

Investigation File No.: C-21-10-075 Hearing File No.: H-22-04-002

## UNDERTAKING

IN THE MATTER OF THE MOTOR DEALER ACT, RSBC 1996, c 316 and the BUSINESS PRACTICES AND CONSUMER PROTECTION ACT, SBC 2004, c 2

## **BETWEEN:**

Island Autopros Clearance Center Inc. (DL#40631)

(the "Respondent")

## AND:

The Registrar of Motor Dealers

## WHEREAS:

- Island Autopros Clearance Center Inc. is registered under dealer licence no.40631 ("Island Autopros"), as defined under the Motor Dealer Act, RSBC 1996 c 316 (the "MDA").
- The Registrar of Motor Dealers, as defined under the MDA, (the "Registrar") is responsible for the administration and enforcement of the MDA, its regulations, and prescribed provisions of the Business Practices and Consumer Protection Act SBC 2004 c 2 (the "BPCPA").
- A VSA investigation was launched as a result of consumer complaints alleging that Island Autopros was selling unsafe vehicles and vehicles with mechanical issues without disclosing same to consumers.
- 4. On October 21, 2021, VSA Investigator Bill Manhas ("IO Manhas") and CVSE Inspector Spanier attended Island Autopros to conduct an inspection of four vehicles (collectively the "Vehicles") that were being offered for sale on its property.
- 5. Inspector Spanier inspected a 2004 Ford F150, Stock # KC501 (the "Ford Vehicle") with an advertised asking price of \$10,995 + \$299 Doc fee. Inspector Spanier placed the Ford Vehicle as "out of service" and noted:

"Rear end muffler split wide open, potentially allowing exhaust fumes to enter the passenger department. Windshield cracked more that 12" long. Rear brake pads very low. Park brake needs adjustment as it is

not holding, and won't fully release. Battery hold down strap loose. Headlight lenses fogged and clouded. Rear licence plate lamps inoperative. Right reverse lamp inoperative."

6. Inspector Spanier inspected a 2005 Hyundai Tiburon, Stock #K473 (the "Hyundai Vehicle") with an advertised asking price of \$6995 + \$299 Doc fee. Inspector Spanier noted:

"Headlamp lenses fogged and clouded. Rear wiper needs to have arm repositioned and installed properly. Engine hood shocks will not keep hood in raised position. Engine does not run smoothly. Battery hold down strap is missing."

7. Inspector Spanier inspected a 2007 Mercedes Benz, Stock # K510 (the "Mercedes Vehicle") with an advertised asking price of \$6995 + \$299 Doc fee. Inspector Spanier noted:

"Windshield had numerous cracks that are longer than 12" that criss cross the surface of the wiper area. Drivers' seatbelt does not retract correctly. Right rear bumper cover insecure over rear bumper."

- 8. Inspector Spanier inspected a 2003 Volkswagen Passat, Stock # 5264 (the "Volkswagen Vehicle") with an advertised asking price of \$4900 + \$299 Doc fee. Inspector Spanier placed this vehicle "out of service" as he noted: "The engine will not stay running. Numerous dash warning lights illuminated and an issue with the axle."
- 9. The Registrar asserts that the Respondent has contravened the following legislation:
  - a) Section 33(2)(a) of the Motor Dealer Act Regulation, BC Reg 447/78 (the "MDAR"), for failing to act with honesty and integrity by offering vehicles for sale that are not suitable for transportation;
  - b) Section 33(2)(ii) of the MDA for aiding, abetting, or causing a person to contravene Section 222 of the Motor Vehicle Act, RSBC 1996 c 318, and Section 8.01 of the Motor Vehicle Act Regulation, BC Reg 26/58;
  - Section 4(3)(a)(i) of the BPCPA for representing that the Vehicles had performance characteristics, uses or benefits they did not have;
  - d) Section 4(3)(a)(ii) of the BPCPA for representing that the Vehicles were of a particular standard or quality when they were not;
  - e) Section 4(3)(b)(vi) of the BPCPA by making a representation that uses exaggeration, innuendo or ambiguity about a material fact or that fails to state a material fact; and

f) Section 27(b) of the MDAR for exhibiting or offering for sale the Ford Vehicle and the Volkswagen Vehicle that were both not suitable for transportation but that did not have affixed to them in a clear and legible manner the statement "Not Suitable for Transportation."

**NOW THEREFORE** the Respondent undertakes, acknowledges, and agrees with the Registrar:

- 1. To comply with the MDA, MDAR, BPCPA, and the sections thereunder.
- 2. That all motor vehicles offered for sale by Island Autopros unless identified as "Not suitable for Transportation", must pass a Provincial Private Vehicle Inspection (PVI) conducted by a designated inspection facility, or pass a mechanical and safety inspection conducted by a facility using a qualified Red Seal mechanic using a form that conforms with the Provincial PVI standard, that Island Autopros, its officers, directors or employees, have no personal or business interest in.
- That Island Autopros must provide a copy of the mechanical and safety inspection report that conforms to the Provincial PVI standard to any person considering purchasing a motor vehicle from Island Autopros before the sale is finalized.
- 4. That a copy of the mechanical and safety inspection report referred to in paragraph 2 above must be presented to the consumer at the time of sale.
- To pay an Administrative Penalty in the amount of \$2,000.00 in relation to the subject matter of this Undertaking as per the Notice of Administrative Penalty which will be provided to the Respondent upon receipt of the fully executed and filed Undertaking.
- To reimburse the Registrar a total of \$954.54 towards the investigation costs incurred to date in relation to the subject matter of this Undertaking within thirty (30) days of the Registrar's signing of this Undertaking.
- That this Undertaking is binding on the Respondents until such time as it is either terminated in writing by the Registrar or terminated by Order of the Supreme Court of British Columbia.
- 8. That in addition to rendering the Respondents liable to further penalties and proceedings as provided for under the BPCPA, it is an offence under the BPCPA to fail to comply with any part of this Undertaking that has not been previously terminated.
- That the Registrar may, upon breach of any part of this Undertaking by the Respondents, declare the Undertaking to be at an end and may institute such proceedings and take such action under the BPCPA, or the MDA as considered necessary; and

- 10.That the Registrar may file this Undertaking in the Supreme Court of British Columbia and if it is filed in that Court, the Undertaking is deemed an Order of that Court and enforceable as a court order.
- 11. That any communication with the Registrar in connection with this Undertaking shall be made to the following address:

Registrar of Motor Dealers Vehicle Sales Authority of B.C. #280 – 8029 199<sup>th</sup> Street Langley, BC V2Y 0E2

And in the case of the Dealer, to the following address:

Island Autopros Clearance Center Inc. 9337 Trans-Canada Highway Chemainus, BC V0R 1K5

unless another address for delivery is given to the other party, in writing, by either the Registrar or the Dealer.

The Respondent acknowledges and warrants that they have had an opportunity to seek legal advice as to the terms of this Undertaking.

Signature:

Authorized signatory name: //www MC //www.

ACCEPTED by the Registrar of Motor Dealers this day of April, 2022.

29th day of April, 2022

"Original signed"

Claire Hunter A/Registrar of Motor Dealers