

October 14, 2025

Administrative Review – 25-05-006

Served via email: [REDACTED]

### **Administrative Penalty**

MURRAY AUTO SALES MEDICINE HAT LTD.  
o/a MURRAY MOTORS MEDICINE HAT LP/MURRAY HYUNDAI MEDICINE HAT  
1316 TRANS CANADA WAY SE  
MEDICINE HAT, AB  
T1B 3Z9

**Attention: Christopher Murray, Paul Murray and Michael Papps**

Dear Sirs:

**Re: Murray Auto Sales Medicine Hat Ltd. operating as Murray Motors Medicine Hat LP/Murray Hyundai Medicine Hat – Provincial Automotive Business Licence No. B1040093**

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. The Supplier provided written representations via email dated April 22, 2025 (attached as Schedule “C”), in response to the Proposed Administrative Penalty, which I have also taken into consideration.

### ***Licensee Status***

Murray Auto Sales Medicine Hat Ltd. operating as Murray Motors Medicine Hat LP/Murray Hyundai Medicine Hat (the “Supplier”) holds an automotive business licence and is licensed to carry on the designated business activities of new and used sales, leasing, garage, specialty service and wholesale sales in the Province of Alberta.

### ***Direct communications with the Supplier and its representatives***

1. On July 27, 2016, an AMVIC industry standards inspection was completed at the business location of the Supplier. A Findings Letter outlining the inspection findings was completed and

sent to the Supplier on July 28, 2016. 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").
  - b) During the inspection, five deals were reviewed by the ISO that had an advertisement to compare with the vehicle that was sold, four did not reflect all-in pricing 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 Section 15(1) of the Vehicle Inspection Regulation ("VIR").
  - d) Unfair practices by the Supplier as per Section 6 of the *Fair Trading Act* ("FTA"), now CPA.
2. On March 3, 2023, a second AMVIC industry standards inspection was completed on the Supplier. A Findings Letter outlining the inspection findings was completed and sent to the Supplier on March 10, 2023. The Findings Letter outlined some concerns including but not limited to:
  - a) Advertising issues contrary to requirements in Section 11 of the ABR.
  - b) During the inspection, one deal that was reviewed by the ISO did not reflect all-in pricing contrary to Section 11(2)(l) of the ABR.
  - c) Issues with the completion of and/or disclosure of MFAs contrary to Section 15(1) of the VIR.
  - d) A number of the bills of sale ("BOS") that were reviewed in the deal jackets had issues contrary to Section 31.2 of the ABR.
3. On Dec. 4, 2023, a third AMVIC industry standards inspection was completed on the Supplier. A Findings Letter outlining the inspection findings was completed and sent to the Supplier on Dec. 5, 2023. The Findings Letter outlined some concerns including but not limited to:
  - a) Advertising issues contrary to requirements in Section 11 of the ABR.
  - b) During the inspection, one deal that was reviewed by the ISO did not reflect all-in pricing contrary to Section 11(2)(l) of the ABR.
  - c) Various issues with the completion of and/or disclosure of MFAs contrary to Sections 15(1) and 16 of the VIR.
  - d) A number of the BOS that were reviewed in the deal jackets had issues contrary to Section 31.2 of the ABR.
4. As a result of the inspection conducted on Dec. 4, 2023, a Warning Letter was emailed to the Supplier on Dec. 6, 2023.
5. On June 17, 2024, a fourth AMVIC industry standards inspection was completed on the Supplier. A Findings Letter outlining the inspection findings was completed and sent to the Supplier on June 19, 2024. The Findings Letter outlined some concerns including but not limited to:
  - a) Advertising issues contrary to requirements in Section 11 of the ABR and Section 6 of the Cost of Credit Disclosure Regulation ("COC").

- b) A number of the BOS that were reviewed in the deal jackets had issues contrary to Section 31.2 of the ABR.
6. On April 9, 2025, a fifth 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 17, 2025. The Findings Letter outlined some concerns including but not limited to:
- a) Advertising issues contrary to requirements in Section 11 of the ABR, Section 6 of the COC and Section 76 of the CPA.
  - b) During the inspection, three deals that were reviewed by the ISO did not reflect all-in pricing contrary to Section 11(2)(l) of the ABR.
  - c) Issues with the completion of and/or disclosure of MFAs contrary to Section 15(1) of the VIR.
  - d) BOS issues contrary to Section 31.2 of the ABR.
7. Selling a vehicle over the advertised price was found in four of the five 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 Sept. 10, 2025 was served to the Supplier on Sept. 10, 2025. The Proposed Administrative Penalty provided the Supplier an opportunity to make written representations by Oct. 10, 2025. The Supplier provided written representations on Oct. 10, 2025, in response to the Proposed Administrative Penalty (see Schedule "C").

### **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
- (n) does not use false, misleading or deceptive statements, 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.

**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.

## **Cost of Credit Disclosure Regulation**

### **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.

**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.

**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 ABR, COC, VIR and CPA?**

An AMVIC industry standards inspection was completed on July 27, 2016. The inspection findings were discussed with the Supplier and a Findings Letter was emailed to the Supplier on July 28, 2016. The Findings Letter addressed a number of legislative breaches including the Supplier selling vehicles above the advertised price in four instances.

A second AMVIC industry standards inspection was completed on March 3, 2023. The inspection findings were discussed with the Supplier and a Findings Letter was emailed to the Supplier on March 10, 2023. The Findings Letter addressed a number of legislative breaches including the Supplier selling one vehicle above the advertised price.

On Dec. 4, 2023, a third AMVIC industry standards inspection was completed. This inspection was initiated from a consumer complaint. The inspection findings were discussed with the Supplier and a Findings Letter was emailed to the Supplier on Dec. 5, 2023. The Findings Letter addressed a number of legislative breaches including one instance in which the Supplier sold a vehicle above the advertised price. As a result of the inspection completed conducted on Dec. 4, 2023, a Warning Letter was emailed to the Supplier on Dec. 6, 2023.

On June 17, 2024 a fourth AMVIC industry standards inspection was completed on the Supplier. A Findings Letter outlining the inspection findings was completed and sent to the Supplier on June 19, 2024. The Findings Letter addressed a number of legislative breaches.

On April 9, 2025 a fifth 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 17, 2025. Based on the facts outlined by in the Application Report and supporting documents (see Schedule "A"), I will be considering the alleged breaches from the 2025 AMVIC industry standards inspection.



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

During the April 9, 2025 inspection, the ISO found three vehicles were 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 three consumer transactions the Supplier derived an economic benefit of **\$2,277** at the cost of the consumers.

- Stock No 2440A was sold over the advertised price by \$759;
- Stock No. 2446A was sold over the advertised price by \$759; and
- Stock No. 2448A was sold over the advertised price by \$759.

The application report on page two, states 30 retail vehicle sale files were reviewed. Of the 30 vehicle sale files reviewed, 14 vehicles had an advertisement to compare against the sold vehicle file and three vehicles were sold over the advertised price contrary to Section 11(2)(l) of the ABR.

The Supplier was provided the education and the relevant legislation in the Findings Letter following each inspection and has had the opportunity to rectify their business practices, however continue to engage in selling over the advertising price.

In the Supplier's response to the Proposed Administrative Penalty they indicated:

*"While we strive to ensure that all online and printed advertising reflects accurate "all-in" pricing, there are occasion where third-party listing updates or digital feed delays may result in temporary misalignment between an advertised and final sale price. These variances are never intentional nor meant to mislead a customer – they are an unfortunate by-product of market volatility and technology synchronization timing.*

*We respectfully request that this natural market dynamic be taken into consideration when assessing the matter of discrepancies in pricing."*

The Supplier is required to ensure they are adhering to Section 11(2)(l) of the ABR regardless of "market volatility and technology synchronization timing." A recent Service Alberta and Red Tape Reduction Appeal Board rendered a decision (attached as Schedule "D") 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.]*



Further, the Service Alberta and Red Tape Reduction Appeal Board decision (see Schedule “D”) comments on the importance for members of automotive industry to comply with all-in pricing legislation and at paragraphs 65 and 81 respectively state:

*“...the Board agrees with the Director in that selling above advertised prices affects the public’s perception of the industry and AMVIC’s ability to regulate it. It is inherently a serious breach.”*  
[Paragraph 65]

*“The Board finds that there is a considerable need for general deterrence as well, such that other members of the industry will understand that they must take a proactive approach to ensure they are following all-in pricing...Consumers must have confidence that the prices they see in advertisements are accurate and include all relevant charges. The Board agrees with the Director’s submission that the penalty must be sufficient to deter, and cannot be seen simply as a cost of doing business.”* [Paragraph 81]

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

#### B. Bill of Sale Issues (ABR Section 31.2(1))

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 April 9, 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. BOS issues were identified in all of the inspections that were completed on the Supplier after the amended legislation was put into effect on Oct. 31, 2018.

In the BOS reviewed the following breaches and deficiencies were identified:

- Stock No. 250142A, Stock No. 250071B, Stock No. 250192, Stock No. 250175, Stock No. 250156 and Stock No. 250215 (see Schedule “A”; Exhibits 16-21) were missing the number of the government-issued identification that the Supplier used to confirm the identity of the consumer as required by Section 31.2(1)(b) of the ABR.
- Stock No. 2438A (see Schedule “A”; Exhibit 22) the date that the vehicle is to be delivered to the consumer as required by Section 31.2(1)(i) 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 designated business activities.

In the Supplier's written representations in response to the Proposed Administrative Penalty (see Schedule "C") the Supplier stated:

*"We would also like to address the concern raised regarding incomplete Bills of Sale noted during the inspection. This matter stemmed from a misunderstanding by a single finance manager, who believed that including customer identification numbers on Bills of sale could pose a privacy and identity theft risk should a customer misplace their paperwork.*

*The intent was not to withhold information or disregard AMVIC regulation, but rather to protect the customer's personal security. Once this misunderstanding was identified, we immediately corrected the process and retrained all relevant staff to ensure full compliance with AMVIC's requirements."*

The evidence currently before the Director does not support the Supplier's statement that once the BOS issue was identified they "immediately corrected the process". The Findings Letters dated March 10, 2023, Dec. 5, 2023 and June 19, 2024 all bring this compliance issue to the Supplier's attention (see Schedule "A"; Exhibits 2, 3, & 5), as well as a Warning Letter dated Dec. 6, 2023 (see Schedule "A"; Exhibit 4). The Supplier continued to engage in this non-compliant business practice as demonstrated by the evidence currently before the Director (see Schedule "A"; Exhibits 16-21).

Based on the evidence before me, on a balance of probabilities, I find the Supplier has breached Section 31.2(1) of the ABR.

#### C. MFA Issues (VIR Section 15(1))/General Code of Conduct (ABR Section 12(o))

The MFA is required as per Section 15(1) 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 issues and concerns:

- The MFA in relation to Stock No. 2455A (Schedule "A"; Exhibit 14) had the incorrect name and address of the dealer selling the vehicle on the MFA. As per Section 15(1)(c) of the VIR a MFA must include the name and address of the dealer selling the vehicle.
- The MFA in relation to Stock No. 250125A (Schedule "A"; Exhibit 15) was missing the name of the technician who issued the MFA as required in accordance with Section 15(1)(c) of the VIR. In addition, the MFA in relation to Stock No. 250125A is missing the signature of the technician who conducted the MFA and the date the MFA was issued as required by Sections 15(1)(f) and 15(1)(g) of the VIR respectively.

By failing to complete the MFA as per legislative requirements, based on the evidence before me, on a balance of probabilities, I find the Supplier has breached Section 15(1) of the VIR and Section 12(o) of the ABR.

**D. Misleading Advertisements (ABR Section 11(2)(n))**

The Supplier's Facebook has an advertisement stating "*AMVIC inspected*" (see Schedule "A"; Exhibit 13). AMVIC does not inspect vehicles for automotive businesses and the MFA is not an AMVIC document. As indicated above, the MFA is required under the TSA and is therefore in the jurisdiction of Alberta Transportation, not AMVIC.

An MFA is not an inspection, it is an assessment. In *R. v. 954355 Alberta Inc. (The Fast Lane)*, 2016 ABPC 229 (see Schedule "B") the court reviewed the MFA in contrast with the Out of Province Inspection ("OOPI") which has a corresponding Vehicle Inspection Manual, which requires the vehicle to be within tolerance limits of inspection standards. The court stated at paragraph 12, when a certified journeyman technician issues the statement on the MFA that the vehicle complies with the Vehicle Equipment Regulation "*he is not representing that the engine and the powertrain of the motor vehicle is roadworthy or is fit for the purpose for which it was intended, that is operation on a highway or roadway.*" In addition at paragraph 19 the court stated "*The dealer cannot rely solely upon a flawed Mechanical Fitness Assessment which does not address roadworthiness of the vehicle*" and further stated the MFA "*does not address issues of roadworthiness and it was not reasonable for the dealer to rely upon it to determine roadworthiness of the motor vehicle purchased by the consumer*".

In the opinion of the Director advertising a vehicle is "*AMVIC inspected*" is a false and misleading statement regarding a vehicle that is advertised for sale. As stated above AMVIC, as the automotive regulator, does not in any circumstance inspect vehicles for automotive businesses for the purpose of a sale. To an unsuspecting consumer who is unfamiliar with AMVIC's role as the automotive regulator, a consumer could reasonably believe a vehicle being "*AMVIC inspected*" holds an approval from the automotive regulator in relation to the vehicle's mechanical condition, when it does not. Further, the Supplier was referencing the MFA that had been completed on the vehicle, the MFA is not an inspection. In the Director's opinion this is further misleading to the consumer, as the vehicle has not been inspected as a MFA is an assessment, not an inspection.

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

**E. Advertising Fixed Credit (COC Section 6)/(CPA Section 76))**

Section 76 of the CPA requires every advertisement that offers credit and that states the interest rate or amount of any payment must disclose the information provided by the COC. Section 6 of the COC requires advertisements that offer credit and state the interest rate or amount of any payment must also disclose the annual percent rate ("APR"), term, cash price and total cost of credit.

The Supplier's Facebook and Instagram accounts are advertising a monthly payment (see Schedule "A"; Exhibit 12) but did not include the APR, term, cash price and total cost of credit.

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

#### F. 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 over the past two years 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."*

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.

The aggravating factors in this matter include the resulting financial impact adversely affecting the consumer due to paying over the advertised price, in three transactions the Supplier derived an economic benefit of **\$2,277** and continued non-compliance with the rather straightforward requirements of the legislation despite education provided to the Supplier.

In the Supplier's written representations in response to the Proposed Administrative Penalty (see Schedule "C") the Supplier outlined the steps they have taken to ensure their business practices are in compliance with the legislation that governs the automotive industry. The Supplier did not provide any evidence to support their statements, however the Director will consider the steps they have taken to ensure their business practices are in compliance with the legislation as a mitigating factor.

This Administrative Penalty is taking into account the number and seriousness of the contraventions of the legislation found during the fifth inspection; and the aggravating and mitigating 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 Murray Auto Sales Medicine Hat Ltd. operating as Murray Motors Medicine Hat LP/Murray Hyundai Medicine Hat an Administrative Penalty. This is based on my opinion that Murray Auto Sales Medicine Hat Ltd. operating as Murray Motors Medicine Hat LP/Murray Hyundai Medicine Hat has contravened Sections 11(2)(l), 11(2)(n), 12(o) and 31.2(1) of the ABR, Section 15(1) of the VIR, Section 6 of the COC and Section 76 of the CPA.

Taking into consideration all the evidence currently before the Director, the amount of the Administrative Penalty is **\$7,500**.

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. Administrative Penalties issued in similar circumstances;
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 \$7,500.**

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 G [REDACTED], Registrar  
Director of Fair Trading (as Delegated)

GG/ks  
Encl.

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