

Claim No.: C-24-10-051
Neutral Citation: 2025-BCMDCCFB-033

**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:

Earle Cherneski

Claimant

INVOLVING:

**Foundation North Vancouver Chrysler Dodge Jeep Ram
Dealer Licence 41874/Cancelled**

Motor Dealer

DECISION OF THE MOTOR DEALER CUSTOMER COMPENSATION FUND BOARD

By way of written submissions.

[1] On December 9, 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 denied.

Claim Summary

[3] The Claimant alleges:

[4] The claim is about a transaction that occurred on June 21, 2021, between Earle Cherneski ("the Claimant") and the Motor Dealer, in which the Claimant purchased a 2021 Jeep Wrangler Sahara (the "Jeep").

[5] As part of the transaction, the Claimant purchased a Fiat Chrysler Automobiles ("FCA") extended warranty through the Motor Dealer at a total cost of \$3,357.76. This extended warranty provided an additional 24 months of coverage and an additional 40,000 kilometers.

[6] On August 26, 2024, the Jeep was involved in an accident. The Jeep was subsequently written off by ICBC.

[7] At the time of the accident, the extended warranty coverage had only recently commenced. FCA Canada refused to reimburse the amount paid for the extended warranty.

[8] The Claimant is seeking reimbursement of the extended warranty of \$3,357.76 from the Fund, representing the full cost of the extended warranty.

Legislative Authority and the Board's Findings

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

- (i) File Note;
- (ii) Demand to Motor Dealer;
- (iii) Claim Application;
- (iv) Summary;
- (v) Investigation Cost Recovery Invoice; and
- (vi) Claimant's Response to Summary

[10] When considering the eligibility of the Claimant's alleged loss, the Board applied Subsection 5(1)(b) of the *Motor Dealer Customer Compensation Fund Regulation* (the "*Regulation*"), which lists the losses with respect to the purchase of a motor vehicle that may be compensable from the Fund:

“(b) with respect to the purchase of an extended warranty or service plan, the loss of the unexpired portion of the warranty or plan resulting from the bankruptcy, insolvency, receivership or other failure of the motor dealer;”

[11] The Board found no evidence of the alleged Claimant's loss stemming from the wrongful conduct by the Motor Dealer. The Claimant's dispute is with FCA regarding the terms of their extended warranty. The Fund has no jurisdiction over disputes with warranty providers.

[12] The Board can only deal with claims that fall within the specific terms of the *Regulation*. The Claimants may have other legal remedies available to them and are encouraged to do their own investigations into other possible remedies. Attached is the Vehicle Sales Authority of BC (the "VSA") Fact Sheet *Where to go for help*.

Investigation Cost Recovery by the VSA

[13] Pursuant to Section 22(b) of the *Motor Dealer Act* (the "*MDA*"), costs incurred in investigating claims against the Fund must be paid from the Fund.

[14] The Board reviewed the VSA Investigation Cost Recovery Invoice for this claim - Invoice # 24051. The Board approved the invoiced investigation costs in the amount of \$564.92 for recovery by the VSA from the Fund.

Reimbursement to the Fund by the Motor Dealer

[15] 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 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.

[16] Since this claim is denied, the investigation costs will not be charged to the Motor Dealer.

Reconsideration

[17] 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/ds/ag/jm