

January 21, 2026

Administrative Review – 25-12-005
Served Personally

Administrative Penalty

979094 ALBERTA LTD.
o/a KROSS MITSUBISHI
9605 34 AVENUE
EDMONTON, AB
T6E 5W8

Attention: Kevin Robertson

Dear Sir:

**Re: 979094 Alberta Ltd. operating as Kross Mitsubishi
– Provincial Automotive Business Licence No. B1011455**

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

979094 Alberta Ltd. o/a Kross Mitsubishi (the “Supplier”) holds an automotive business licence and is licensed to carry on the designated business activities of new and used sales, garage, leasing and wholesale sales in the Province of Alberta.

Direct communications with the Supplier and its representatives

1. On July 29, 2015, an AMVIC industry standards inspection was completed at the business location of the Supplier. An undated Findings Letter outlining the inspection findings was completed and sent to the Supplier.
2. On Feb. 3, 2017, a second 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 Feb. 7, 2017. The Findings Letter outlined some concerns, including but not limited to the Supplier selling vehicles over the advertised price in three of 10 vehicle deal jackets reviewed contrary to Section 11(2)(l) of the Automotive Business Regulation (“ABR”).

3. On Jan. 23, 2019, a third 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 Feb. 7, 2019. The Findings Letter outlined some concerns, including but not limited to the Supplier selling vehicles over the advertised price in eight of 17 vehicle deal jackets reviewed contrary to Section 11(2)(l) of the ABR.
4. On July 28, 2021, a fourth 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 29, 2021. The Findings Letter outlined some concerns, including but not limited to the Supplier selling vehicles over the advertised price in 11 instances in the deal jackets reviewed contrary to Section 11(2)(l) of the ABR.
5. On Oct. 27, 2022, a fifth 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 Nov. 1, 2022. The Findings Letter outlined some concerns, including but not limited to the Supplier selling vehicles over the advertised price in three of 30 vehicle deal jackets reviewed contrary to Section 11(2)(l) of the ABR.
6. On Nov. 16, 2023, a sixth 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 Nov. 23, 2023. The Findings Letter outlined some concerns, including but not limited to the Supplier selling vehicles over the advertised price in one of 30 vehicle deal jackets reviewed contrary to Section 11(2)(l) of the ABR.
7. On Feb. 27, 2025, a seventh AMVIC industry standards inspection was completed at the business location of the Supplier. A Findings Letter and a Warning Letter outlining the inspection findings were completed and sent to the Supplier on March 24, 2025. The Findings Letter and Warning Letter outlined some concerns, including but not limited to the Supplier selling vehicles over the advertised price in three of 30 vehicle deal jackets reviewed contrary to Section 11(2)(l) of the ABR.
8. On Oct. 24, 2025, an eighth AMVIC industry standards inspection was completed on the Supplier. This inspection focused specifically on the Supplier’s advertising and compliance with all-in pricing legislation. The inspection conducted on Oct. 24, 2025 was therefore not comprehensive in nature and as such, not all documentation or business practices were reviewed in comparison to the previous comprehensive inspections conducted. A Findings Letter outlining the inspection findings was completed and sent to the Supplier on Nov. 14, 2025. The Findings Letter outlined some concerns, including but not limited to:

- a) During the inspection, 29 deals were reviewed by the ISO and compared with an advertisement and of those 29 deals, six did not reflect all-in pricing contrary to Section 11(2)(l) of the ABR.
 - b) During the inspection, two vehicles that had been sold were still being advertised for sale on the Supplier's website after more than 14 days had elapsed contrary to Section 11(2)(o) of the ABR.
9. Selling vehicles over the advertised price was found in seven of the eight AMVIC inspections conducted between 2015 and 2025 based on the Findings Letters provided to the Supplier following each AMVIC industry standards inspection.
10. The Proposed Administrative Penalty dated Dec. 12, 2025 was served to the Supplier on Dec. 15, 2025. The Proposed Administrative Penalty provided the Supplier an opportunity to make written representations by Jan. 21, 2026. 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

(o) does not advertise a specific vehicle for sale if more than 14 days have elapsed since the vehicle was sold.

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.

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?

An AMVIC industry standards inspection was completed on July 29, 2015. The inspection findings were discussed with the Supplier and an undated Findings Letter was emailed to the Supplier. Six subsequent AMVIC industry standards inspections were completed between 2017 and February 2025. As a result of each inspection, the inspection findings were discussed with the Supplier. After each inspection, a Findings Letter was completed and provided to the Supplier providing education to the Supplier. Seven of the eight Findings Letters addressed the Supplier was selling vehicles over the advertised price.

On Oct. 24, 2025, an eighth AMVIC industry standards inspection was completed on the Supplier. This inspection focused solely on the Supplier's advertising and compliance with all-in pricing legislation. The inspection conducted on Oct. 24, 2025 was therefore not comprehensive in nature and as such, not all documentation or business practices were reviewed in comparison to the previous comprehensive inspections. A Findings Letter outlining the inspection findings was completed and sent to the Supplier on Nov. 14, 2025. The ISO identified that the Supplier has continued to sell vehicles over the advertised price contrary to Section 11(2)(l) of the ABR. 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 Oct. 24, 2025 AMVIC industry standards inspection.

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

During the Oct. 24, 2025 inspection, the ISO found six 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 six consumer transactions the Supplier derived an economic benefit of **\$4,461** at the cost of the consumers.

- Stock No. CR25100 was sold over the advertised price by \$635;
- Stock No. CR25063 was sold over the advertised price by \$2,037;
- Stock No. OU25019 was sold over the advertised price by \$535;
- Stock No. OU25097 was sold over the advertised price by \$1,235;
- Stock No. OU25117A was sold over the advertised price by \$9; and
- Stock No. OU25173A was sold over the advertised price by \$10.

In reviewing the documents submitted by the ISO (see Schedule "A") Stock No. CR25100, Stock No. CR25063, Stock No. OU25019 and Stock No. OU25097 had options such as mud guards, block heaters, wheel locks or "XPEL GOLD", also known as 3m itemized and charged above the advertised price, yet internal documents from the Supplier identified that these items had been installed on these vehicle months prior to be sold. The additions were not included in the advertisements pulled by the ISO on Sept. 17, 2025, despite being installed on the vehicles. In accordance with 11(2)(l) of the ABR, the advertised price must include optional equipment physically attached to the vehicle.

The application report states on page three that 29 vehicles had an advertisement to compare against the corresponding sold vehicle files and six 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 continues to engage in selling over the advertising price.

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

B. Advertising Vehicles for Sale after Vehicle Sold and More Than 14 Days has Elapsed (11(2)(o) ABR)

During the Oct. 24, 2025 inspection, the ISO found two vehicles that had been sold that was still being advertised for sale on the Supplier's website after more than 14 days had elapsed. The Supplier must ensure all vehicles advertised are available for sale to the consumer. In addition, all advertisements where a vehicle has sold must be removed within 14 days. The Application Report identified the following stock number being advertised on the Supplier's website, despite already being sold:

- Stock No. OU25187 was sold July 15, 2025 and vehicle still advertised on Sept. 17, 2025.
- Stock No. CR25025 was sold Feb. 27, 2025 and vehicle still advertised on Sept. 17, 2025.

Stock No. OU25187 and Stock No. CR25025 were still being advertised for sale 64 days and 202 days, respectively, after the vehicles had been sold.

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

C. 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 six transactions the Supplier derived an economic benefit of **\$4,461** 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 eighth 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 979094 Alberta Ltd. o/a Kross Mitsubishi pay an Administrative Penalty. This is based on my opinion that 979094 Alberta Ltd. o/a Kross Mitsubishi has contravened Sections 11(2)(l) and 11(2)(o) of the ABR.

Taking into consideration all the evidence currently before the Director, the amount of the Administrative Penalty is **\$8,500**.

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. Administrative Penalties issued in similar circumstances;
4. The maximum penalty under Section 158.1(3) of the CPA of \$100,000; and
5. The deterrent effect of the penalty.

The amount of the Administrative Penalty is \$8,500.

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 Gervais, Registrar
Director of Fair Trading (as Delegated)

GG/ks
Encl.

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