonstrates that JEG did not trade her Nissan in as part of the transaction. Based on the BOS and other supporting documentation, the Supplier paid off the loan on the Nissan, however did not take it in as a trade. The BOS indicated they paid out the loan and put a trade-in value for the Nissan toward the total amount of the deal as \$1 and completed a private sale BOS back to JEG to demonstrate the Supplier had no ownership of the Nissan.
15. JEG then sold the Nissan to DS for \$7,500. DS paid JEG \$7,500 cash for the Nissan and based on the evidence this did not occur at the same time as the transaction, but occurred outside the Supplier's buildings, in the parking lot. However, according to JEG, she did not understand the transaction that was occurring and trusted DS as he spoke Spanish and was a part of their community. JEG indicated to the AMVIC investigator that she believed she was getting \$7,500 cash back and \$7,500 towards the Nissan as a trade-in as part of the transaction to purchase the Durango. However, this is not supported by the evidence.
16. Approximately five months later, in November of 2024, the Durango was in a collision while being rented through Turo. The collision resulted in the Durango being determined to be a total loss. When JEG attempted to take advantage of the GAP insurance she had purchased, she was advised that it would not apply as the Durango had been rented out at the time of the collision, which was outside the terms of the policy. The amount of money paid by the car insurance provided for the total loss collision did not cover the full amount JEG owed on the loan for the Durango and therefore JEG is still responsible to pay the remainder of the loan, even though she no longer has use of the Durango.
17. In June of 2025, the Supplier provided JEG a refund of the cost of the GAP insurance and wrote a cheque made payable to the financial institution that held the loan on the Durango.
18. The Durango had been sold to JEG by the Supplier as a demo vehicle. The AMVIC investigation determined the Durango had been previously registered by the Supplier before the sale to JEG. Given the circumstances in relation to the Durango, the vehicle was considered used and therefore, the Supplier was required to provide JEG an MFA in accordance with Section 15 of the VIR. The Supplier did not provide JEG with an MFA at any point during the transaction to purchase the Durango.

19. During the administrative review, the AMVIC investigator put forward the details of the consumer complaint and brought forward that while JEG knew the Durango was a demo vehicle she did not know it had been previously registered to the Supplier.
20. The additional information in relation to the Nissan after DS took possession while included in the Application Report did not need to be addressed in relation to this administrative matter as it did not involve the Supplier.
21. The AMVIC investigation identified the following BOS compliance issues (see Schedule "A"; Exhibit BB):
 - The number of the government issued identification that the business operator used to confirm the identity of the consumer is missing.
 - There was no MFA provided to JEG as part of the BOS.

Supplier's Representations during the Administrative Review – Case File 25-03-242

22. Mr. Najjar advised that the transaction to purchase the Dodge occurred prior to him taking his current position as the general sales manager for the Supplier.
23. When JEG and her husband attended the Supplier to ask about the GAP insurance she spoke "decent" English and her husband's English was "good". He had no problem communicating with them about the transaction and the GAP insurance.
24. The BOS issues (see Schedule "A"; Exhibit BB) including the Nissan as a trade-in for \$1 and the private BOS issues (see Schedule "A"; Exhibit FF) selling the Nissan back to JEG were done in this way because JEG wanted one loan.
25. When JEG came to the Supplier regarding the GAP insurance coverage he reviewed the documents and JEG claimed DS stole the Nissan from her. While DS no longer worked at the Supplier, he made efforts to get in contact with DS to discuss the transaction. When he did get in contact with DS, DS advised him JEG wanted cash back, so he completed a deal outside the deal between the Supplier and JEG. DS provided the BOS demonstrating he had purchased the Nissan from JEG and advised he had provided JEG with \$7,500 cash for the Nissan in an envelope in the parking lot of the Supplier. In his opinion the consumer is not being truthful about what happened in relation to the transaction to purchase the Durango and the sale of the Nissan to DS. The consumer hid the fact that DS had provided her \$7,500 cash for the Nissan.
26. The GAP insurance paperwork clearly states it does not cover the use of a rental vehicle, it is stated right near where the consumer must sign the document.
27. The Supplier has changed their business practices to ensure all vehicles sold as a demo have an MFA.
28. The Director sought additional clarification from the Supplier in relation to the consumer complaint (case file 25-03-242). The Supplier advised the following:

- PD sold JEG the GAP insurance and had not been told by either DS or JEG that her intention was to rent the Durango on Turo.
- DS was not licensed to sell insurance and therefore not knowledgeable about the terms of the insurance products.
- JEG purchased both GAP insurance and an extended warranty.
- It is not common practice to put a trade-in on the BOS for a value of \$1, however if the finance company allows it and still approves the deal it does happen sometimes.
- They included the full amount of the lien payout for the Nissan on the BOS. This is required to make sure the lien on the Nissan is paid out in full.
- The private BOS for the Nissan from the Supplier to JEG was for their records to show they have no interest in the Nissan and JEG could maintain ownership.
- DS was not with JEG at all times with PD during the transaction, he left the room for up to 10 minutes.
- He does not know if JEG was provided the documents for the transaction at the time of sale, there would be no reason for the Supplier to withhold providing JEG her paperwork.
- The *"Quote Sheet"* is printed by the sales manager who is building the deal before the consumer sits down with a finance manager.
- The information hand written on the *"Quote Sheet"* was the sales manager denoting the rebate being provided for the Durango being a demo, that the consumer was keeping their vehicle and his signature.
- When JEG attended the Supplier about the GAP insurance she indicated to him that she gave the Supplier the Nissan and *"got nothing"* which he found out was not the case after he spoke to DS.
- DS advised him he did not take possession of the Nissan and provided JEG the \$7,500 cash in an envelope on the same day as the sale of the Durango.

29. The Director sought additional clarification from the AMVIC investigator in relation to the consumer complaint (case file 25-03-242). The AMVIC investigator advised the following:

- JEG brought up wanting to purchase GAP insurance to DS, DS did not suggest the GAP insurance to JEG, however agreed with her that she should purchase it.
- According to the consumer, DS was with JEG during the entire transaction while PD completed the paperwork.
- The individual used to translate during the audio statement taken with JEG was a family friend of JEG.
- There is no evidence in the documentation that supports the consumer's version of events. The only evidence the AMVIC investigator has in relation to an alleged breach of Section 6(2)(b) of the CPA, is that the Supplier took advantage of the consumer as a result of the consumer's inability to understand the character, nature, language or effect of the consumer transaction, based on the statement of JEG.
- JEG thought she was getting \$7,500 for the trade-in of the Nissan and \$7,500 cash back.

30. During the administrative review the Director noted that the video statement of PD only contained audio for the first 10 seconds of the video.

Summary of Investigation – Case File 25-03-335

31. In March of 2025, AMVIC received a consumer complaint from a consumer (“JG”) in regards to the purchase of 2021 Chevrolet Spark (the “Spark”) from the Supplier on Oct. 8, 2024. After the purchase of the Spark she had issues with the parking brake and the window heater.
32. After reviewing the documents that were submitted to AMVIC by JG, the AMVIC investigator determined the MFA provided to JG for the Spark (see Schedule “A”; Exhibit EEE) did not include the required statement that the MFA expires after 120 days and the MFA was also expired by 59 days.

Supplier’s Representations during the Administrative Review – Case File 25-03-335

33. The Supplier had no comments regarding this case file and advised that the MFA deficiencies were missed during the transaction.
34. The Director sought additional clarification during the administrative review if the MFA provided to the consumer had the required statement that the MFA expires after 120 days as the unsigned copy included the statement. The AMVIC investigator and the Supplier confirmed the MFA provided to JG did not include the statement. Mr. Najjar stated it was a scanning issue that cut off the bottom of the MFA and therefore the statement was not included on the MFA provided to JG.
35. The Proposed Administrative Penalty dated Nov. 6, 2025 was emailed to the Supplier. The Proposed Administrative Penalty provided the Supplier an opportunity to make written representations by Dec. 8, 2025. The Supplier did not submit written representations in response to the Proposed Administrative Penalty.

Legislation**Automotive Business Regulation****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.

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.

Vehicle Inspection Regulation

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

Unfair practices

Section 6

(2) It is an unfair practice for a supplier, in a consumer transaction or a proposed consumer transaction,

- (b) to take advantage of the consumer as a result of the consumer's inability to understand the character, nature, language or effect of the consumer transaction or any matter related to the transaction;

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.

Non-compliance with orders, etc.**Section 163**

- Any person who
- (d) fails to comply with an undertaking under this Act
- contravenes this Act and is guilty of an offence.

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 and VIR?

The material which formed the Application Report was the result of three consumer complaints received by AMVIC, case files 24-06-022, 25-03-242 and 25-03-335.

A. Take advantage of consumer's inability to understand a transaction (6(2)(b) CPA)

Case file 25-03-242

On June 2, 2024 JEG, attended the Supplier's business location to purchase a vehicle that they could rent on Turo. According to JEG, a friend put her in contact with DS as he spoke Spanish and she does not speak English. In the consumer complaint, JEG alleged that she did not understand the details of the transaction, claiming DS took advantage of her inability to speak English during the course of the transaction.

The documentation currently before the Director does not support the transaction details stated by JEG. In reviewing all the evidence submitted in the Application Report (see Schedule "A") in relation to this consumer complaint, almost all the details regarding the circumstances of the transaction are in dispute.

Based on the evidence before me, on a balance of probabilities, there is insufficient evidence to determine whether the Supplier breached Section 6(2)(b) of the CPA in the transaction with JEG.

B. BOS Compliance Issues (31.2 ABR)

On Oct. 31, 2018, amended 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 amended legislation, 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 2022 the Director held an administrative review with the Supplier which resulted in the Supplier agreeing to enter a voluntary Undertaking on May 19, 2022. The Undertaking addressed unfair practices as well as BOS compliance issues.

Case file 24-06-022

The BOS in relation to the Supplier's transaction with WR & KR did not include the number of the government issued identification that the business operator used to confirm the identity of the consumer is missing as required by Section 31.2(1)(b) of the ABR.

WR & KR paid for a wheel balance for the Dodge as part of their transaction. The wheel balance was not included on the BOS contrary to Section 31.2(1)(l) of the ABR, which requires 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.

As part of the transaction, WR & KR negotiated that the Supplier complete repairs on the Dodge prior to them taking possession. The repairs that were agreed upon as part of the transaction are not included on the BOS. Section 31.2(1)(r) of the ABR requires that the BOS includes an itemized list of any items or inducements the business operator agrees to provide with the vehicle at no extra charge. The repairs agreed upon during the negotiation for the purchase of the Dodge were agreed to be provided to WR & KR at no extra charge and therefore are required to be itemized on the BOS.

Case file 25-03-242

The BOS in relation to the Supplier's transaction with JEG did not include the number of the government issued identification that the business operator used to confirm the identity of the consumer is missing as required by Section 31.2(1)(b) of the ABR.

A business operator engaged in automotive sales must use a BOS that includes any MFA that has been issued under the Vehicle Inspection Regulation ("VIR"). The Durango was sold to JEG as a demo vehicle, however the Supplier had previously registered the Durango and therefore it was considered a used vehicle. The Supplier did not provide JEG with an MFA as part of the transaction as required by Section 31.2(1)(u) of the ABR.

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

C. MFA Compliance Issues/General Code of Conduct (15 & 16 VIR and 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.

Case file 25-03-242

The Supplier sold the Durango to JEG as a demo vehicle however, the Supplier had previously registered the Durango and therefore it was considered a used vehicle. The Supplier was required to provide JEG a MFA before entering into a contract to sell the Durango in accordance with Section 15 of the VIR. The Supplier did not provide JEG an MFA as part of the transaction to sell the Durango.

Case file 25-03-335

The Supplier's MFA in relation to the Supplier's transaction with JG did not include the statement that the MFA expires 120 days after the date on which it was issued as required by Section 15(1)(d) of the VIR. In addition, the MFA is dated April 12, 2024 and was therefore expired as it was completed 179

days before the BOS date of Oct. 8, 2024 (see Schedule “A”; Exhibit BBB), contrary to Section 16 of the VIR.

Based on the evidence before me, on a balance of probabilities, I find the Supplier has breached Sections 15 and 16 of the VIR and Section 12(o) of the ABR.

D. Breach of Undertakings (163(d) CPA)

On Feb. 26, 2020, the Supplier entered into a voluntary Undertaking in regards to an AMVIC investigation as a result of a consumer being misled with respect to the previous history of a motor vehicle.

As part of this voluntary Undertaking the Supplier agreed to comply with the CPA and ABR. The Supplier agreed to undertake to a number of conditions including but not limited to:

- “1. The Supplier acknowledges and admits that it failed to comply with the provisions of the CPA 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 provide consumers with complete disclosure not limited to the previous history of the vehicle as required by the CPA and ensure records are properly completed and maintained to verify full disclosure has been provided to consumers.*
- 3. The Supplier will undertake not to make representations or do anything that could reasonably mislead or deceive a consumer.”*

On May 19, 2022, the Supplier entered into a second voluntary Undertaking in regards to unfair practices and BOS compliance issues.

As part of this voluntary Undertaking the Supplier agreed to comply with the CPA and ABR. The Supplier agreed to undertake to a number of conditions including but not limited to:

- “1. The Supplier acknowledges and admits that it failed to comply with the provisions of the CPA and Automotive Business Regulation (“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 not to make representations or do anything that could reasonably mislead or deceive a consumer or result in harsh, oppressive or one sided terms as per Sections 6(3)(c) and 6(4)(b) of the CPA.*
- 3. The Supplier will undertake to ensure their BOS properly itemizes what is required and is completed in compliance with Section 31.2 of the ABR.”*

The Supplier failed to complete their BOS in compliance with Section 31.2 of the ABR in relation to two of the three consumer complaints currently before the Director.

Based on the evidence before me, on a balance of probabilities, the Director finds the Supplier contravened Sections 163(d) of the CPA.

E. Other Considerations

AMVIC follows a progressive enforcement model when enforcing consumer protection laws. Administrative action may include a written warning, condition(s) added to the licence, charges under the legislation, Administrative Penalty, Director's Order, Undertaking and suspension or cancellation of a licence as outlined in the CPA. When determining an appropriate enforcement measure, the Director will consider several factors before making his decision to ensure what level of enforcement is appropriate to the contravention.

The Supplier has been subject to the following recent enforcement action:

- Feb. 26, 2020 voluntary Undertaking;
- May 19, 2022 voluntary Undertaking; and
- April 22, 2025 Administrative Penalty of \$16,500.

The April 22, 2025 Administrative Penalty was assessed after the transactions that are the subject of this current administrative matter. The Director will therefore not consider the previous Administrative Penalty in determining the amount of the Administrative Penalty.

The Director gave consideration to other enforcement actions, however the Director has entered into two voluntary Undertakings with the Supplier and the Supplier has breached their agreed upon Undertakings. In the opinion of the Director, imposing conditions or entering into another Undertaking would not be appropriate or sufficient, as the Supplier failed to comply with their recently entered into voluntary Undertakings.

The Director considered business licence suspension or cancellation, however in the opinion of the Director, these administrative enforcement actions would be excessive in the circumstances.

The Supplier has been provided education in previous administrative reviews, however they continue to engage in non-compliant business practices. 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.

There exists an onus on the Supplier to do their due diligence and ensure they are complying with the law. As stated in 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 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.

The aggravating factors in this matter include:

- breaching the voluntary Undertakings the Supplier entered into; and
- the continued non-compliance with the rather straightforward requirements of the legislation.

This Administrative Penalty is taking into account the number and seriousness of the contraventions of the legislation found during the investigation as well as the cost of investigating the Supplier's activities; the aggravating factors listed above; and the continued non-compliant business practices despite education and enforcement.

Action

In accordance with Section 158.1(a) of the CPA and based on the above facts, I am requiring that Autocanada Xtown Motors GP Inc. operating as Crosstown Chrysler Dodge Jeep Ram pay an Administrative Penalty. This is based on my opinion Autocanada Xtown Motors GP Inc. operating as Crosstown Chrysler Dodge Jeep Ram contravened Section 163(d) of the CPA, Sections 12(o) and 31.2 of the ABR, and Sections 15 and 16 of the VIR.

Taking into consideration all the representations made by the Supplier and the representations made by AMVIC's investigations department, the amount of the Administrative Penalty is **\$6,750**.

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 the above listed aggravating and mitigating facts as well as:

1. The seriousness of the contraventions or failure to comply;
2. The aggravating and mitigating factors listed above;
3. The harm on the persons adversely affected by the contraventions or failure to comply;
4. The Supplier's history of non-compliance;
5. The maximum penalty under Section 158.1(3) of the CPA of \$100,000; and
6. The deterrent effect of the penalty.

The amount of the Administrative Penalty is \$6,750.

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)
Katie Lockton, Deputy Registrar
Director of Fair Trading (as Delegated)

KL/ks
Encl.

cc: Derek B [REDACTED], Senior Manager of Investigations, AMVIC