
October 14, 2025

Administrative Review – 25-04-009
Served Personally

Administrative Penalty

NEW WESTERN MOTORS LTD.
308 41 AVENUE NE
CALGARY, AB
T2E 2N3

Attention: Zhe Wang and He Wang

Dear Zhe Wang and He Wang:

Re: New Western Motors Ltd. – Provincial Automotive Business Licence No. B1043542

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.

Licensee Status

New Western Motors Ltd. (the “Supplier”) holds an automotive business licence and is licensed to carry on the designated business activities of retail sales, leasing, and wholesale sales in the Province of Alberta. AMVIC’s data management system, Open Regulate, shows the Supplier was further approved to carry on the business activity of specialty service on April 11, 2025.

Direct communications with the Supplier and its representatives

1. On Dec. 2, 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 Dec. 9, 2016. The Findings Letter outlined some concerns including but not limited to:

- a) The Supplier was advertising automotive repair and leasing without the required AMVIC licence to do so contrary to Section 104(1) of the CPA.
 - b) Advertising issues contrary to requirements in Section 11 of the Automotive Business Regulation ("ABR") and Section 6 of the Cost of Credit Disclosure Regulation ("COC").
 - c) Issues with the completion of and/or disclosure of Mechanical Fitness Assessments ("MFAs") contrary to Sections 15(1) and 16 of the Vehicle Inspection Regulation ("VIR").
2. On Feb. 12, 2018, 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 Feb. 15, 2018. The Findings Letter outlined some concerns including but not limited to:
 - a) The Supplier was offering leasing without the required AMVIC licence to do so contrary to Section 104(1) of the CPA.
 - b) Advertising issues contrary to requirements in Section 11 of ABR.
 - c) Issues with the disclosure of MFAs contrary to Section 15(1) of the VIR.
3. On Aug. 1, 2024, 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 Aug. 9, 2024. The Findings Letter outlined some concerns including but not limited to:
 - a) Advertising issues contrary to requirements in Section 11 of the ABR.
 - b) Various issues with the completion of and/or disclosure of MFAs contrary to Sections 15(1) and 16 of the VIR.
 - c) The Supplier was consigning vehicles without the required AMVIC licence to do so contrary to Section 104(1) of the CPA.
 - 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.
 - e) Record keeping issues contrary to Section 9 of the ABR and Section 132 of the CPA.
4. As a result of the inspection completed conducted on Aug. 1, 2024, a Warning Letter was emailed to the Supplier on Aug. 12, 2024.
5. On March 17, 2025, a fourth AMVIC industry standards inspection was completed on the Supplier. The Findings Letter dated March 25, 2025 outlined some concerns including but not limited to:
 - a) Various advertising issues contrary to requirements in Section 11 of the ABR.
 - b) Issues with the disclosure of vehicle history information on price tags affixed to vehicles contrary to Section 31.1 of the ABR.
 - c) 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.
 - d) A number of the BOS that were reviewed in the deal jackets had issues contrary to Section 31.2 of the ABR.

- e) An issue with the completion of and/or disclosure of an MFA contrary to Section 15(1) of the VIR.
- f) The Supplier was advertising specialty service without the required AMVIC licence to do so contrary to Section 104(1) of the CPA.
- g) Discrepancies were identified in information provided by the consumer in comparison to the information relayed to financial institutions in consumer credit applications contrary to Section 6 of the CPA.

6. The Proposed Administrative Penalty dated Sept. 11, 2025 was served to the Supplier on Sept. 11, 2025. The Proposed Administrative Penalty provided the Supplier an opportunity to make written representations by Oct. 13, 2025. The Supplier did not submit written representations in response to the Proposed Administrative Penalty.

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
- (m) includes the stock number of the specific vehicle that is advertised as being available for sale at the time the advertisement is placed,
- (o) does not advertise a specific vehicle for sale if more than 14 days have elapsed since the vehicle was sold.

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.

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.

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

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

- (c) to use exaggeration, innuendo or ambiguity as to a material fact with respect to the consumer transaction

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.

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 CPA, ABR and VIR?

An AMVIC industry standards inspection was completed on Dec. 2, 2016. The inspection findings were discussed with the Supplier and a Findings Letter was emailed to the Supplier on Dec. 9, 2016. The Findings Letter addressed a number of legislative breaches.

A second AMVIC industry standards inspection was completed on Feb 12, 2018. The inspection findings were discussed with the Supplier and a Findings Letter was emailed to the Supplier on Feb 15, 2018. The Findings Letter addressed a number of legislative breaches.

On Aug. 1, 2024, a third AMVIC industry standards inspection was completed. The inspection findings were discussed with the Supplier and a Findings Letter was emailed to the Supplier on Aug. 9, 2024. The Findings Letter addressed a number of legislative breaches. As a result of the inspection completed conducted on Aug. 1, 2024, a Warning Letter was emailed to the Supplier on Aug. 12, 2024.

On March 17, 2025, 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 March 25, 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 March 17, 2025 inspection, the ISO found one vehicle was 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 this consumer transaction the Supplier derived an economic benefit of **\$1,383.33** at the cost of the consumer.

- Stock No. P2048B was sold over the advertised price by \$1,383.33;

The Supplier had not previously been found to be selling vehicles over the advertised price in previous inspections, however they were provided the education and the relevant legislation in the Findings Letter following each inspection.

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

B. Advertisements Missing Stock Numbers (ABR Section 11(2)(m))

The vehicles advertised at the Supplier's place of business (see Schedule "A"; Exhibit 9) were reviewed by the ISO. The advertisements must include the stock number as required by Section 11(2)(m) of the ABR. Photographs were taken by the ISO. One photo displays a vehicle at the Supplier's place of business had a paper sales tag stating "2021 Honda HR-V LX, 67000 km, \$21,800 + fee+ tax", however does not list the required stock number. At least five other photos do not have a clear sales tag that could be reviewed to determine if they included stock number.

In accordance with Section 166 of the CPA, the Supplier is vicariously liable for the advertisements posted at the Supplier's place of business.

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

C. Advertising after the Sale (ABR Section 11(2)(o))

Stock No. P2131A, Stock No. P2048B and Stock No. P2222B (see Schedule "A"; Exhibits 18-20) were still being advertised on the Supplier's website as available for sale 14 days after the vehicle was sold contrary to Section 11(2)(o) of the ABR. It was noted by the Director that the Findings Letter dated March 25, 2025 listed four vehicles were still being advertised on the Supplier's website as available for sale 14 days after the vehicle was sold, however evidence was only provided for three vehicles.

The ISO pulled advertisements from the Supplier's website on Dec. 17, 2024 for Stock No. P2131A, Stock No. P2048B and Stock No. P2222B. During the inspection the ISO found that these vehicles had already been sold by the Supplier. Stock No. P2131A was sold on Nov. 1, 2024 and was still being advertised for sale 45 days after the vehicle had been sold. Stock No. P2048B was sold on Sept. 3, 2024 and was still being advertised for sale 104 days after the vehicle had been sold. Stock No. P2222B was sold on Nov. 16, 2024 and was still being advertised for sale 30 days after the vehicle had been sold.

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

D. Vehicle History Information (ABR Section 31.1)

Section 31.1 of the ABR specifies the vehicle history information that must be disclosed to a consumer and also states that the vehicle history information must be disclosed in any online advertisement, on any sales tag affixed to the vehicle and in writing to the consumer before purchase.

During the 2025 inspection the ISO identified that Stock No. P2191A, Stock No. 2203A, Stock No. P2205B, Stock No. P2242B, Stock No. P2245B and Stock No. P2219B (see Schedule "A"; Exhibits 11-15 & 17) failed to disclose prior damages over \$3,000 in the Supplier's advertisements. Section 31.1(1)(h) of the ABR states that a business operator engaged in automotive sales must disclose whether the vehicle has been damaged in an incident or collision where the total cost of repairs fixing the damage exceeded \$3,000.

The advertisements for Stock No. P2009B (see Schedule "A"; Exhibit 16) failed to disclose the vehicle was registered in any jurisdiction other than Alberta immediately before it was acquired by the business operator, the name of the jurisdiction in which the vehicle was previously registered, whether the vehicle was required to be inspected prior to registration in Alberta and whether the vehicle passed or failed any required inspections as required by Section 31.1(1)(i) of the ABR

The Director finds that on a balance of probabilities, the Supplier has breached Section 31.1 of the ABR.

E. 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 March 17, 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.

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

- 18 BOS (see Schedule “A”; Exhibit 21) were missing the date that the vehicle is to be delivered to the consumer as required by Section 31.2(1)(i) of the ABR. The Director noted that the Findings Letter dated March 25, 2025 listed 19 BOS, however evidence was only provided for 18 as part of the Application Report.
- Two BOS (see Schedule “A”; Exhibit 22) were missing the registration number of the salesperson acting on behalf of the business as required by Section 31.2(1)(d) of the ABR.
- Two BOS (see Schedule “A”; Exhibit 23) were missing the number of the government-issued identification that the business operator used to confirm the identity of the consumer as required by Section 31.2(1)(b) of the ABR.

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

F. 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.

In the sale of Stock No. P2195A (see Schedule “A”; Exhibit 24) the Supplier provided the consumer an MFA however, none of the items that must be marked as compliant or non-compliant with the Vehicle

Equipment Regulation were completed. This entire section was left blank contrary to Section 15(1)(e) of the VIR. The MFA further does not have the signature of the technician who conducted the MFA as required by Section 15(1)(f) of the VIR.

In the opinion of the Director, an incomplete or blank MFA provides no benefit to a consumer and the Director is unsure of the reason for the Supplier to engage in such a business practice.

By providing an incomplete MFA to a consumer as required, the Supplier has breached the legislative requirements as per Section 15(1) of the VIR and Section 12(o) of the ABR.

G. Unfair Practice – Use Ambiguity to a Material Fact (CPA Section 6(2)(c))

Five vehicle deal jackets revealed discrepancies in the credit applications submitted to financial institutions. The credit applications submitted appear to have inflated personal credit information compared to the written consumer declaration in the vehicle file.

Stock No. P2192A, Stock No. P2181B, Stock No. P2178B, Stock No. P2201B and Stock No. P2179B (see Schedule “A”; Exhibits 26-30) had the income inflated on the credit application contrary to Section 6(2)(c) of the CPA.

- Stock No. P2192A lists a declared income for the main applicant of \$168,000 on the lending institution’s authorization and consent form and the Supplier’s finance application lists a “*gross monthly income*” of \$155,000 and does not include the consumer’s name but lists other personal information not limited to the consumer’s social insurance number and employment information.
- Stock No. P2181B lists a declared income of \$140,000 on the lending institution’s authorization and consent form and the Supplier’s finance application lists a “*gross monthly income*” of “12-13, per year”, which in the opinion of the Director is ambiguous.
- Stock No. P2178B lists a declared income of \$78,000 on the lending institution’s authorization and consent form and the Supplier’s finance application lists a “*gross monthly income*” of \$5,200. At \$5,200 a month x12 months would equate to declared income of \$62,400 and not \$78,000.
- Stock No. P2201B lists a declared income of \$94,000 on the lending institution’s authorization and consent form and the Supplier’s finance application lists a “*gross monthly income*” of “\$5,000 CAD”. At \$5,000 a month x12 months would equate to declared income of \$60,000 and not \$94,000.
- Stock No. P2179B lists a declared income of \$72,000 on the lending institution’s authorization and consent form, which was inflated from the Supplier’s finance application that lists a “*gross monthly income*” of \$54,000.

When a Supplier submits different and/or inflated declared income values collected from consumers to financial institutions, in the opinion of the Director a consumer may qualify to be financed for a vehicle they cannot afford which places them at financial risk and harms the reputation of the automotive industry.

It is an unfair practice for a Supplier to use exaggeration, innuendo or ambiguity as to a material fact with respect to the consumer transaction in a consumer transaction or a proposed consumer transaction. By inflating a consumer's income in a credit application, the Director finds that on a balance of probabilities, the Supplier has breached Section 6(2)(c) of the CPA.

H. 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 one transaction the Supplier derived an economic benefit of **\$1,383.33** and continued non-compliance with the rather straightforward requirements of the legislation despite education provided to the Supplier.

This Administrative Penalty is taking into account the number and seriousness of the contraventions of the legislation found during the fourth inspection; and the aggravating 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 New Western Motors Ltd. an Administrative Penalty. This is based on my opinion that New Western Motors Ltd. has contravened Sections 6(2)(c) of the CPA, Sections 11(2)(l), 11(2)(m), 11(2)(o), 12(o), 31.1 and 31.2(1) of the ABR and Section 15(1) of the VIR.

Taking into consideration all the evidence currently before the Director, the amount of the Administrative Penalty is **\$8,000**.

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 \$8,000.

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