

**IN THE MATTER OF THE MOTOR DEALER ACT, RSBC 1996 c 316 and the MOTOR
DEALER CUSTOMER COMPENSATION FUND REGULATION, BC REG 102/95, OC
271/95**

FILED BY:

Sherri Green

Claimant

INVOLVING:

**Mile's End Motors Ltd.
Dealer Licence 31056/Cancelled**

Motor Dealer

DECISION OF THE MOTOR DEALER CUSTOMER COMPENSATION FUND BOARD

By way of written submissions.

[1] On August 6, 2025, the claim for compensation from the Motor Dealer Customer Compensation Fund (the "Fund") filed by the Claimant was presented to the Motor Dealer Customer Compensation Fund Board (the "Board") for hearing.

Decision

[2] This claim has been approved for \$12,705.16, which will be paid to the Claimant from the Fund.

Claim Summary

[3] The Claimant's allegations are:

[4] The claim is about a transaction on July 21, 2022, between the Claimant and the Motor Dealer in which the Claimant traded in a 2016 Jeep Patriot (the "Jeep") for a 2019 Kia Sportage (the "Kia"). Both parties agreed that the Motor Dealer would pay the balance of the Claimant's loan for the Jeep to the lender, TD Auto Finance, in the amount of \$17,544.57.

[5] On July 15, 2024, the Claimant became aware that monthly loan payments for the Jeep were still coming out of the Claimant's account in addition to payments for the Kia.

[6] The Claimant informed the Motor Dealer of this issue, and on July 19, 2024, the Motor Dealer paid \$6,781.46 to TD Auto Finance, which was the balance of the Claimant's loan for the Jeep at that time. The Motor Dealer also promised to reimburse the Claimant for two years of payments for the Jeep, amounting to \$12,705.16. The Claimant did not receive these funds and made a claim against the Fund for the same amount.

Legislative Authority and the Board's Findings

[7] The Board reviewed the documents on file, copies of which were provided to the Claimant and the Motor Dealer at the pre-hearing stage and to which both parties had an opportunity to respond. The documents included:

- (i) Demand to Motor Dealer;
- (ii) Claim Application;
- (iii) Investigation Report; and
- (iv) Investigation Cost Recovery Invoice.

[8] The Board established that all the criteria required to apply for compensation from the Fund have been met.

[9] In reviewing the eligibility of the Claimant's alleged loss for compensation from the Fund, the Board applied Sections 5(1)(a)(i), 5(1)(a)(ii), and 5(1)(a)(iii) of the *Motor Dealer Customer Compensation Fund Regulation* (the "Regulation") that outline the losses eligible for compensation from the Fund with respect to the purchase of a motor vehicle as follows:

"5(1) The following losses are eligible for compensation from the fund:

(a) With respect to the purchase of a motor vehicle, the loss of a trade-in, full payment, down payment or other liquidated amount resulting from

(i) the refusal of the motor dealer, without lawful justification, to deliver the motor vehicle contracted for or to return the trade-in, full payment, deposit, down payment or other liquidated amount;

(ii) the inability of the motor dealer to deliver the motor vehicle contracted for or to return the trade-in, full payment, deposit, down payment or other liquidated amount due to the bankruptcy, insolvency, receivership or other failure of the motor dealer; and

(iii) the dishonest conduct of the motor dealer or the misappropriation or wrongful conversion of money or other property entrusted to the motor dealer."

[10] The Board found in favour of the Claimant for three reasons, concluding that the claim fell within all three paragraphs set out above. There was clear evidence that the claim is for a liquidated amount, which is a prerequisite for eligibility on all three grounds. The first ground of eligibility found by the Board is that the Motor Dealer had no lawful justification for failing to reimburse the Claimant for the two years of payments for the Jeep. In addition, the Board found that the claim also qualified for compensation on two other grounds: (1) that the Motor Dealer was unable to return the liquidated amount due to insolvency, and (2) that money entrusted to the Motor Dealer was misappropriated because it was not used to pay off the loan on the Jeep.

[11] In determining the amount of compensation, the Board found that it equals 52 payments of \$244.33, for a total of \$12,705.16.

Compensation Payment to the Claimant

[12] The VSA will send the Claimant a cheque in the amount of \$12,705.16 within 60 days from the date of the hearing - on or before **October 5, 2025**.

[13] If the Board decides to reconsider its decision before that time, the payment will be withheld until completion of the reconsideration procedures.

If Additional Compensation is Received by the Claimant

[14] According to Section 20 of the *Motor Dealer Act* (the "MDA"), the Claimant has an obligation to advise the Vehicle Sales Authority of BC (the "VSA") if the Claimant receives additional compensation from another source for the loss paid from the Fund. For instance, if an insurance company also awards the claimant compensation for the same loss paid from the Fund, the Claimant must advise the VSA immediately about that compensation. Failure to repay the Fund may be a cause of legal action against the Claimant for the amount unrepaid.

[15] Pursuant to Section 22(b) of the MDA, costs incurred in investigating claims against the Fund must be paid from the Fund.

[16] The Board reviewed the VSA Investigation Cost Recovery Invoice #24469 in the amount of \$1,286.75 for this claim. The Board approved the invoiced investigation costs for recovery by the VSA from the Fund.

Reimbursement to the Fund by the Motor Dealer

[17] According to Section 24 of the MDA, if a claim is paid out of the Fund, the motor dealer who caused the claim must reimburse the Fund for the amount paid out of the Fund for the claim and for the investigation costs. The Registrar of Motor Dealers may cancel the dealer licence of the motor dealer who caused the claim if the Fund is not repaid.

[18] The VSA Licensing Department will take the required action regarding repayment to the Fund by Mile's End Motors Ltd.

Finality of Decision

[19] Decisions of the Board cannot be appealed. According to Section 16(2) of the *MDA*, "A decision, order or ruling of the Board ... is final and conclusive and is not open to question or review in court except on a question of law or excess of jurisdiction".

[20] Reconsideration: According to Sections 16(2), 18.1 and 18.2 of the *MDA*, the Board may, at its discretion, reconsider its decision. The Board will consider a request for reconsideration from a party to a claim, provided that the request is made in writing and includes relevant evidence that was not previously considered by the Board and was not known or available to the party before the hearing. All parties to a claim will be notified if the Board decides to reconsider its decision. An application for reconsideration must be made in writing within 30 days of the decision.

Motor Dealer Customer Compensation Fund Board

Per:

/Original is signed/

Mary Childs, Board Chair

Attachment

MC/ag/jm