



Motor
Vehicle Sales Authority
of British Columbia

Previously known as the Motor Dealer Council of British Columbia

**IN THE MATTER OF THE MOTOR DEALER ACT
AND THE BUSINESS PRACTICES AND CONSUMER PROTECTION ACT**

UNDERTAKING

(Section 154, Business Practices and Consumer Protection Act)

**Investigation File: 15-08-110
Hearing File: 16-04-001**

WHEREAS:

1. Olympic Motors (WC) IV Corporation, *dba* Kia South Vancouver (Dealer #30460) (the "Supplier") is a "supplier" within the meaning of subsection 1(1) of the *Business Practices and Consumer Protection Act*;
2. The "Registrar of Motor Dealers" as defined under the Act (the "Registrar") is responsible for the administration and enforcement of the Act, its regulations and prescribed provisions of the Business Practices and Consumer Protection Act SBC 2004, c 2 (the "BPCPA");
3. The Registrar of Motor Dealers (the "Registrar") has reason to believe that the Supplier has contravened subsection 5(1) of the *Business Practices and Consumer Protection Act*, S.B.C. 2004, c. 2 ("the BPCPA") as follows:
 - a. Between August and December 2014, the Supplier made oral, written, descriptive or other representations, and/or engaged in conduct, that had the capability, tendency or effect of deceiving or misleading the consumers set out in Schedule A to this Undertaking as follows:
 - i. the Supplier represented to consumers in Schedule A to this Undertaking that the outstanding balance secured against a trade-in vehicle was higher than the amount actually owing on the vehicle as set out in Schedule A to this Undertaking;
 - ii. The Supplier failed to state a material fact, namely: that the consumer was in fact charged the excess amount referred to in (i) above and as set out in Schedule A to this Undertaking; and

- iii. the deceptive acts or practices described in paragraphs (i) and (ii) were both deliberate and calculated to deceive and mislead the consumer. Though the Supplier had no right, title, claim or interest in the amounts properly due to the consumers, the Supplier nevertheless recorded the sums improperly withheld from the consumers and improperly retained by the Supplier as "profit" and/or a "business manager upgrade";
4. the Supplier warrants that it immediately ceased the practice under paragraph 3 (the "Practice") upon notice from the MVSA that the MVSA had reason to believe that the Practice contravened the BPCPA;
5. the Supplier has cooperated fully with the MVSA in respect of this matter and there were no customer complaints about the Supplier;
6. the Supplier warrants that all amounts improperly charged and retained have been returned and the Supplier warrants that it has provided the MVSA with accurate particulars of the amounts claimed to have been returned;
7. the Supplier has voluntarily engaged an independent third party accounting firm to review its internal assessment, together with selected source documentation provided by the Supplier with respect to all transactions involving a trade-in vehicle within the period between August 1, 2014 and August 31, 2016 (the "Independent Review");
8. the Supplier warrants and represents on a best efforts basis that it has refunded all amounts found due by the Independent Review; and
9. the undersigned, Olympic Motors (WC) III Corporation, *dba* Richmond Kia (Dealer #31149) is desirous of resolving this matter without the need for any formal adjudication of the above allegations.

NOW THEREFORE:

1. Olympic Motors (WC) IV Corporation, *dba* Kia South Vancouver (Dealer #30460) undertakes:
 - (a) To comply with the Business Practices and Consumer Protection Act and the regulations made thereunder;
 - (b) To refrain from misrepresenting to consumers the amount of the outstanding balance secured against the consumer's trade-in vehicle.
 - (c) When applicable, to ensure that consumers are informed that they have been charged more than was necessary to discharge the security interest registered against the consumer's trade-in vehicle, and to forthwith pay over to the consumer the full amount of any such overcharge.

- (d) to forthwith repay all amounts improperly charged to and withheld from C.P.R. and J.R., and to provide the Registrar with satisfactory proof that such payment has been made.
- (e) to forthwith repay all amounts improperly charged to and withheld from M.J.F., and to provide the Registrar with satisfactory proof that such payment has been made.
- (f) to forthwith repay all amounts improperly charged to and withheld from S.C., and to provide the Registrar with satisfactory proof that such payment has been made.
- (g) to forthwith repay all amounts improperly charged to and withheld from J.M.L. and D.L., and to provide the Registrar with satisfactory proof that such payment has been made.
- (h) to forthwith repay all amounts improperly charged to and withheld from S.A.M., and to provide the Registrar with satisfactory proof that such payment has been made.
- (i) to forthwith repay all amounts improperly charged to and withheld from R.J.M.E. and R.E., and to provide the Registrar with satisfactory proof that such payment has been made.
- (j) to forthwith repay all amounts improperly charged to and withheld from S.D.S., and to provide the Registrar with satisfactory proof that such payment has been made.
- (k) to forthwith repay all amounts improperly charged to and withheld from M.T.T. and W.H.T.T., and to provide the Registrar with satisfactory proof that such payment has been made.
- (l) to forthwith repay all amounts improperly charged to and withheld from D.V.D.C. and Y.M., and to provide the Registrar with satisfactory proof that such payment has been made.
- (m) to forthwith repay all amounts improperly charged to and withheld from T.C.A. and S.C., and to provide the Registrar with satisfactory proof that such payment has been made.
- (n) to forthwith repay all amounts improperly charged to and withheld from C.D., and to provide the Registrar with satisfactory proof that such payment has been made.
- (o) to forthwith repay all amounts improperly charged to and withheld from C.C.M.T., and to provide the Registrar with satisfactory proof that such payment has been made.

- (p) to forthwith repay all amounts improperly charged to and withheld from K.A.D.B., and to provide the Registrar with satisfactory proof that such payment has been made.
- (q) to forthwith repay all amounts improperly charged to and withheld from M.C., and to provide the Registrar with satisfactory proof that such payment has been made.
- (r) to forthwith repay all amounts improperly charged to and withheld from K.M.S., and to provide the Registrar with satisfactory proof that such payment has been made.
- (s) to forthwith repay all amounts improperly charged to and withheld from B.N.K.L., and to provide the Registrar with satisfactory proof that such payment has been made.
- (t) to forthwith repay all amounts improperly charged to and withheld from W.H.Y. and M.L., and to provide the Registrar with satisfactory proof that such payment has been made.
- (u) to forthwith repay all amounts improperly charged to and withheld from Y.R.T., and to provide the Registrar with satisfactory proof that such payment has been made.
- (v) to forthwith repay all amounts improperly charged to and withheld from R.L.C., and to provide the Registrar with satisfactory proof that such payment has been made.
- (w) to forthwith repay all amounts improperly charged to and withheld from N.S., and to provide the Registrar with satisfactory proof that such payment has been made.
- (x) to forthwith repay all amounts improperly charged to and withheld from R.I.C., and to provide the Registrar with satisfactory proof that such payment has been made.
- (y) to forthwith repay all amounts improperly charged to and withheld from A.J.A., and to provide the Registrar with satisfactory proof that such payment has been made.
- (z) to forthwith repay all amounts improperly charged to and withheld from D.R.A.F., and to provide the Registrar with satisfactory proof that such payment has been made.
- (aa) to forthwith repay all amounts improperly charged to and withheld from M.W.R., and to provide the Registrar with satisfactory proof that such payment has been made.


- (bb) to forthwith repay all amounts improperly charged to and withheld from K.K.A., and to provide the Registrar with satisfactory proof that such payment has been made.
- (cc) to forthwith repay all amounts improperly charged to and withheld from G.M., and to provide the Registrar with satisfactory proof that such payment has been made.
- (dd) To submit to an audit of the Supplier's Independent Review by an independent third party accounting firm selected by, and taking instructions from, the Registrar (the "Auditor").
- (ee) To cooperate fully with the Auditor. Should the Auditor determine the veracity and methodologies of the Independent Review are insufficient, the Registrar, acting reasonably, may instruct the Auditor to take such further steps as may be necessary (the "Second Review").
- (ff) To indemnify the Registrar for the costs associated with the Second Review under paragraphs (dd) and (ee) above.
- (gg) To forthwith reimburse to consumers any amounts found due by the Auditor with respect to overcharges for the amount required to discharge the security interest registered against the consumer's trade-in vehicle.
- (hh) To pay an Administrative Penalty in the amount of \$5,000.00 in relation to the subject matter of this Undertaking.
- (ii) To forthwith pay to the Registrar the sum of \$7,000.00 representing the inspection/investigation and legal costs incurred to date in relation to the subject matter of this Undertaking.

THE UNDERSIGNED hereby acknowledges that if the Second Audit conducted in accordance with this undertaking reveals conduct of interest to the Registrar (other than overcharges for the amount required to discharge the security interest registered against a consumer's trade-in vehicle) the Registrar may initiate separate investigative or other proceedings with respect to such conduct.

THE UNDERSIGNED hereby acknowledges, represents and declares that it has read this Undertaking and has had a reasonable opportunity to obtain independent legal advice as to its terms.

THE UNDERSIGNED further hereby acknowledges that the Registrar may decline to accept an undertaking to resolve any future similar allegations or contraventions; and that any similar allegations may be reviewed by the Registrar of Motor Dealers at a formal hearing to consider the allegations.

IN WITNESS WHEREOF the undersigned has set his or her hand and seal:

Dealer Name: _____ <i>OLYMPIC MOTORS (WC) IV CORP.</i>
Signature:  _____ Date: <i>MAR. 24,</i> 2017

ACCEPTED by the Registrar of Motor Dealers of British Columbia this _____ day of _____ 2017

Original is signed

Ian Christman - Registrar of Motor Dealers

SCHEDULE A

	Consumer Name	Date on Bill of Sale	Lien Amount Represented to Consumer	Total Outstanding Balance on Trade-in	Amount Improperly Charged and Retained by Dealer
1	C.P.R. and J.R.	August 2014	\$15,600	\$15,137	\$463
2	M.J.F.	July 2014	\$28,000	\$27,541	\$459
3	S.C.	July 2014	\$25,111	\$24,911	\$200
4	J.M.L. and D.L.	August 2014	\$11,813	\$11,173	\$639
5	S.A.M.	October 2014	\$18,226	\$17,775	\$491
6	R.J.M.E. and R.E.	July 2014	\$18,100	\$17,655	\$455
7	S.D.S.	July 2014	\$27,690	\$27,170	\$520
8	M.T.T. and W.H.T.T.	October 2014	\$36,200	\$35,960	\$250
9	D.V.D.C. and Y.M.	October 2014	\$29,777	\$29,080	\$697
10	T.C.A. and S.C.	August 2014	\$23,070	\$22,400	\$670
11	C.D.	July 2014	\$29,159	\$29,112	\$47
12	C.C.M.T.	July 2014	\$15,544	\$15,392	\$152
13	K.A.D.B.	July 2014	\$13,850	\$13,254	\$596
14	M.C.	July 2014	\$13,981.54	\$11,981.54	\$2,000
15	K.M.S.	July 2014	\$20,311	\$19,212	\$852
16	B.N.K.L.	July 2014	\$24,050	\$23,795	\$255
17	W.H.Y. and M.L.	August 2014	\$21,887	\$21,480	\$407
18	Y.R.T.	December 2014	\$16,229	\$16,020	\$209
19	R.L.C.	July 2014	\$24,850	\$24,570	\$280
20	N.S.	December 2014	\$22,896	\$22,475	\$396
21	R.I.C.	August 2014	\$17,850	\$17,540	\$310
22	A.J.A.	July 2014	\$14,836	\$14,683	\$153
23	D.R.A.F.	October 2014	\$16,439	\$16,029	\$400
24	M.W.R.	January 2015	\$14,000	\$13,830	\$170
25	K.K.A.	January 2015	\$23,560	\$22,250	\$1,310
26	J.G.M.	July 2014	\$34,200	\$33,992.33	\$180