

**IN THE MATTER OF *THE MOTOR DEALER ACT*, R.S.B.C. 1998, c.316 and  
*THE BUSINESS PRACTICES AND CONSUMER PROTECTION ACT*, S.B.C. 2004, c.2**

BETWEEN:

**THE VEHICLE SALES AUTHORITY OF BRITISH COLUMBIA**

THE AUTHORITY

AND:

**715 MOTOR HAUS LTD.**

RESPONDENT/MOTOR DEALER

AND:

**HAO GUO**

RESPONDENT/SALESPERSON

---

**DECISION OF THE REGISTRAR OF MOTOR DEALERS  
RE: PENALTY AND COSTS**

---

**Date and location of decision: November 18, 2025, at Langley, British Columbia**

**By way of written submissions**

**I. Introduction**

1. On September 12, 2025, I issued a decision ("the Decision") in which I found that 715 Motor Haus Ltd. ("715") and Hau Guo contravened section 33(2)(h) of the *Motor Dealer Act Regulations* ("MDAR"). The remaining allegations advanced by the Authority against 715 and Mr. Guo were dismissed.

2. In the Decision, I found that cancellation of 715's motor dealer registration and Mr. Guo's salesperson license would be disproportionate in the circumstances and I directed the parties to provide me with further written submissions with respect to penalty based on my finding of the single contravention of the MDAR. I also ordered that the Authority be reimbursed its actual costs, including actual legal costs incurred in the course of the investigation, and I directed the parties to make further written submissions concerning that issue as well.

## **II. Positions of the Parties**

### **a. The Authority**

3. The Authority submits that 715's owner and dealer principal Mr. Guo demonstrated a significant lack of oversight of the dealership. It says that this led to the alteration and fabrication of various consumer records which were used to support financing applications in relation to 16 distinct vehicle sale contracts and which in turn constituted a failure by the Respondents to safeguard records in 715's possession or control. The Authority says that the appropriate penalty in the circumstances is as follows:
  - a. Suspension of 715's motor dealer registration for a period of one month, pursuant to section 5 of the *Motor Dealer Act*, R.S.B.C. 1996, c. 316;
  - b. Suspension of Mr. Guo's salesperson licence for a period of one month, pursuant to section 7 of the *Salesperson Licensing Regulation* (B.C. Reg. 202/2017);
  - c. The imposition of an administrative penalty against 715 in the amount of \$80,000.00, pursuant to sections 26.04 and 26.05 of the *Motor Dealer Act*, R.S.B.C. 1996, c. 316; and
  - d. The imposition of an administrative penalty against Mr. Guo in the amount of \$40,000.00, pursuant to sections 26.04 and 26.05 of the *Motor Dealer Act*, R.S.B.C. 1996, c. 316.
4. In addition, the Authority claims its costs in the amount of \$18,633.54. It says that the full amount of the costs as presented should be awarded as reasonable "having regard to the extensive factual matrix which involved 14 consumer transactions."

## **b. The Respondents**

5. The Respondents submit that there should be no suspension of either 715's motor dealer registration or Mr. Guo's salesperson license. The Respondents say that an administrative penalty no greater than \$5,000 is appropriate although it is not clear from their submissions as to whether this suggests \$5,000 for each Respondent or as a combined figure between both.
6. As to the Authority's costs, the Respondents say that the maximum amount awarded for investigation costs should be limited to the Authority's actual investigation costs of \$1,850.14 and that no legal costs should be included in that award.

## **III. Compliance Action**

### **a. License suspension**

#### **i. 715 Motor Haus Ltd.**

7. The findings against 715 are serious in nature. It failed to properly safeguard consumer records that were in its possession or control. As a result, a number of these records were altered or otherwise fabricated by its employees and used in support of 16 consumer motor vehicle purchase financing applications over the course of approximately 6 months.
8. Section 5 of the *Motor Dealer Act* ("MDA") authorizes the Registrar to suspend or cancel a motor dealer's registration if it is of the opinion that it is not in the public interest for the motor dealer to continue to be registered. While I do not consider that the facts in this case rise to a level that warrants cancellation, I consider it in the public interest to suspend 715's motor dealer registration and I so order. I will now turn my mind to the appropriate period of suspension.
9. The Respondents refer to a number of previous decisions of the Registrar as authority for the proposition that a dealership should be excluded from penalty considerations where it is alerted to the complaint and then takes steps to change policy and address the offending employee's conduct. Specifically, the Respondents refer to *Re: Joshual Lea Tibbo*, 2019 BCRMD-030 ("*Tibbo*") and *Re: Barnes Wheaton (North Surrey) Chevrolet Buick GMC Ltd. and Quast* 2019-BCRMX-023 ("*Barnes Wheaton*") in support of this argument.

10. Having reviewed *Tibbo* and *Barnes Wheaton*, supra, I do not agree with the Respondents' position as to their authority in this matter. In *Barnes Wheaton* the Registrar found that the motor dealer and its employee Mr. Quast engaged in deceptive acts contrary to section 5(1) of the *Business Practices and Consumer Protection Act* ("BPCPA"). The Registrar issued an administrative penalty against the motor dealer in the amount of \$12,500. In *Tibbo*, while the Registrar found that the motor dealer took various proactive steps to address the misconduct in that case which justified it not being named by the Authority in the complaint, that case is distinguishable from the case here as 715 has led little or no evidence of similar action.
11. While Mr. Guo has referred in his July 14, 2025 affidavit to changes in policies and procedures that he intended to make, there is no evidence as to whether those changes were ever made. Further, there is no evidence as to whether 715 took steps to address any harm that flowed from the contraventions. Simply put, there is no evidence to demonstrate that 715 has taken the proactive steps that were deemed appropriate in *Tibbo* to justify not including the motor dealer in the complaint.
12. In *Breezy Webster et al v. Pioneer Garage Limited dba Fraser Valley Pre-Owned*, 2017-BCRMD-013, ("*Webster*") the Registrar found that the motor dealer committed two distinct deceptive acts with respect to a consumer's financial background to a lender. Further, it was found that the motor dealer committed an unconscionable act or practice in relation to the subject consumer transaction. In addition to ordering an administrative penalty and placing conditions on the motor dealer's registration, the Registrar ordered that the motor dealer's registration be suspended for a period of 30 days. In doing so, the Registrar cited prior undertakings and progressively increased administrative penalties as failing to deter the motor dealer's conduct.
13. In *Pham et al v. Super Sale Auto Ltd.* 2019-BCRMD-021, ("*Pham*") the Registrar found that the motor dealer committed a deceptive act or practice by selling a vehicle and representing on the purchase agreement that it was not suitable for transportation and further by breaching an undertaking by contravening the BPCPA and failing to cooperate with the Authority's investigation by not providing records. The motor dealer's registration was suspended for four months.

14. In applying the caselaw, I acknowledge that none are exactly on point with the present case. All have similarities and differences. My task is to find an appropriate period of suspension that best fits the circumstances in this case, considering similar or largely similar previous cases.
15. I find that the circumstances in this case are closer to those in *Webster* than in *Pham*. In *Webster* there was no risk of physical harm to consumers but rather the risk was financial in nature. That is also the case here. While *Webster* involved breaches of the BPCPA for deceptive acts, in this case the contravention by 715, the failure to safeguard consumer records, led to the alteration and fabrication of many documents which supported 16 consumer financing applications. I find that 715's past conduct is such that it is in the public interest that its motor dealer registration be suspended for a period of 21 days. I am mindful of the impact that the suspension will have on the business operations of 715, including its employees, and as such I further order that the suspension will not take effect until December 17, 2025 as this will provide time to make any necessary business arrangements.

**ii. Hao Guo**

16. Under section 7 of the *Salesperson Licensing Regulation* ("SLR"), the Authority may revoke or suspend a salesperson license if the Authority considers, having regard to the conduct of the licensee, that it would not be in the public interest for the licensee to continue to be licensed. As with 715, while I am of the view that the circumstances of this case do not warrant cancellation of Mr. Guo's license, I do find that Mr. Guo's conduct is such that it is in the public interest that his license should be suspended and I so order. I now turn my mind to the appropriate period of suspension.
17. In this case, Mr. Guo was at all material times the owner and dealer principal of 715 and was responsible for its operations. When it became necessary for Mr. Guo to step away from the day-to-day operations of 715, rather than seek out an experienced manager, he opted to place his son Andrew in the role despite his lack of experience. Considering the evidence of both Mr. Guo and Andrew, I find that this choice materially contributed to the contravention by the Respondents and the resulting harm.

18. As I noted in the Decision, the evidence indicated that Mr. Guo had implemented few if any safeguards to protect against unauthorized access, alteration or misuse of consumer records. Further, little or no attention was paid to the retail side of 715's operations by Mr. Guo or Andrew. While I am sympathetic to Mr. Guo's personal circumstances and his reason for stepping away from 715, his failure to recognize that his son was not an appropriate replacement demonstrated a critical lack of organizational oversight.
19. Mr. Guo says in his July 14, 2025 affidavit that he is committed to 715 and to avoiding any future complaints or issues. He further commits to "develop policies and procedures for appropriate checks and balances regarding financing applications of potential retail customers" although as noted previously in this decision, no evidence has been led to support this commitment.
20. While I accept that Mr. Guo is sincere about his regret for the circumstances that led to 715's contravention and his commitment to improve, I find that based on his past conduct that it is in the public interest that his license be suspended for a period of 21 days, to take effect on receipt of this decision.

**b. Administrative penalty**

21. In addition to the suspension of 715's registration and Mr. Guo's salesperson license, I will consider whether an administrative penalty for either is appropriate. As I have found that the Respondents have breached the MDAR, an administrative penalty may be issued pursuant to section 26.04(1) of the MDA. Further, section 26.04(5) of the MDA provides that where a corporation contravenes a prescribed provision of the Act or its regulations, an officer, director or agent of the corporation who authorized, permitted or acquiesced in the contravention is also liable under section 26.04 regardless of whether an administrative penalty is imposed on the corporation.
22. The purpose of administrative penalties is not to punish past conduct but to deter future misconduct. In assessing whether to impose an administrative penalty and if so, the amount, I am required to consider the legislative factors in the MDA while also considering common law principles including proportionality, the need for specific and general deterrence and that the penalty is not punitive in nature while not simply being the cost of

doing business: *Re: Affordable Auto Sales and Services Inc.* 2019-BCRMD-030 at paragraph 25.

23. As noted in *Barnes Wheaton*, supra, at paragraph 13:

The principle of proportionality requires that the compliance measure selected meets the desired deterrence goal specific to the issue at hand, and not drift into the realm of being punitive. Proportionality also includes ensuring the measure selected, such as the amount of a fine, is now viewed as merely the cost of doing business as that does not deter. It is this later point which can cause one business licensee to pay a higher administrative penalty than other business licensee for the same or similar infraction. A small, low volume used vehicle dealership may pay a lesser amount than a large multi-chain dealership for the same transgression. While the monetary amount may vary, the relative impact of that amount for both general and specific deterrence purposes should be about the same.

**i. 715 Auto Haus Ltd.**

24. Section 26.04(2) of the MDA sets out the factors that must be considered prior to an administrative penalty being issued. I will address each individually in respect of 715.

*i. Previous enforcement actions for contraventions of a similar nature by the person*

25. The Authority alleges no previous enforcement actions or contraventions for 715.

*ii. The gravity and magnitude of the contravention*

26. As indicated previously, I find that the breach of the MDAR by 715 is serious in nature. The failure by 715 to safeguard consumer records led to the alteration and fabrication of records that were included in 16 consumer motor vehicle purchase finance applications. This created not only financial risk to the financing company but it also potentially assisted consumers in obtaining loans which they could not afford to repay given their true financial background.

iii. *The extent of the harm to others*

27. As noted above, the harm associated with the contravention was suffered by the financing company and the consumers for whom the financing applications were submitted. In the June 10, 2025 affidavit of Jared Collier, I note that Exhibit D, the March 27, 2025 email from Carolina Sinclair (which was found to be admissible) describes each of the 16 loan applications submitted by 715. For five of the loans, the vehicles that were purchased were seized and repossession efforts had begun for two more. Further, Ms. Sinclair indicates in her email that iA suffered financial loss in respect of two of the financing applications totaling approximately \$43,000.

iv. *Whether the contravention was repeated or continuous*

28. While there was one single contravention in this case, it arose out of multiple financing applications that spanned a period of approximately six months.

v. *Whether the contravention was deliberate*

29. The contravention in this case was not deliberate insofar as 715 did not specifically intend to not safeguard consumer records. The evidence indicates that the contravention was borne out of neglect, with 715 failing to have appropriate policies and procedures in place to prevent the contravention from having occurred and it further did not provide adequate oversight of its retail sales operations.

vi. *Any economic benefit derived from the contravention*

30. I agree with the Authority's submission that 715 benefited economically from the contravention. The failure to safeguard records resulted in fraudulent financing applications being approved and thereafter motor vehicle purchase agreements being completed. Returning to Mr. Collier's affidavit and the March 27, 2025 email from Ms. Sinclair, the total amount of financing provided by iA to 715's customers was \$385,877.60. On this basis I reject the Respondents' argument that the question of whether an economic benefit was derived was an "investigative theory" and not supported by evidence and therefore not a factor for consideration here.



vii. *Other factors for consideration*

31. As noted previously, there is no evidence to suggest that 715 has changed any of its policies or procedures to prevent a future similar contravention.

32. Having considered the required statutory factors, I turn to previous Registrar's decisions for further guidance. Summaries of various decisions in which administrative penalties were ordered against motor dealers follow:

- *Barnes Wheaton*, supra – dealer found to have committed deceptive acts. This was the dealer's first transgression and it was found to benefit economically from the breach in the amount of approximately \$7,000. An administrative penalty of \$12,500 was imposed.
- *Webster*, supra – dealer found to have committed deceptive and unconscionable acts in arranging financing for a consumer. There was a history of non-compliance including undertakings. Steps were taken by the dealer taken to address future risk of harm and an administrative penalty of \$25,000 was ordered.
- *Knapp v. Crown Auto Body and Auto Sales Ltd.* (September 21, 2009, File 08-70508, Registrar) – dealer hid sub-standard rebuild of vehicle that was unsafe to drive as well as an incorrect odometer declaration. This was the dealer's first transgression and an administrative penalty of \$20,000 was issued. The dealer's license was cancelled.

33. The Authority says that an \$80,000 administrative penalty is appropriate here while the Respondents argue that \$5,000 is the maximum that should be imposed. As noted previously, in addition to the statutory factors that I have considered, I must ensure that an appropriate administrative penalty is not simply a cost of doing business for 715.

34. I note that each of the three decisions noted above relate to individual consumer transactions. Here, there were 16 fraudulent financing applications that occurred over a six month period and which involved almost \$400,000 being advanced in respect of purchases from 715. Harm was caused to consumers and iA and 715 realized a significant benefit which was a factor that played a significant role in the *Barnes Wheaton* decision. The overall economic harm that has flowed from the contravention must be given proper

consideration and on that basis I find that an appropriate administrative penalty to be ordered against 715 is \$65,000.

**ii. Hao Guo**

35. I again consider the factors set out in section 26.04(2) of the MDA in respect of Mr. Guo to determine whether an administrative penalty should be issued and if so, the amount.

*i. Previous enforcement actions for contraventions of a similar nature by the person*

36. As with 715, the Authority does not allege previous enforcement actions against Mr. Guo.

*ii. The gravity and magnitude of the contravention*

37. As indicated previously, I find that the statutory breach is serious in nature.

*iii. The extent of the harm to others*

38. The assessment of this factor in my consideration of the administrative penalty for 715 similarly applies here.

*iv. Whether the contravention was repeated or continuous*

39. The assessment of this factor in my consideration of the administrative penalty for 715 similarly applies here.

*v. Whether the contravention was deliberate*

40. Mr. Guo was not engaged in the day-to-day operations of 715 at the time the contravention occurred. I have found that the contravention was borne out of neglect rather than being a deliberate action.

vi. *Any economic benefit derived from the contravention*

41. The assessment of this factor in my consideration of the administrative penalty for 715 similarly applies here. I will add however, that as Mr. Guo is the owner of 715, he would personally gain from any economic benefit derived by 715 from the contravention.

vii. *Other factors for consideration*

42. While Mr. Guo has indicated an intention to improve 715's policies and procedures, he has not provided evidence to suggest that has occurred.
43. I am mindful of the fact that as the owner of 715, Mr. Guo will be impacted by the administrative penalty issued against his dealership in addition to any further administrative penalty issued against him personally. However, as noted previously, the evidence here indicates that Mr. Guo did benefit from the contravention as almost \$400,000 in financing was extended under false pretences for vehicles that were sold by 715 over a six-month period.
44. Having considered the statutory and common law factors, I am of the view that it is appropriate to issue an administrative penalty against Hao Guo in the amount of \$25,000. This penalty not only serves as a specific deterrent, but it is also acts as a general deterrent to others in similar roles in the motor dealer industry from neglecting their oversight responsibilities and from having proper policies and procedures in place to avoid similar situations as in this case.

**c. 715 Auto Haus Ltd – conditions on license**

45. Section 4(6) of the MDA permits the Registrar to add to or alter the terms, conditions or restrictions of a registration. As noted previously in this decision, while Mr. Guo has indicated that he intended to develop policies and procedures to avoid a re-occurrence of the circumstances that led to the contravention here, there is no evidence that he has done so since the swearing of his affidavit. As such, I find that it is appropriate to impose the following condition on 715's motor dealer registration:

- a. 715 is to provide to the Registrar within thirty (30) days of the date of this decision, a copy of any policies and procedures that it has prepared in relation to the preparation and submission of motor vehicle purchase financing applications by its staff on behalf of retail customers.

**d. Hau Guo – conditions on license**

- 46. Section 6(3) of the SLR provides that the authority may impose a condition described in subsection (1) or (2) on a salesperson's license. Section 6(2)(f) includes "any other condition necessary for the authority to ensure that it is not contrary to the public interest for the licensee to be licensed as a salesperson."
- 47. Given Mr. Guo's lack of oversight of the day-to-day operations of 715 and the role that it played in the contravention in this case, I find that it is in the public interest that Mr. Guo retake the salesperson licensing course and to incorporate the learnings from that course into the operations of the dealership. A condition is added to Hau Guo's salesperson license that he retake, at his own cost, and successfully complete the VSABC Salesperson Licensing Course within 45 days of the date of this decision.

**IV. Costs**

- 48. Section 26.02(4) of the MDA authorizes the inclusion of costs in a compliance order as follows:
  - (4) The registrar may include one or more of the following orders in a compliance order:
    - ...
    - (d) that a person reimburse to the registrar all or part of the actual costs, including actual legal costs, incurred by the registrar for
    - (i) any inspection or investigation of the person
- 49. The Authority's Director of Investigations and Licensing Alan Mullen deposes in his affidavit of October 6, 2025 that the Authority's actual costs, including legal costs, total

\$18,633.54. Of that amount, \$1,850.14 represents internal investigation costs while the balance is attributable to actual legal costs.

50. The Authority argues that there should be no apportionment or reduction of its costs given the “extensive factual matrix which involved 14 consumer transactions.” It says that the costs as presented are reasonable, relying on the decision of *Wild Grizzly Transport Ltd.*, 2018-BCRMD-022 as authority for this position as follows:

[12] The request for costs must be reasonable. The legislative authority to recover actual costs is not a blank cheque to incur any costs. The requested costs should reflect the work necessary to prove the allegations in the case and bring it forward. Considerations would include but are not limited to:

- (a) The complexity of the case and the need for outside expert assistance such as a forensic accountant.
- (b) The depth of the case. Was the investigation over a one-time breach or multiple breaches of the legislation. Did the investigation involve one or multiple consumers/complainants? Did the investigation require reviewing several months or years of transaction/documentary records?
- (c) The number of witnesses interviewed or who testified.
- (d) The amount of documentary evidence necessary to bring the case forward.
- (e) The need to create explanatory material to make sense of and to present the evidence; such as charges, diagrams, and accounting spreadsheets.
- (f) The need for the Registrar to issue interim orders to compel the disclosure of evidence

51. The Respondents raise two arguments in opposition to that of the Authority. First, they say that none of the caselaw cited by the Authority supports an award of both legal and investigation costs. Second, that it would be inappropriate to order payment of the Authority’s legal fees “as a penalty in this case”. I note however that the language of section 26.02(4) of the MDA contemplates that actual costs include legal costs. In other

words, it is not necessary to separate them. Further, costs are not imposed as a penalty but, as described in the legislation, they are a reimbursable expense.

52. Here, the Authority alleged four contraventions of the MDAR and BPCPA. One of those contraventions was proven while three were dismissed. This was a written hearing with no consumer complaint and a Pre-Hearing Conference was held. The Authority has been represented by external counsel throughout this matter.

53. The subject matter of this case was of moderate complexity, involving multiple financing applications, each of which included a variety of records and an analysis of their authenticity. The Authority relied on the evidence of one witness, Mr. Collier, whose affidavit included the evidence of Ms. Sinclair with iA.

54. As noted in *Wild Grizzly*, supra, actual costs does not mean any costs. While I do not consider that the costs should necessarily bear a pro rata reflection of the outcome of a hearing, the fact that three of the four allegations were dismissed at hearing is a factor that must be considered. I also note that these three allegations share a common theme in that I found that there was no evidence to prove that either Respondent altered or fabricated the various financial records.

55. Having considered all the circumstances, I am of the view that the Authority should be reimbursed 50% of its actual costs, including actual legal costs. That amount is equal to \$9,316.77. This reflects the complex nature of the subject matter underlying the case as a whole, but it also acknowledges that three of the four allegations as set out in the Hearing Notice were not proven at the liability hearing in this matter.

## **V. Compliance Order – MDA section 26.02**

56. As I have found that 715 and Mr. Guo have contravened the MDAR, I am authorized under section 26.02 of the MDA to issue a Compliance Order in respect of both Respondents to address their non-compliance. Section 26.02(6) provides that where a compliance order is made against 2 or more persons, they are jointly and severally responsible for complying with the order and for the payment of any amount that is required to be paid. The following are the terms of my Compliance Order:

- a. 715 Auto Haus Ltd. and Hao Guo are to abide by the *Motor Dealer Act*, R.S.B.C. 1996, 2.316 and its regulations; and

- b. 715 Auto Haus Ltd. and Hao Guo are ordered to reimburse the registrar \$9,316.77 representing 50% of its actual costs, including actual legal costs, incurred for any inspection or investigation of the Respondents in this matter.

## **VI. Summary of Decision on Penalty**

57. In summary, given the aforementioned findings with respect to liability, the following compliance action is ordered:

- a. 715 Auto Haus Ltd.'s motor dealer registration is suspended for a period of 21 days effective December 17, 2025
- b. Hao Guo's salesperson license is suspended for a period of 21 days effective upon receipt of this decision;
- c. 715 Auto Haus is ordered to pay an administrative penalty in the amount of \$65,000;
- d. Hao Guo is ordered to pay an administrative penalty in the amount of \$25,000;
- e. The following condition is added to 715 Auto Haus Ltd.'s motor dealer registration pursuant to section 4(6) of the MDA:
  - i. 715 Auto Haus Ltd. is to provide to the Registrar a copy of any policies and procedures that it has prepared in relation to the preparation and submission of motor vehicle purchase financing applications by its staff on behalf of retail customers within 30 days of the date of this decision
- f. The following condition is added to Hao Guo's salesperson license pursuant to section 6(3) of the *Salesperson Licensing Regulation*:
  - i. Hao Guo is to retake, at his own cost, and successfully complete the VSABC Salesperson Licensing Course within 45 days of the date of this decision
- g. A Compliance Order is issued pursuant to section 26.02 of the MDA which provides that:

- i. 715 Auto Haus Ltd. and Hao Guo shall comply with the MDA and the regulations made thereunder; and
- ii. 715 Auto Haus Ltd. and Hao Guo are ordered to reimburse the registrar \$9,316.77 representing 50% of its actual costs, including actual legal costs, incurred for any inspection or investigation of the Respondents in this matter.

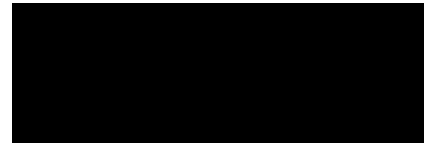
## **VII. Right of Review of Decision**

58. This decision may be reconsidered pursuant to sections 26.11 and 26.12 of the MDA. A Request for Reconsideration must be submitted in writing within 30 days of receiving the compliance order and notice of administrative penalty. The request may be filed electronically to [hearings@vsabc.ca](mailto:hearings@vsabc.ca) or by mail to the Authority.

59. This decision may also be reviewed by petition to the BC Supreme Court pursuant to the *Judicial Review Procedure Act* within 60 days of receiving this decision: section 7.1 of the MDA and section 57 of *the Administrative Tribunals Act*.

Signed this 17th day of November 2025

"Original signed"



---

Patrick Poyner  
Registrar of Motor Dealers