



**MOTOR VEHICLE SALES AUTHORITY OF BRITISH COLUMBIA**  
*(Previously known as the Motor Dealer Council of B.C.)*

**IN THE MATTER OF THE MOTOR DEALER ACT R.S.B.C. 1996 C. 316  
AND THE SALESPERSON LICENSING REGULATION B.C. REG. 241/2004**

**RE:**

**BRUCE GEORGE IRONSIDE**  
**(Salesperson Application # 117358)**

**SALESPERSON**

**DECISION OF THE REGISTRAR OF MOTOR DEALERS**

**APPEARANCES**

For the Authority:                      Hong Wong, Manager of Licensing  
   Kim Murphy, Licensing Officer  
   Ross Coté, Compliance Officer

For Bruce George Ironside        In person

Date and Place of Hearing:        March 3, 2011, Surrey, British Columbia

**INTRODUCTION**

1. This hearing was to review the salesperson licence application of Bruce George Ironside, Salesperson Licence Application # 117358, pursuant to sections 6 and 7 of the *Salesperson Licensing Regulation* B.C. Reg. 241/2004 (the "Regulation"). Of concern to the staff of the Motor Vehicle Sales Authority of British Columbia (the "Authority"), is Mr. Ironside's USA conviction: Notice of Hearing, Exhibit 1. The Authority also raises Mr. Ironside's apparent failure to report these issues on his application for a salesperson licence as required; as well as falsification of his employment history.

2. Placed into evidence was the Notice of Hearing along with the Licensing Hearing Report of Kim Murphy. Attached to that Report were various documents including Mr. Ironside's application and amended application, a news release regarding his USA criminal conviction, and a "Stipulated Final Judgment and Order for Permanent Injunction as to Bruce George Alexander Ironside" from the US District Court, Western District of Washington at Seattle, styled *Federal Trade Commission v. 627867 B.C. Ltd., DBA Newport Group, et al* (Civil Action No. C03-3166Z, October 19, 2006) ("Stipulated Judgment"). Also placed before me was *Attorney General of Canada, on behalf of the United States of America v. Ironside* 2005 B.C.S.C. 1587 (B.C. Supreme Court) ("Ironside Decision").

3. The facts are not really in dispute. Mr. Bruce Ironside applied to be licensed as a salesperson. He falsified his application materials to hide the fact he was convicted in California and incarcerated in California in relation to a telemarketing lottery scheme he ran from Vancouver, B.C. He said on his application that he was managing a hotel in Thailand, noting on that application that there was no supervisor name or phone number available. Mr. Bruce Ironside also declared "no" to whether he had been convicted of an offence in Canada or any other jurisdiction.

4. The Authority became aware of this USA conviction and confronted Mr. Bruce Ironside with it.

5. Once confronted, Mr. Bruce Ironside admitted to his conviction, amended his application and stated he falsified his application as he just wanted to put this in the past and move on with his life. He was desirous of getting a licence anticipating past employers (dealers) would hire him.

6. Mr. Ross Coté is a compliance officer with the VSA. He interviewed Mr. Bruce Ironside about the conviction and why he falsified his application materials. Mr. Coté described Mr. Bruce Ironside's demeanour during the interview as modest, quiet in nature and pleasant. During the hearing Mr. Bruce Ironside was clearly embarrassed of his past dealings and expressed a desire to move forward with his life in compliance with the laws applicable to him.

## THE LAW & LEGAL PRINCIPLES

7. In several cases, I have set out the law and principles applied regarding the review of an applicant or a salesperson's past conduct and whether such conduct should prohibit the issuance of a licence or cause the cancellation of a licence. This included the consideration of past criminal convictions. For a detailed review of that law and those principles, I refer to *Re: Badshah* (September 24, 2010, File No. 09-71010, Registrar of Motor Dealers)<sup>1</sup>; *Re: Bassett* (December 9, 2009, File No. 09-108822, Registrar of Motor Dealers);<sup>2</sup> *Re: Mafcan Motors Ltd. & Cheema* (July 2, 2010, File 10-017 and 10-018, Registrar of Motor Dealers);<sup>3</sup> and *Re: Parkwood Auto Sales Ltd. et al* (August 6, 2010, File No.'s 07-70285A/07-70263A/08-70631A/08-70997A, Registrar of Motor Dealer's)<sup>4</sup>.

8. In summary:

- (a) One purpose of licensing is to provide an opportunity to review a person and determine if the person poses a risk to the public interest if the person was allowed to participate in a particular industry. This is accomplished by reviewing past conduct as a predictor of future conduct. The goal is to protect those who may interact with the applicant from potential future harm: *Parkwood* paragraphs 16-18 and *Re: Badshah* paragraphs 20-22. Therefore, accurate and timely information from an applicant is essential: *Re: Badshah* paragraphs 16-17.
- (b) A person's individual circumstances must be assessed and their desire to work in a particular industry considered against the public interest of protecting persons from future harm; with that public interest being the paramount concern: *Re: Bassett* paragraph 17 and *Re: Badshah* paragraph 22.
- (c) Where conduct being reviewed includes a criminal record, the criminal record must be related to the licence being sought in order to refuse to issue a licence on that basis: Section 14 *Human Rights Code* R.S.B.C. 1996 c. 210; *Re: Bassett* paragraphs 14-15 and *Re: Badshah* paragraphs 18-19.

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<sup>1</sup> *Re: Badshah* <http://www.mvsabc.com/decisions/File%2009-71010Badshah-License-FinalDecisionSeptember24-2010.pdf>

<sup>2</sup> *Re: Bassett* <http://www.mvsabc.com/decisions/File09-108822%20HearingDecisionBrianBassettDecember22009.pdf>

<sup>3</sup> *Mafcan & Cheema* <http://www.mvsabc.com/decisions/Mafcan-CheemaRegistrarsDecisionJuly22010.pdf>

<sup>4</sup> *Parkwood et al* <http://www.mvsabc.com/decisions/ReParkwoodAutoSalesLtdetalAugust62010.pdf>

- (d) "Conduct does not require evidence of deceit or even of willful blindness. It encompasses any act or omission or course of behaviour that affords reasonable grounds to believe the business [or salesperson's conduct] will not be carried out in accordance with law, honesty and integrity" or the person may not be transparent with his/her regulator as required by the law: *Re: Badshah* paragraph 17 and *Parkwood* paragraphs 10-15.
- (e) Further, the evidence may show that a person's conduct makes them ungovernable in that the regulator cannot be reasonably assured the person will abide by the law or the lawful directions of its regulator, or will cooperate with a lawful investigation by its regulator: *Evans v. The Society of Notaries Public of British Columbia*, 2010 BCSC 1232 (B.C. Supreme Court).

## **DISCUSSION**

9. One must be careful in relying on a decision of the BC Supreme Court on an order of committal for extradition. The allegations stated and the evidence tendered is generally un-proven. The test is simply whether (1) the foreign allegations would constitute an offence under Canada's *Criminal Code*; and (2) whether the evidence, if believed, would result in a reasonably and properly informed jury returning a finding of guilt: *Ironside Decision*. What is important to note is the foreign allegation and whether the court found that such an allegation would constitute a criminal offence in Canada. In the present case, the court in the *Ironside Decision* said yes; the allegations would be a criminal offence in Canada.

10. I place little weight on the Stipulated Judgment. That judgment dealt with US Federal charges by the Federal Trade Commission (FTC) which were separate charges than those brought by the State of California to which Mr. Bruce Ironside pled guilty. From the documents before me, the two sets of charges were based on the same facts and conduct. The FTC News Release describing the Stipulated Judgment made clear that it is not an admission or finding of guilt. It is a settlement of claims – often referred to in some USA jurisdictions as a "no contest" plea. The Stipulated Judgment provides some context and history to this matter.

11. Mr. Bruce Ironside declared he was convicted (he pled guilty) in California for wire fraud: page 27 of Kim Murphy's Licensing Report: Exhibit 2 at the hearing. Bruce Ironside confirms the Canada.com article in the Licensing Report is accurate. Mr. Bruce Ironside was sentenced to 51 months incarceration on July 21, 2008, with

an order to pay restitution. His amended application materials show he was incarcerated until January 29, 2010: page 29 of Exhibit 2. He stated he had three years supervisory release which he says ended when he crossed the Canadian border.

12. A salesperson interacts with customers and they try to sell them a product – a motor vehicle. Today, a motor vehicle is probably the second most expensive purchase for a consumer which can tie them financially to that asset for several years. For others, it will be the most expensive purchase in their life-time. There is a significant amount of trust placed in a salesperson by the buying consumer to deliver them a good product. Consumers also look to a salesperson to provide them with accurate information about that product so the consumer may make informed decisions.

13. Motor dealers, who interact with purchasing consumers through their sales staff, have certain declaratory requirements imposed on them under the *Motor Dealer Act* and its regulations. Sales staff can and do make some if not all of those declarations/representations to consumers. Also of importance is that the deceptive (misrepresentations) and unconscionable act or practice provisions of the *Business Practices and Consumer Protection Act* S.B.C. 2004 c. 2 is applicable to motor dealers and their sales staff, and the Registrar of Motor Dealers has authority to administer and enforce those provisions within this industry: section 8.1 of the *Motor Dealer Act* and section 29 of the *Motor Dealer Act Regulation*.

14. I note that a US criminal conviction may be admitted into a proceeding in BC by virtue of either section 15 of the B.C. *Evidence Act* R.S.B.C. 1996 c. 124 or section 12 of the *Canada Evidence Act* R.S.C. 1985 c. C-5, depending on the type of proceeding: *R v. Clark* 1977 CarswellBC 221 (B.C. Court of Appeal) at paragraphs 4-5:

4 I interpolate at this point that counsel for the appellant submitted that that was error and that it is not permitted to ask the general question, "Were you convicted of any offences while in the United States?"

5 In my opinion, that general question is permitted by the section...

15. The Supreme Court of Canada has recognized that, since at least 1893, the purpose and utility of the admission of prior criminal convictions into evidence is to aid in the assessment of a person's credibility: *R. v. Corbett* [1988] 1 S.C.R. 670 (Supreme Court of Canada). The underlying principles of section 12 of the *Canada Evidence Act* and section 15 of the *Evidence Act* of B.C. are virtually the same: *Fast Trac Bobcat & Excavating Service v. Riverfront Corporate Centre Ltd.* 2009 BCSC 268 (B.C. Supreme Court) at paragraphs 17-18. The court in *Fast Trac* noted at paragraph 19:

19 Crimes of deceit and fraud, for example, are universally regarded as reflecting adversely on a person's honesty and integrity, whereas crimes of violence may not have a direct bearing on honesty. In a recent article, Peter Sankoff, "*Corbett*, Crimes of Dishonesty and the Credible Contest: Challenging the Accepted Wisdom on what makes a Prior Conviction Probative" (2006) 10 Can. Crim. L. Rev. 215, the author reviewed 150 recent cases where a counsel sought to cross-examine a witness on a prior conviction characterized as a "crime of dishonesty" and in only four cases was it excluded, illustrating the high probative value of crimes of dishonesty on a witness's credibility.

16. Section 26 of BC's *Evidence Act* and section 23 of the *Canada Evidence Act* also allows a record of proceeding from "a court of record of the United States" to be introduced into a proceeding in British Columbia.

17. I would finally note that, in the present context, section 6 of the *Salesperson Licensing Regulation* allows me to consider "conduct" of an applicant and consider whether that conduct is of such concern that it is not in the public interest that the applicant be licensed. That Regulation places no temporal, geographical or contextual boundaries on the "conduct" that may be reviewed. I must certainly be careful in cases where conduct found wrongful in one jurisdiction is normal, acceptable or lawful in Canada. On the other hand, a person who acts contrary to the laws of another jurisdiction (even if they are not a wrong in Canada) shows a willingness to disrespect valid laws within a jurisdiction they have chosen to enter, simply because he does not agree with them or, because he feels he need not make himself aware of them. This type of "attitude" conduct is also of concern when considering the granting of a licence – governability: *Evans, supra*.

18. I find the US wire fraud conviction is related to the occupation of being a salesperson. It is one factor to be considered amongst others about Mr. Bruce Ironside's credibility and integrity.

19. I find the following facts on the evidence:

- (a) The documents before me suggest that Mr. Bruce Ironside had been released from incarceration for about one year at the time he applied for a license.
- (b) Mr. Bruce Ironside falsified his application materials as to his prior conviction and prior work history.
- (c) During his initial application, Mr. Bruce Ironside attempted to hide very important facts from the Authority, depriving the Authority and the Registrar of carrying out one of the most important aspects of their mandate. This conduct was deliberate.
- (d) Once confronted, Mr. Bruce Ironside amended his application materials and apologized. Importantly, Mr. Bruce Ironside admitted he was responsible for his conduct and that he cannot blame others.
- (e) I have no evidence that Mr. Ironside has been in trouble with the law since his release from incarceration in California and his return to Canada.

20. My concern in this matter is the amount of time that has past since his release and his application for a licence coupled with his attempt to hide important facts from the Registrar and the Authority. The later point weighs heavily in my considerations.

21. Mr. Bruce Ironside very recently falsified his application which shows a continued willingness to deceive. What if the Authority had not found the California conviction? Mr. Bruce Ironside has provided his reasons for falsifying his application. What Mr. Bruce Ironside needs to do is to be open, honest and transparent so that trust in him can be rebuilt. That will take some further time to establish.

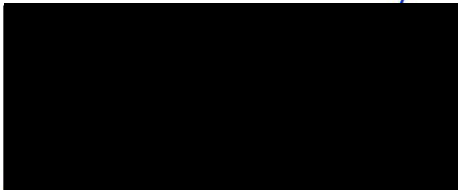
22. Based on the seriousness of the conviction which is closely related to the occupation of a salesperson, misrepresentations and fraud, coupled with the recent failure of Mr. Bruce Ironside to be open and honest with the Authority and the Registrar, I find more time must pass and some more history developed showing Mr. Bruce Ironside can be again trusted with the responsibility and the measure of

trust necessary for a salesperson to display and be licensed in this industry. I would therefore deny his application for a licence at this time.

23. I would distinguish Mr. Bruce Ironside from *Re: Badshah* and *Re: Basset*. Like in *Badshah* and *Basset*, Mr. Bruce Ironside falsified his application materials. Unlike in *Basset*, Mr. Bruce Ironside admits his responsibility in the criminal conviction and does not try to blame others. Unlike in *Badshah*, Mr. Bruce Ironside, once confronted, was open and honest with the VSA and cooperated with the further investigation and hearing process. In *Basset* I set a 5-year waiting period after Mr. Bassett completed his conditional sentence before an application from him would be accepted for licensing. In *Badshah* I set a 3-year similar waiting period. I noted that Mr. Badshah had one motor dealer who was willing to employ him.

24. In Mr. Bruce Ironside's case, I am willing to set a 24-month waiting period before accepting an application from him. I cannot ignore his recent attempt to deceive the Authority regardless of his motive for doing so. Mr. Bruce Ironside needed to be open and honest on his first application. The VSA will need to see some evidence that Bruce Ironside has rehabilitated himself and that his history shows he can be trusted at least on a conditional basis. I set the date in which Mr. Bruce Ironside could reapply for a licence as May 27, 2013: *Pugliese v. B.C. (Registrar of Mortgage Brokers)* 2008 BCCA 130 (B.C. Court of Appeal). Whether he will be granted a licence and whether on conditions or not, will depend on the facts that exist at that later date.

Dated May 27, 2011

  
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Ian Christman, LL.B.