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## NEED MORE DECALS?

Contact Us!

“Ontario-Registered Dealer” window decals were distributed last fall as part of OMVIC’s “Buy With Confidence” consumer awareness campaign.

If you need additional decals, please contact:

**Email:** [omvic@omvic.on.ca](mailto:omvic@omvic.on.ca)

**Phone:** 1-800-943-6002 ext. 3525

Decal artwork is also available online at [www.BuyWithConfidence.ca](http://www.BuyWithConfidence.ca).

Feel free to use the decal on your website, brochures or business cards.

### The Dealer Standard

is published by the **Ontario Motor Vehicle Industry Council**

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## Your MVDA Review

The new *Motor Vehicle Dealers Act* (MVDA) has been an adjustment for all dealers for the past several months. So how are you doing? It’s the responsibility of dealers and salespersons to ensure they are fulfilling the requirements of the new MVDA. To help, we’ve compiled a short MVDA review and reference guide.

### Covered inside:

- OMVIC certificates
- Certification of salespersons
- Advertising compliance
- And more!

See inside for the full list >>

## Curbsider Gets a Year Behind Bars

On January 25, 2010, Eric Stiles and his numbered company pleaded guilty to 30 counts of curbsiding. Stiles was sentenced to one year in prison and the company was fined \$375,000 (inclusive of victim surcharge).

Stiles was charged under the previous MVDA and his one-year prison sentence represents the maximum sentence under that *Act*. The new MVDA increases minimum fines to \$2,500 per count and doubles maximum jail sentences.

Stiles was the subject of a prior OMVIC investigation related to his unregistered activities. Fines imposed on him and his companies in 2004 totalled \$159,375.



# New MVDA: The First Six Months

## Building Confidence in Ontario's Registered Dealers

### OMVIC Launches New MVDA

After months of preparation, the new MVDA launched in January 2010. To commemorate the launch, OMVIC held a media event promoting the industry's new consumer protection measures and ongoing dedication to dealer professionalism.

#### Core "news pillars" of the new legislation:

- Advertising disclosure and "all-in pricing"
- Increased vehicle disclosure
- Rescission rights
- Increased compensation for vehicle-buying issues

The announcement generated more than **140** news stories promoting consumer protection

encouraging consumers to buy from Ontario-registered dealers.

### OMVIC Announces Free Seminars

This summer, OMVIC will launch a series of free vehicle-buying seminars in diverse communities across the GTA.

These seminars will teach new Canadians about the importance of avoiding curbsiders by purchasing vehicles from Ontario-registered dealers.

#### Attendees will learn:

- The dangers curbsiders pose – and how to avoid them
- How to find an Ontario-registered dealer
- What consumers should do if they have a problem

**Avoid Curbsiders & Con Artists!**



Attendees will learn to "look for the decal" when purchasing a vehicle.

## Empire Auto Sales Charged: Failed to Disclose Material Facts

Unregistered auto dealer Empire Auto Sales – and its owners Dinesh Gathani, Alpa Gathani, Amit Gathani and Ankit Gathani – were fined \$7,000 for selling salvage vehicles without disclosure.

Charges were laid under the *Consumer Protection Act* following an OMVIC investigation that determined vehicles sold by Empire Auto Sales were insurance write-offs branded as salvage. Although the vehicles had incurred major collision damage, the only disclosure made to consumers was that the vehicles had “small dents.”

## TOP 10 DAY-TO-DAY MVDA REMINDERS FOR DEALERS & SALESPERSONS

Launched in January 2010, the new *Motor Vehicle Dealers Act* (MVDA) introduced a number of changes to the way dealers must operate.

**We're here to help!**

**If you have any questions, please contact us:**

**Main phone lines:** (416) 226-4500, 1-800-943-6002

**Registration:** ext. 5104

**Consumer complaint handling:** ext. 5105

**Reporting a curbsider:** 1-888-NOCURBS

**Email:** [omvic@omvic.on.ca](mailto:omvic@omvic.on.ca)

**Website:** [www.omvic.on.ca](http://www.omvic.on.ca)



### 1 New Registration Forms Available Online

New registration forms are available at [www.omvic.on.ca](http://www.omvic.on.ca). If you can't download these forms, contact OMVIC and we will mail them to you. The revised forms include detailed instructions, but should you still have questions – contact us!

**Kindly ensure that all future applications are submitted on the newest forms.**

### 2 Renewing OMVIC Certificates

The new MVDA prohibits OMVIC from renewing a registration unless certain conditions are met, including:

- No retail sales tax arrears
- No money owing to the Compensation Fund
- OMVIC certification course requirements satisfied

### 3 OMVIC Certification Process

Although processing of your renewal begins when your application is received, OMVIC cannot print your certificate until immediately prior to your expiry date to ensure these preconditions have been met. As a result, in many cases, certificates are being received following expiry. In these cases, the Ministry of Transportation (MTO) issuing offices have agreed to give registrants an extension to provide their OMVIC certificate.

**Dealers and salespersons are encouraged to send in renewals well in advance of the expiry date.**

This will ensure that any potential precondition issues are resolved and that processing of your renewal is completed before the expiry date.

## 4 Certification of New Salespersons

Under the old *Act*, it was possible to register salespersons conditionally as long as they were enrolled in the course. This is no longer possible. OMVIC begins processing new applications based on confirmation of enrolment, but will not be able to register the salesperson until we receive confirmation from Georgian College that the course has been completed successfully.

**Under the new MVDA, OMVIC cannot grant registration to new salespersons unless they have successfully completed the certification course.**

## 5 Registration of Salespersons

All individuals employed by a dealership must be registered with OMVIC before conducting any motor vehicle trades. There is no training period or grace period of any kind permitted in the legislation.

**Salespersons cannot engage in buying, selling, leasing, negotiating, inducing or attempting to induce a trade in a motor vehicle without OMVIC registration.**

## 6 Avoid “Total Kilometres Unknown” (TKU) and “Total Miles Unknown” (TMU) Designations

The terms “TKU” and “TMU” cannot be used when selling a vehicle. In situations when a dealer cannot determine with certainty the true distance travelled after exercising due diligence, the Code of Ethics requires the dealer to use the more accurate of one of the following statements:

i. “If the vehicle is a used motor vehicle and the dealer cannot determine the total distance that the vehicle has been driven but can determine the distance that the vehicle has been driven as of some past date, a statement of that distance and date, together with a statement that the total distance that the vehicle has been driven is believed to be higher than that distance.”

ii. “If the vehicle is a used motor vehicle and the dealer can determine neither the total distance that the vehicle has been driven, nor the distance that the vehicle has been driven as of some past date, a statement that the total distance that the vehicle has been driven is unknown and may be substantially higher than the reading shown on the odometer.”

**This disclosure must be provided to the purchaser.**

If a dealer has purchased such a vehicle, the dealer must choose one of the above statements when selling the vehicle to a customer. In general, dealers should avoid purchasing vehicles disclosed as “TKU.”

## 7 Insured Warranty Providers

An extended warranty is a contract whereby a person, other than a motor vehicle manufacturer, agrees to provide coverage of the costs associated with the repair or replacement of components of a motor vehicle (including the labour necessary to repair or replace those components), that is in addition to a warranty supplied by law or implied by the operation of law.

**Dealers are required to ensure warranty contracts comply with all requirements under the new MVDA.**

## 8 Selling Warranty

Dealers may sell only extended warranty products that are insured or for which a letter of credit to the Compensation Fund has been provided.



**A list of insured providers is available on OMVIC’s website at:**

**[www.omvic.on.ca/services/shared/insured\\_warranty\\_providers.htm](http://www.omvic.on.ca/services/shared/insured_warranty_providers.htm)**

## 9 Bank Accounts

You must ensure that all monies you receive in connection with a transaction involving a motor vehicle are deposited into your bank account, unless it involves a deposit greater than \$10,000 or a consignment sale where the consigned vehicle comes from a consumer. In either of these cases, the monies must be placed in your trust account. Any monies needed to pay out in connection with a transaction involving a motor vehicle must also be paid from this account.

**All dealers must maintain a bank account in the legal name of their dealership and trade name (if applicable).**

### Common Errors in Vehicle Advertising

Any price listed in a vehicle advertisement must include all charges a customer is required to pay, including:

- Freight
- Administration fees
- Locking wheel nuts
- Pre-delivery costs
- Window etching
- Nitrogen

- The advertised price must be the sum total of all non-optional charges. The only exception may be MTO licensing.
- If taxes are not included in the advertised price, the ad must clearly and prominently state that taxes are not included.
- If the vehicle is a previous daily rental that has not been subsequently owned by a consumer, an emergency service vehicle or a limousine, this fact must also be clearly and prominently stated.
- Disclosure in fine print is NOT considered clear and prominent.

## 10 Advertising Compliance

OMVIC's investigations team will charge dealers who are not advertising in accordance with the new MVDA. It's the responsibility of dealers and salespersons to understand the requirements under the *Act* and to ensure compliance in all aspects of the business.

### Dealer Principals:

Please ensure staff who mount advertising campaigns on behalf of a dealership fully understand all advertising requirements. Failure to adhere to the new MVDA can result in charges, cease-and-desist orders or advertising pre-approvals.

### Dealer Boards/Marketing Associations:

Please ensure fellow members, your manufacturer and your marketing firm understand the requirements of the MVDA. Where a fee or cost varies from dealer to dealer in a marketing group, the amount of the fee or cost (or range) and what the fee or cost is for must be clearly and prominently stated.

### Criminal Record Searches:

Owing to changes at the Ontario Provincial Police (OPP), OMVIC is no longer able to obtain criminal record checks on behalf of our applicants or registrants. Applicants must provide OMVIC with an original security clearance report or criminal record check from their local police or OPP detachment. This new requirement affects all new salesperson and new dealer applicants, but does not affect renewal applicants.

**All new applicants must provide OMVIC with an original security clearance report or criminal record check from their local police or OPP detachment.**

For more details, please visit the section of our website under

**Registration → Forms →  
OPP Procedure Notice.**

# Recent Charges

Name	Charge	Fine
ERIC STILES	30 Counts of Curbsiding	One-year jail term plus \$375,000
KAYBEE ADEBAYO	18 Counts of Curbsiding	\$36,000
ADEOLU ADEBAJO	18 Counts of Curbsiding	Six-month jail term
OLALEKAN SHITTU	26 Counts of Curbsiding	Six-month jail term
JAZID KAZ KHAN	Three Counts of Curbsiding Three Counts of Misrepresentation <i>(Consumer Protection Act)</i>	\$18,000
FAHMI KREEM	Four Counts of Curbsiding	\$10,000
2089993 ONTARIO LTD.	One Count of Curbsiding	\$10,000
ALEN SADA	Two Counts of Odometer Tampering	\$10,000
ZBIGNIEW ZURAWSKI O/A ZBYSZKO Z AUTO BODY CUSTOM PAINT	One Count of Failing to Disclose as Dealer in Ad Two Counts of Retaining Unregistered Salespersons Two Counts of Selling Off Premises	\$10,000
JASON HOPKINS	Three Counts of Engaging in Unfair Practices <i>(Consumer Protection Act)</i> One Count of Retaining Unregistered Salespersons	\$8,000
DINESH GATHANI, AMIT GATHANI, ANKIT GATHANI AND ALPA GATHANI, EMPIRE AUTO SALES	Seven Counts of Misrepresentation <i>(Consumer Protection Act)</i>	\$7,000
ZDZISLAW LABRYSZEWSKI	One Count of Curbsiding	\$5,000
JACK MCGEE, CHEVROLET-CADILLAC LIMITED	One Count of Retaining Unregistered Salespersons	\$5,000
DANIEL HABTEGIORGIS	Three Counts of Curbsiding One Count of Misrepresentation <i>(Consumer Protection Act)</i>	\$4,000



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