ALBERTA MOTOR VEHICLE INDUSTRY COUNCIL

Alberta Motor Vehicle Industry Council
ALBERTA'S AUTOMOTIVE REGULATOR

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May 14, 2026

Administrative Review – 25-11-012
Served via email: jon@krossgroup.ca

Administrative Penalty

2151870 ALBERTA LTD.
o/a BOW MITSUBISHI
171 GLENDEER CIRCLE SE
CALGARY, AB
T2H 1S8

Attention: Kevin Robertson

Dear Kevin Robertson:

**Re: 2151870 Alberta Ltd. operating as Bow Mitsubishi
– Provincial Automotive Business Licence No. B2025454**

As the Director of Fair Trading (as delegated) (the "Director"), I am writing to you pursuant to Section 158.1(1) of the *Consumer Protection Act* ("CPA") to provide you with written notice of the Administrative Penalty issued under that section.

Facts

The evidence before me in relation to this matter consists of the material contained in an Alberta Motor Vehicle Industry Council ("AMVIC") 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 on March 27, 2026 (attached as Schedule "**B**"), in response to the Proposed Administrative Penalty, which I have also taken into consideration.

Licensee Status

2151870 Alberta Ltd. o/a Bow 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, service station and wholesale sales in the Province of Alberta.

Direct communications with the Supplier and its representatives

1. On July 17, 2023, an AMVIC industry standards inspection was completed on the Supplier. A Findings Letter outlining the inspection findings was completed and sent to the Supplier on July 21, 2023. The Findings Letter outlined some concerns, including but not limited to:

a) Advertising issues contrary to requirements in Section 6 of the Cost of Credit Disclosure Regulation ("COC").
b) During the inspection, 10 deals reviewed by the ISO did not reflect all-in pricing contrary to Section 11(2)(l) of the Automotive Business Regulation ("ABR").
c) 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) The bills of sale ("BOS") that were reviewed in the deal jackets had various issues contrary to Section 31.2 of the ABR.

2. As a result of an administrative review conducted on May 6, 2025, the Supplier entered into a voluntary Undertaking in June 2025.

3. On Oct. 31, 2025, a second 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. 31, 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. 12, 2025. The Findings Letter outlined some concerns, including but not limited to:

   a) During the inspection, 16 deals were reviewed by the ISO and compared with an advertisement and of those 16 deals, 12 did not reflect all-in pricing contrary to Section 11(2)(l) of the ABR.

4. Selling a vehicle over the advertised price was found in both AMVIC inspections completed in 2023 and 2025, based on the Findings Letters provided to the Supplier following each AMVIC industry standards inspection.

5. The Proposed Administrative Penalty dated Feb. 26, 2026 was served to the Supplier on Feb. 26, 2026. The Proposed Administrative Penalty provided the Supplier an opportunity to make written representations by March 31, 2026. On March 27, 2026, the Supplier provided written representations in response to the Proposed Administrative Penalty (see Schedule "**B**").

<u>**Applicable Legislation**</u>

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

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 17, 2023. The inspection findings were discussed with the Supplier and a Findings Letter was emailed to the Supplier on July 21, 2023. The Findings Letter addressed a number of legislative breaches including advertising compliance, MFA compliance issues, BOS issues and selling vehicles over the advertised price. The Director has not considered breaches from previous AMVIC inspection to determine the amount of the Proposed Administrative Penalty.

On Oct. 31, 2025, a second 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. 31, 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 in the past. A Findings Letter outlining the inspection findings was completed and sent to the Supplier on Nov. 12, 2025. Based on the facts outlined 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 (11(2)(l) ABR)

During the Oct. 31, 2025 inspection, the ISO found 11 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. Based on the evidence included in the Application Report (see Schedule "**A**"), in 11 consumer transactions, the Supplier derived an alleged economic benefit of $31,807.84 at the cost of the consumers:

- Stock No. BPH25127 was sold over the advertised price by $7,708.51;
- Stock No. BOU25206 was sold over the advertised price by $2,328;
- Stock No. BOU25172 was sold over the advertised price by $2,328;
- Stock No. BCR25152 was sold over the advertised price by $4,058;
- Stock No. BOU25199 was sold over the advertised price by $2,328;
- Stock No. BOU25182A was sold over the advertised price by $2,208;
- Stock No. BNT354 was sold over the advertised price by $1,705;

- Stock No. BPH25146A was sold over the advertised price by $4,935.33;
- Stock No. BPH25124A was sold over the advertised price by $311;
- Stock No. BSM259 was sold over the advertised price by $2,399; and
- Stock No. BCR25173A was sold over the advertised price by $1,499.

The Application Report states on page two that 16 vehicles had an advertisement to compare against the corresponding sold vehicle files and 12 vehicles were sold over the advertised price contrary to Section 11(2)(l) of the ABR. In reviewing the evidence provided with the Application Report (see Schedule "**A**"), the Director did not find the Supplier breached Section 11(2)(l) of the ABR in relation to Stock No. BRV25120.

In the Supplier's written representations (see Schedule "**B**"), they indicated the *"Safe and Secure package is **not mandatory**, and customers have the option to decline it."* The Supplier's written representation then goes further to break down the *"Safe and Secure"* package by model of new vehicle and separated used vehicles into a single category. The first new vehicle model the Supplier addressed was as follows:

> *"FOR RVR:*
> *CATYLITIC CONVERTER SHIELD (value $500)*
> *CARRX TRACKER+1 YEAR SUBSCRIPTION- CERT SIGNED AT DELIVERY (VALUE $899)*
> *ITEKT WINDSHIELD PROTECTION*
> *2 MONTHS WINDSHIELD ROCK CHIP REPAIR- DEALERSHIP INSURED WARRANTY (VALUE $180)*
> *MAX 3 CHIPS*
> *PRIVACY 4 CARS VIN WIPES -LIFETIME SERVICE (VALUE $420)*
> *WHEEL LOCKS"*

The Supplier did not reference a stock number in relation to the RVR. The only new vehicle transaction included in the Application Report for an RVR was a leased vehicle transaction (see Schedule "**A**"; Exhibit 9). The Proposed Administrative Penalty did not include the leased vehicle as a transaction found to be over the advertised price. Further, the page included in the Application Report that breaks down the amount each stock number is sold over the advertised price (see Schedule "**A**"; Exhibit 4) does not indicate that this stock number was sold a *"Safe and Secure"* package. Therefore, it is unclear to the Director which stock number the Supplier was referencing in relation to the above.

The Supplier then provided the below break down for two other models of vehicles sold as follows:

> *"FOR OUTLANDER AND ECLIPSE CROSS:*
> *CARRX TRACKER+1 YEAR SUBSCRIPTION- CERT SIGNED AT DELIVERY (VALUE $899)*
> *ITEKT WINDSHIELD PROTECTION*
> *2 MONTHS WINDSHIELD ROCK CHIP REPAIR- DEALERSHIP INSURED WARRANTY (VALUE $180)*
> *MAX 3 CHIPS*
> *PRIVACY 4 CARS VIN WIPES – LIFETIME SERIVCE (VALUE $420)*
> *WHEEL LOCKS"*

There are multiple transactions before the Director in relation to the Supplier selling an Outlander to a consumer. Stock No. BOU25206, Stock No. BOU25172 and Stock No. BOU25199 (see Schedule "**A**"; Exhibit 6, Exhibit 7 and Exhibit 10) are all transactions selling an Outlander. There was only one transaction selling a new Eclipse Cross (see Schedule "**A**"; Exhibit 8).

In review of the above breakdown, the Director noted that the "*ITEKT WINDSHIELD PROTECTION*" and "*WHEEL LOCKS"* were installed on the vehicles before the consumers purchased them and therefore must be included in the advertised price. Further, if the products are already installed, it does not seem reasonable that the products are considered optional.

The Supplier only provided prices for three of the included products of the *"Safe and Secure"* package as indicated above. The Director has documents in relation to the "*CARRX TRACKER"* product included in the *"Safe and Secure"* package signed by the consumers, however they do not have a price associated on the document. Therefore, there is no evidence before the Director that the Supplier provided the price of this product to consumers during the transactions. Further, the evidence before the Director indicated that a GPS unit was already installed on the vehicles before the transaction occurred. While the invoices do not specifically indicate CarRx, they state a GPS tracker is installed. Further, in reviewing the documentation currently before me, Stock No. BOU25172 and Stock No. BCR25152 (see Schedule "**A**"; Exhibit 7 and Exhibit 8) both include an invoice for work completed after the sale of the vehicles, and neither had a GPS tracking unit installed after purchase for CarRx. There are no invoices for Stock No. BOU25206 and Stock No. BOU25199 after the date of sale to demonstrate a GPS tracking unit was installed after the consumer purchased the CarRx. The only evidence of a GPS tracking unit being installed on these vehicles occurred before the sales. The Director again finds it not reasonable that a product is optional if it is already installed on the vehicle. While the Director acknowledges that this product also includes a service (subscription) that does not begin until after the purchase, the Supplier has already installed the GPS tracker units in the vehicles before the transactions.

There is no evidence before the Director to suggest the consumer received either the "*2 MONTHS WINDSHIELD ROCK CHIP REPAIR- DEALERSHIP INSURED WARRANTY"* or *"PRIVACY 4 CARS VIN WIPES – LIFETIME SERIVCE"* as there are no associated documents related to their cost or coverage, nor is there a document signed by the consumer in relation to either of these products.

The Supplier also outlined the *"Safe and Secure"* package for an Outlander PHEV as follows:

> *"OUTLANDER PHEV:*
> *CARRX TRACKER+1 YEAR SUBSCRIPTION- CERT SIGNED AT DELIVERY (VALUE $899)*
> *BLOCK HEATER - NOT PRE-INSTALLED (VALUE $440)*
> *ITEKT WINDSHIELD PROTECTION*
> *2 MONTHS WINDSHIELD ROCK CHIP REPAIR- DEALERSHIP INSURED WARRANTY (VALUE $180)*
> *MAX 3 CHIPS*
> *PRIVACY 4 CARS VIN WIPES – LIFETIME SERVICE (VALUE $420)*
> *WHEEL LOCKS"*

There is only one BOS for the sale of an *"OUTLANDER PH"* (see Schedule "**A**"; Exhibit 5), which the Director believes the Supplier is referencing in their written representations where they indicate the vehicle as a *"OUTLANDER PHEV"*. Similar to above in relation to the Outlander and Eclipse Cross, the "*ITEKT WINDSHIELD PROTECTION*", "*WHEEL LOCKS"* and GPS tracking unit were installed on the Outlander PHEV prior to the sale. In addition, there is a CarRx document signed by the consumer that has no price included for the service; however, there is no documentation associated with the coverage or cost signed by the consumer for the "*2 MONTHS WINDSHIELD ROCK CHIP REPAIR- DEALERSHIP INSURED WARRANTY"* or *"PRIVACY 4 CARS VIN WIPES – LIFETIME SERIVCE".*

In addition, the Supplier advised that the *"Safe and Secure"* package for the Outlander PHEV included a block heater and stated it was not pre-installed. The evidence before the Director does not support this claim. The internal invoice shows the Supplier installed the block heater on the Outlander PHEV almost **a year before** the transaction. Further, the advertisement posted for the Outlander PHEV stated the vehicle had a block heater. Therefore, the advertised price for the Outlander PHEV must include the price of the block heater.

The final breakdown of the *"Safe and Secure"* package included in the Supplier's written representations (see Schedule "**B**") was for used vehicles and advised as follows:

> *"USED VEHICLES:*
> *CARRX TRACKER+3 YEAR SUBSCRIPTION- CERT SIGNED AT DELIVERY (VALUE $899)*
> *ITEKT WINDSHELD* [sic] *PROTECTION*
> *2 MONTHS WINDSHIELD ROCK CHIP REPAIR- DEALERSHIP INSURED WARRANTY (VALUE $180)*
> *MAX 3 CHIPS*
> *PRIVACY 4 CARS VIN WIPES – LIFETIME SERVICE (VALUE $420)"*

The documentation currently before the Director in relation to used vehicles sold by the Supplier (see Schedule "**A**"; Exhibits 11-16) shows that "*ITEKT WINDSHELD* [sic] *PROTECTION"* was installed on all six used vehicles before the transactions with the consumers and there are no documents demonstrating contracts the consumer received "*CARRX TRACKER+3 YEAR SUBSCRIPTION*", "*2 MONTHS WINDSHIELD ROCK CHIP REPAIR"* or "*PRIVACY 4 CARS VIN WIPES*".

The documentation currently before the Director does not sufficiently support the Supplier's claim that the *"Safe and Secure"* package is an optional product as many of the goods included in the package were pre-installed before the purchase of the vehicles and there is insufficient evidence submitted by the Supplier to demonstrate the other products/services claimed to be a part of the package were products sold to the consumers. The evidence currently before the Director, on a balance of probabilities, supports the *"Safe and Secure"* package included numerous pre-installed goods, and a reasonable person would not believe that the *"Safe and Secure"* package is optional when all physical options included in the package are pre-installed before the consumer purchases the vehicle.

Stock No. BOU25172

In the Supplier's written representations, they indicated "*Customer received $1,612 reimbursement via cheque to assist with insurance costs*" (see Schedule "**B**") in regards to Stock No. BOU25172 (see Schedule "**A**"; Exhibit 7). The Supplier also provided a cheque with their written representation to demonstrate they provided the consumer a cheque as indicated. This reimbursement is not indicated on the BOS, which is a concern to the Director. The evidence currently available to the Director demonstrates Stock No. BOU25172 was sold over the advertised price as follows:

Vehicle Price		$43,888.00
Admin Fee	+	699.00
Safe & Secure	+	1,499.00
Air tax	+	100.00
AMVIC Levy	+	10.00
Tire Levy	+	20.00
Reimbursement	-	1,612.00
Total Sale Price		$44,604.00
Total Sale Price		$44,604.00
Advertised Price	-	43,888.00
Over Advertised Price		**$716.00**

Therefore, in the opinion of the Director, Stock No. BOU25172 (see Schedule "**A**"; Exhibit 7) was sold over the advertised price by $716.

Stock No. BOU25182A

In the Supplier's written representations, they indicated *"Customer received a $3000 cheque from bow to help with insurance cost"* (see Schedule "**B**") in regards to Stock No BOU25182A (see Schedule "**A**"; Exhibit 11). The Supplier also provided a cheque with their written representation to demonstrate they provided the consumer a cheque. This money provided to the consumer is not indicated on the BOS, which is a concern to the Director. The evidence currently available to the Director demonstrates Stock No. BOU25182A was not sold over the advertised price. The breakdown is as follows:

Vehicle Price		$37,989.00
Admin Fee	+	699.00
Safe & Secure	+	1,499.00
AMVIC Levy	+	10.00
Reimbursement	-	3,000.00
Total Sale Price		$37,197.00
Advertised Price		$37,989.00
Total Sale Price	-	37,197.00
Under Advertised Price		**$792.00**

Therefore, in the opinion of the Director, Stock No. BOU25182A (see Schedule "**A**"; Exhibit 11) was not sold over the advertised price.

Stock No. BPH25127

The Application Report submitted to the Director (see Schedule "**A**"; Exhibit 5) demonstrated Stock No. BPH25127 was sold over the advertised price by $7,708.51. The Supplier advised the following in their written representations (see Schedule "**B**"):

> *"Inspector A[redacted] also raised concerns regarding transactions where customers selected manufacturer subvented financing rates instead of discounts tied to standard financing or cash purchases.*
>
> *At the time of these transactions:*
>
> - *The discount in question was **not customer-facing** and was applied at the dealer's discretion.*
> - *Customers were clearly informed that choosing subvented financing would affect pricing.*
> - *Supporting documentation from Mitsubishi Motors, as well as written confirmation from our District Manager, Clayton Blancher, has been included to substantiate this practice."*

In the Supplier's written representations, they indicated the following in relation to Stock No. BPH25127:

> *"**BPH25127***
> *The advertised discount clearly stated "Standard Finance Rate or Cash Deal Only." The customer opted for subvented financing and was informed of the pricing implications. Supporting documentation from Mitsubishi and our District Manager Clayton Blacher is attached. No overcharge occurred."*

The advertisement for Stock No. BPH25127 (see Schedule "**A**"; Exhibit 5.1) stated *"(STANDARD RATE FINANCING OR DEAL ON SPECIAL PRICING)*". The Supplier's advertisement obtained by the ISO from the Supplier's website prior to the inspection does not indicate any terms or conditions specific to these *"subvented financing"* rates, and further in their written representations support that "*The discount in question was **not customer-facing** and was applied at the dealer's discretion."* In the opinion of the Director, an average reasonable person would not know what *"(STANDARD RATE FINANCING OR DEAL ON SPECIAL PRICING)*" means. The ABR is very clear in Section 11(2)(l), the advertised price must be adhered to, the only thing the Supplier can charge above the advertised price is the GST or costs and charges associated with financing. In the opinion of the Director, the Supplier must follow the legislation in Alberta, regardless of the conditions of the programs and incentives offered by the manufacturer. Part 9 of the CPA and the Cost of Credit Disclosure Regulation further speak to the requirements when advertising fixed credit.

In the opinion of the Director, the Supplier sold the vehicle for more than the advertised price and they have therefore breached Section 11(2)(l) of the ABR.

Stock No. BCR25152

The Supplier advised the following in relation to Stock No. BCR25152 (see Schedule "**B**"):

> *"Stoneshield $1305 sold and installed post signed Bill of sale – sold at discount from $2499"*.

The Supplier did not provide any additional supporting documentation in relation to the *"Stoneshield"* product sold to the consumer in their written representations. In reviewing the documentation provided in the Application Report (see Schedule "**A**"; Exhibit 8) there is no contract signed by the consumer in relation to this good or service, nor is there any evidence the demonstrates what this good or service provides. There is no evidence currently before the Director that demonstrates this good or service was installed after the purchase of the vehicle. There is an internal invoice dated *"30OCT25"* that indicates *"INSTALL PPF BOW PACKAGE"* and *"SUBL CARSHIELDS LTD. INV#1663"* with two listed costs of $250 and $449.99; however, there is no evidence this is the same product as *"Stoneshield"*. Section 4 of the CPA is very clear that if a provision of a document is ambiguous, the provision must be interpreted against the Supplier.

> ***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.

Therefore, in the opinion of the Director, the evidence is ambiguous in relation to *"Stoneshield"* and the Director must interpret the document against the Supplier.

Therefore, after reviewing all the evidence currently available, in **10** consumer transactions, the Supplier derived an economic benefit of **$27,987.84** at the cost of the consumers as outlined below:

- Stock No. BPH25127 was sold over the advertised price by $7,708.51;
- Stock No. BOU25206 was sold over the advertised price by $2,328;
- Stock No. BOU25172 was sold over the advertised price by $716;
- Stock No. BCR25152 was sold over the advertised price by $4,058;

- Stock No. BOU25199 was sold over the advertised price by $2,328;
- Stock No. BNT354 was sold over the advertised price by $1,705;
- Stock No. BPH25146A was sold over the advertised price by $4,935.33;
- Stock No. BPH25124A was sold over the advertised price by $311;
- Stock No. BSM259 was sold over the advertised price by $2,399; and
- Stock No. BCR25173A was sold over the advertised price by $1,499.

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. 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.

The aggravating factors in this matter include the resulting financial impact affecting the consumers due to paying over the advertised price. In 10 transactions, the Supplier derived an economic benefit of **$27,987.84** 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 second 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 2151870 Alberta Ltd. o/a Bow Mitsubishi pay an Administrative Penalty. This is based on my opinion that 2151870 Alberta Ltd. o/a Bow Mitsubishi has contravened Section 11(2)(l) of the ABR.

Taking into consideration all the evidence currently before the Director, the amount of the Administrative Penalty is **$39,000**.

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. 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 $39,000.

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 Minster of Service Alberta and Red Tape Reduction at the above noted address, made payable to the “Government of Alberta”.

Yours truly,

"original signed by"

Alberta Motor Vehicle Industry Council (AMVIC)
Katie Lockton, Deputy Registrar
Director of Fair Trading (as Delegated)

KL/ks
Encl.

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