



Investigation File No.: C-24-03-248
Hearing File No.: H-25-08-005

**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:

ERLYN GARROW

COMPLAINANT

AND:

LEGACY AUTO SALES INC. dba LEGACY AUTO GROUP

RESPONDENT/MOTOR DEALER

AND:

0976736 BC LTD. dba SURREY MITSUBISHI

RESPONDENT/MOTOR DEALER

DECISION OF THE REGISTRAR OF MOTOR DEALERS

Date and location of decision: January 15, 2026 at Langley, British Columbia

By way of written submissions

I. Introduction

1. This proceeding arises out of a consumer complaint received by the Authority on March 18, 2024 from Erlyn Garrow (“the Complaint”) concerning a consumer transaction in which she states that she purchased a 2017 Hyundai Elantra (“the Vehicle”) from the Respondent Legacy Auto Sales Inc. dba Legacy Auto Group (“Legacy Auto”) on February 23, 2024.
2. In the Complaint, Ms. Garrow alleges that she was not provided documentation by Legacy Auto regarding the Vehicle’s history and ownership, that it lied concerning a \$10,000.00 down payment that was part of the purchase and that the incorrect dealer name was affixed to the purchase documentation. She also raises concerns about trading in her 2007 Honda Accord (“the Honda”) as part of the transaction. Ms. Garrow seeks rescission of the purchase agreement.
3. Legacy Auto is a motor dealer licensed with the Authority under license number 30456 and continuously licensed since September 5, 2006. The Respondent 0976736 BC Ltd. dba Surrey Mitsubishi (“Surrey Mitsubishi”) is a motor dealer licensed with the Authority under license number 4045 and continuously licensed since July 13, 2013. Legacy Auto and Surrey Mitsubishi will be referred to together as the Respondents.
4. The hearing of this matter proceeded by way of written submissions. The Authority and the Respondents have provided written submissions and evidence in support of those submissions. Legal counsel for the Respondents has also provided written submissions. Ms. Garrow has not provided a statement or any other evidence outside of the Complaint. While these reasons may not specifically refer to every aspect of the Parties’ submissions and evidence, I have reviewed and considered them all in coming to my decision.

II. Background Facts

5. The Authority has included with its Hearing Notice an affidavit sworn August 7, 2025 by Jared Collier. Mr. Collier is an Investigation Officer employed by the Authority. The Respondents have not provided any affidavit or other sworn evidence with their Response to the Hearing Notice. Rather, they have included several statements, documents and submissions in response to the Authority’s allegations.

6. I pause to note that sworn evidence carries greater weight than unsworn evidence because it is given under oath or affirmation. This imposes a legal obligation of truthfulness and potential consequences for false statements. Unsworn statements, while considered, are inherently less reliable as they lack this formal assurance and accountability. I recognize that in administrative tribunal proceedings, the rules of evidence are typically relaxed, particularly in settings where parties are often self-represented. This flexibility allows the tribunal to consider a broad range of material to achieve a fair and efficient process. However, the relaxed rules do not eliminate the need to assess credibility and reliability. Accordingly, I have approached the Respondents' unsworn, and in some cases, unsigned statements with caution, evaluating them against the documentary record and the sworn evidence to determine whether they are consistent, plausible, and supported by objective evidence. Where unsworn statements conflict with sworn testimony or lack corroboration, I assign them reduced weight.
7. In setting out the background facts I will note any conflicts in the evidence as appropriate. In making findings of fact, I will apply the burden of proof, which is a balance of probabilities, often reframed as "is it more likely than not" that the alleged conduct occurred: *F.H. v. McDougall* [2008] 3 S.C.R. 41 at paragraph 44. The burden of proof remains with the Authority, and Ms. Garrow as to the consumer remedy sought and proof of damages and loss, subject to any statutory shift to the Respondents which will be noted and applied where applicable.
8. Returning to the background facts, on February 13, 2024, the Vehicle underwent an inspection by Legacy Auto. This is documented in a "Pre-owned Inspection" form under the Legacy Cars name and logo.
9. On February 22, 2024 Ms. Garrow and Surrey Mitsubishi entered into a Royal Bank of Canada ("RBC") Conditional Sales Contract ("CSC") which indicates that the Vehicle's purchase price was \$25,300.00. Additional charges included an extended warranty and taxes which brought the total cost to \$33,438.73. A cash down-payment of \$10,000 reduced the total amount to be financed to \$23,488.73. The CSC does not include a trade-in allowance as part of the financing calculation.
10. An ICBC APV9T Transfer/Tax Form indicates that the Vehicle was sold by Legacy Auto to Ms. Garrow on February 22, 2024 and an ICBC APV250 Owner's Certificate of Insurance

and Vehicle License confirms that Ms. Garrow's ownership of the Vehicle became effective on February 22, 2024.

11. A Purchase Agreement reflecting the sale of the Honda by Ms. Garrow to Legacy Auto dated February 22, 2024 ("the Honda Agreement") indicates that it was sold for \$1.00. A handwritten note at the bottom of the document states "Wholesale Only". I note that this document bears a signature on behalf of Legacy Auto but it is not signed by Ms. Garrow. An ICBC APV9T Transfer/Tax Form signed by Ms. Garrow indicates that the Honda was sold to Legacy Auto although the selling price was not included in this form.
12. A Purchase Agreement dated February 23, 2024 ("the Purchase Agreement") provides that the Vehicle was sold by Surrey Mitsubishi to Ms. Garrow for \$25,300.00 plus the cost of an extended warranty and taxes. The Purchase Agreement includes a \$10,000.00 deposit with the handwritten note "Promo" added next to it. The total amount to be financed is \$23,488.73. The Purchase Agreement does not include a trade-in as part of the transaction. It is unclear why the Purchase Agreement is dated one day after ownership was transferred to Ms. Garrow.

III. Positions of the Parties

13. The Authority alleges the following in the Hearing Notice:

- (a) Legacy Auto and Surrey Mitsubishi each carried on business as motor dealers other than in their respective registered names, and elsewhere than at or from their respective business premises, contrary to paragraphs 3(1)(b) and (c) of the *Motor Dealer Act* ("MDA");

- (b) Legacy Auto and Surrey Mitsubishi each committed or engaged in an unconscionable act or practice in respect of a consumer transaction contrary to subsection 9(1) of the *Business Practices and Consumer Protection Act* ("BPCPA");

- (c) Legacy Auto and Surrey Mitsubishi each committed or engaged in a deceptive act or practice contrary to paragraph 4(3)(b)(vi), and subsection 5(1), of the BPCPA;

(d) Legacy Auto and Surrey Mitsubishi each made false or misleading representations with respect to amounts charged in respect of a consumer transaction, contrary to paragraph 33(2)(e) of the *Motor Dealer Act Regulation* (“MDAR”);

(e) Legacy Auto and Surrey Mitsubishi each failed to expressly itemize the cost of the “cash back” contrary to paragraph 21(1)(l) and subsection 21(2) of the MDAR; and

(f) Legacy Auto and Surrey Mitsubishi each failed to include the actual selling price of the Vehicle contrary to paragraph 21(1)(h) and subsection 21(2) of the MDAR.

14. In their written submissions, the Respondents say that the Vehicle’s \$15,300.00 purchase price was properly disclosed to Ms. Garrow but that the inclusion of the \$10,000.00 cash back promotion, initially included to assist with debt payment, was due to human error. They further submit that the resulting additional \$1,200.00 in tax paid by Ms. Garrow was properly remitted to the Canada Revenue Agency (“CRA”) but later refunded by them to Ms. Garrow and as such it derived no economic benefit from the error.
15. Further, the Respondents admit that Surrey Mitsubishi was identified as the selling motor dealer in the Purchase Agreement instead of Legacy Auto because Surrey Mitsubishi had a portal to RBC as the lender on the purchase while Legacy Auto did not.
16. Finally, the Respondents submit that they provided Ms. Garrow with all purchase documents at the time of the sale and that there was no agreement to include the Honda as a trade in. I note that there are no allegations regarding these issues in the Hearing Notice and in that respect I comment on them simply as background information.
17. In additional written submissions dated October 31, 2025 (“the Supplemental Submissions”), the Respondents’ legal counsel confirms that the subject transaction took place at Legacy Auto’s place of business and says that Surrey Mitsubishi’s name was used in the sale of the Vehicle and that its RBC portal was used as Legacy Auto does not have access to RBC as a lender.
18. The Supplemental Submissions provide that the Purchase Agreement incorrectly included the Vehicle’s purchase price as \$25,300.00 and that it further incorrectly included the \$10,000.00 deposit. These go on to say that Ms. Garrow initially opted to receive cash-

back as part of a dealer promotion but opted out of that at the time of delivery. The promotional amount was inadvertently applied as a deposit instead of reducing the price of the Vehicle to its actual sale price of \$15,300.00.

19. Finally, counsel for the Respondents says that any contraventions were not deliberate and that no economic benefit was derived from them. They say that they did not breach their dealer agreement with RBC and that while Ms. Garrow did pay an additional \$1,200.00 in taxes, that was properly remitted to the CRA and later reimbursed to Ms. Garrow by the Respondents once they were made aware of the error.

IV. Remedy Sought

20. The Authority seeks the following:

- (a) Administrative penalties issued to Legacy Auto and Surrey Mitsubishi, jointly and severally, in the amount of \$15,000 pursuant to section 164 of the BPCPA and in the amount of \$30,000 pursuant to section 26.04 of the MDA;
- (b) An order that Legacy Auto and Surrey Mitsubishi jointly and severally reimburse money to Ms. Garrow or otherwise compensate Ms. Garrow pursuant to section 26.02(4) of the MDA and section 155 of the BPCPA; and
- (c) An order that Legacy Auto and Surrey Mitsubishi jointly and severally reimburse the Authority its actual costs, including legal costs, incurred in relation to this matter.

21. In the Complaint Ms. Garrow says she wants to return the Vehicle.

22. The Respondents in their written submissions do not specifically address the remedy sought by the Authority or Ms. Garrow. Counsel for the Respondents submits that the proposed administrative penalty should be “substantially reduced.”

V. Preliminary matters

a. Arash Askarian Letter

23. Included in the Respondents’ submissions is an undated and unsigned five-page letter from Arash Askarian addressed to the Authority and sent to the Authority’s legal counsel

on September 15, 2025. Mr. Askarian is referenced elsewhere in submissions as the Director of Legacy Auto and as the Dealer Principal of Surrey Mitsubishi. In his letter, Mr. Askarian sets out several concerns which he describes as “procedural irregularities concerning the investigation and subsequent outcome of the above-referenced VSA file.” The Authority provided no comment on these issues in its Reply.

24. As the issues raised by Mr. Askarian allege breaches of procedural fairness by the Authority, I will address them individually.

i. Undue delay in investigation

25. Mr. Askarian argues that the length of the investigation has caused “significant prejudice to our business, reputation, resources and constitutes an abuse of process.” He has not provided specific examples or evidence of prejudice.

26. The Alberta Court of Appeal decision of *Burgener v. Law Society of Alberta*, 2023 ABCA 227, citing the Supreme Court of Canada decision in *Law Society of Saskatchewan v Abrametz*, 2022 SCC 29, describes two ways in which a delay in administrative proceedings will constitute an abuse of process. The first is where the delay “impairs a party’s ability to answer the complaint against them, such as when memories have faded, essential witnesses are unavailable or evidence has been lost”: *Burgener* at para 23. The second is where there is no prejudice to hearing fairness but “significant prejudice has come about due to inordinate delay, provided a three-step test is satisfied: (a) The delay must be inordinate; (b) The delay must have directly caused significant prejudice; and (c) The delay must be manifestly unfair to a party or in some other way brings the administration of justice into disrepute”. *Burgener* at para 24

27. As to the first test, I do not find that there is evidence to support a finding that the Respondents’ ability to answer the complaint has been impaired. This is a written hearing. The Respondents’ response to the allegations in the Hearing Notice is extensive with statements and supporting documents having been provided by multiple individuals who were involved with the subject sale. There is no suggestion that evidence has been lost or that memories have faded.

28. As to the second test, I similarly find that the Respondents have not satisfied each of the three steps. They have not demonstrated that there has been an inordinate delay, that it directly caused significant prejudice and that it was manifestly unfair to one or both parties or in some other way brings the administration of justice into disrepute.
29. The Hearing Notice in this matter was issued by the Authority on August 8, 2025, less than 17 months after Ms. Garrow's complaint was received. Following the issuance of the Hearing Notice, the Respondents applied for what was in effect an indeterminate extension of time to file their Response. That application was dismissed. Following the filing of its Response on September 23, 2025, the Authority filed its Reply two days later. No Sur-Reply was filed by the Respondents. The October 31, 2025 letter from the Respondents' legal counsel commented on the substantive matters of this case but did not raise any procedural fairness concerns. Given these circumstances I do not find that an inordinate delay has occurred or that significant prejudice arises from it. Similarly, there is no evidence of manifest unfairness or that the administration of justice has been brought into disrepute.
30. I dismiss the Respondents' argument that there has been undue delay in the investigation of this matter resulting in a breach of procedural fairness.

ii. Refusal to provide evidence

31. Mr. Askarian says that the Respondents' "request to review the evidence relating to the alleged fraudulent non-disclosure to a lender was refused." He refers to this as a "withholding of evidence" and says that this refusal during the investigative process is "a clear violation of natural justice and our right to a fair hearing."
32. While Mr. Askarian has not identified what the evidence is that he says the Authority has not provided, I note that there is no right of full disclosure at the investigatory stage in an administrative or regulatory matter. This was confirmed by the British Columbia Court of Appeal decision in *Puar v. Association of Professional Engineers and Geoscientists (British Columbia)*, 2009 BCCA 487 as follows:

[22] What was said there, however, applies to the Association as an investigating body with authority to investigate and discipline its members. What the Association conceded

in *Netupsky* goes only as far as establishing that before a decision is ultimately taken to discipline a member of the Association, the member is entitled to know the allegations against him and be given the opportunity to respond. *Netupsky* does not assist Mr. Puar. It does not establish that, where the investigative function in a disciplinary process is distinct from the adjudicative function, as is the case here, procedural fairness requires the duty to disclose an allegation and afford the opportunity to be heard to be discharged at the investigative stage. While early disclosure may be useful, it is not normally required until the adjudicative stage where the member can expect to be afforded a hearing.

(emphasis added)

33. Here, the Respondents were provided with a copy of Ms. Garrow's complaint which set out the concerns arising from the purchase of the Vehicle. Further, correspondence between the parties in October 2024 reflects an understanding by the Respondents of the issues relating to the \$10,000.00 cash back and Ms. Garrow's trade-in. Finally, the Respondents have documented their meeting with the Authority on December 4, 2024 at which time the various issues arising out of the complaint were discussed between the parties.
34. I am satisfied that the evidence supports a finding that prior to the Hearing Notice being issued the Respondents were provided with disclosure that allowed them to properly respond to the Authority's allegations. Similarly, there is no evidence to suggest that the Respondents have requested and been refused full disclosure after the Hearing Notice was issued. I dismiss the Respondents' argument that they have been denied full disclosure prior to the Hearing Notice being issued.

iii. Flawed investigation and undertaking procedure

35. Mr. Askarian argues that "the VSA failed to interview [a] central witness" and that this constitutes unconscionable conduct. Mr. Askarian neither identifies this witness nor does he explain how the Authority's failure to interview them is unconscionable or otherwise a breach of procedural fairness. Ultimately it is within the Authority's discretion as to the evidence it considers necessary to prove its allegations. If the Respondents are of the view that there is evidence that will answer those allegations, it is able to introduce that at hearing.

36. Similarly, it is not clear from Mr. Askarian's submissions how the "undertaking procedure" was flawed and how it constitutes a breach of procedural fairness. Under section 26.01 of the MDA and section 155 of the BPCPA, the Registrar may accept a written undertaking from a person if the Registrar is satisfied that they are contravening, are about to contravene or have contravened the MDA or the regulations. Mr. Askarian's submissions do not support a finding that the process by which an undertaking may be proposed was flawed or otherwise a breach of procedural fairness.
37. Having considered Mr. Askarian's submissions as a whole, I do not find that the Respondents have been denied procedural fairness in this matter or that there has been an abuse of process by the Authority. The Respondents were provided notice of the case against them less than two months after the complaint was received by the Authority. They responded to the Hearing Notice and as such they have been afforded the opportunity to make full answer and defence to the allegations. Any suggestion of investigatory bias or that a breach of procedural fairness has occurred is not supported by evidence.

b. Supplementary Submissions

38. On October 8, 2025, at my direction the Hearings Office wrote to the Parties in this matter to advise them that the time for further written submissions was closed pursuant to Rule 30.1 of the Registrar's Rules and that my decision would be prepared in due course. Despite this direction, on October 31, 2025, legal counsel for the Respondents provided the Supplementary Submissions. That letter was not copied to Ms. Garrow or counsel for the Authority. Counsel for the Respondents did not apply under Rule 30.3 to extend the time for filing submissions.
39. The Hearings office responded to the Respondents' counsel, advising them that it would not respond to or forward their email to the Authority's legal counsel. As there is no indication that the email or the attached Supplementary Submissions were forwarded to counsel for the Authority or Ms. Garrow, they were forwarded to them by the Hearings Office as a courtesy on December 22, 2025.
40. This letter was received after the time for written submissions had expired. It was not in the nature of a Sur-Reply to the Reply of the Authority, stating clearly that it was

prepared in response to the Hearing Notice. I note that the Authority has not requested an opportunity to respond to the Supplementary Submissions.

VI. Analysis

a. *Motor Dealer Act* section 3(1)(b) and (c)

41. Section 3(1) of the MDA describes the requirements that a person must meet to carry on business as a motor dealer. Sections 3(1)(b) and (c) prohibit a motor dealer from carrying on business other than in its registered name and elsewhere than at or from its business premises respectively.

i. Legacy Auto

42. The documentary evidence in this case supports a finding that prior to its sale to Ms. Garrow the Vehicle was owned by Legacy Auto. This includes the February 22, 2024 APV9T which lists the seller as Legacy Auto. Ownership was transferred by Legacy Auto to Ms. Garrow. Despite this, the Purchase Agreement indicates that the seller was Surrey Mitsubishi.

43. In a May 28, 2024 email from Legacy Auto's General Manager Michael Terezakis addressed to Joel Jordan, an employee of the Authority, Mr. Terezakis says that Legacy Cars and Surrey Mitsubishi "have the same ownership and we proceeded with the deal at the other location due to availability of the vehicle – which we do frequently and customers are fully aware we own both dealerships." Further, in an undated and unsigned statement from Harry Joa, identified by Mr. Terezakis in his August 26, 2025 statement as Legacy Auto's general manager, finance manager and salesperson, Mr. Joa says that "Surrey Mitsubishi (Our group affiliate dealership) was used for their portal for RBC and Legacy Cars does not have RBC as a lender."

44. Legacy Auto sold the Vehicle to Ms. Garrow using a Purchase Agreement under Surrey Mitsubishi's name. It did so as a matter of convenience and to gain a business advantage as it allowed Legacy Auto to work with a lender it would not have otherwise had access to. By doing so it carried on business other than under its registered name contrary to section 3(1)(b) of the MDA.

45. The question of whether Legacy Auto carried on business elsewhere than at or from its business premises is less clear. The Authority refers to Mr. Terezakis' May 28, 2024 email in which he states that the deal proceeded "at the other location due to availability of the vehicle." He goes on to say however that "we had to wait for the vehicle to arrive prior to purchase due to safety and detail at Surrey Mitsubishi, which is exactly 3.9km away." I note that counsel for the Respondents in the Supplementary Submissions says that "the sale was initiated and conducted entirely at the Legacy Auto facility" although there is no reference as to the evidence to support this.

46. Applying the burden of proof, I do not find there to be sufficient evidence upon which to make a finding that it is more likely than not that Legacy Auto carried on business elsewhere than at or from its business premises and I dismiss this allegation.

ii. Surrey Mitsubishi

47. Surrey Mitsubishi did not own the Vehicle prior to its purchase and I have found that there is insufficient evidence to support a finding that the transaction occurred at its place of business. The evidence suggests that its involvement was limited to the use of its standard purchase agreement by Legacy Auto and by providing Legacy Auto access to its RBC portal. This appears to have been facilitated as a matter of convenience given the stated shared ownership of the two dealerships.

48. After having considered its involvement in the consumer transaction, I do not find that Surrey Mitsubishi carried on business other than in its registered name or elsewhere than at or from its business premises contrary to section 3 of the MDA. At most, Surrey Mitsubishi provided Legacy Auto with the means to sell the Vehicle to Ms. Garrow and to assist her in obtaining financing. This allegation is dismissed.

b. Business Practices and Consumer Protection Act allegations

49. In the Hearing Notice the Authority alleges two breaches of the BPCPA by both Respondents in relation to the same consumer transaction – a deceptive act or practice contrary to section 5 and an unconscionable act or practice contrary to section 9. The

analysis of these allegations requires consideration of various defined terms in the BPCPA as follows:

"consumer transaction" means

(a) a supply of goods or services or real property by a supplier to a consumer for purposes that are primarily personal, family or household, or

(b) a solicitation, offer, advertisement or promotion by a supplier with respect to a transaction referred to in paragraph (a),

and, except in Parts 4 and 5, includes a solicitation of a consumer by a supplier for a contribution of money or other property by the consumer;

"services" means services, whether or not the services are together with or separate from goods, and includes a membership in a club or organization;

"supplier" means a person, whether in British Columbia or not, who in the course of business participates in a consumer transaction by

(a) supplying goods or services or real property to a consumer, or

(b) soliciting, offering, advertising or promoting with respect to a transaction referred to in paragraph (a) of the definition of "consumer transaction",

whether or not privity of contract exists between that person and the consumer, and includes the successor to, and assignee of, any rights or obligations of that person and, except in Parts 3 to 5 [*Rights of Assignees and Guarantors Respecting Consumer Credit; Consumer Contracts; Disclosure of the Cost of Consumer Credit*], includes a person who solicits a consumer for a contribution of money or other property by the consumer;

"supply" includes, in respect of the supply of goods or services or real property to a consumer, a sale, lease, assignment, award by chance or other disposition;

50. In this case, the February 22, 2024 APV9T confirms that the Vehicle was sold by Legacy Auto to Ms. Garrow. In her Complaint, Ms. Garrow indicates that her intended use of the Vehicle was 100% personal in nature. Applying the BPCPA, I find that Legacy Auto

participated in a consumer transaction by supplying goods, the Vehicle, to a consumer, Ms. Garrow.

51. But what of Surrey Mitsubishi? It was not the registered owner of the Vehicle prior to its sale to Ms. Garrow and as such it could not at law, sell the Vehicle to anyone, let alone Ms. Garrow. In other words, it did not supply goods to Ms. Garrow as part of the consumer transaction.

52. However, Surrey Mitsubishi did participate in the consumer transaction insofar as they provided a service to Ms. Garrow. That service was the preparation of the CSC and submitting it through the RBC portal to obtain financing for Ms. Garrow. I find that Surrey Mitsubishi participated in a consumer transaction by supplying services to Ms. Garrow.

53. As I have found that Legacy Auto and Surrey Mitsubishi are both suppliers to a consumer transaction as defined by the BPCPA, I will now consider whether one or both engaged in an unconscionable or deceptive act or practice.

i. Unconscionable Act or Practice

54. Section 9 of the BPCPA prohibits a supplier from committing or engaging in an unconscionable act or practice in respect of a consumer transaction. An unconscionable act or practice by a supplier can occur before, during or after the consumer transaction: section 8(1) BPCPA.

55. If it is alleged that a supplier committed or engaged in an unconscionable act or practice, the burden of proof that the unconscionable act or practice was not committed or engaged in is with the supplier: section 9(2) BPCPA. In determining whether an unconscionable act or practice has occurred, the BPCPA directs the Registrar to consider the factors in section 8(3) while considering the whole of the case.

56. Guidance as to the analysis of an allegation of a breach of section 9 of the BPCPA can be found in the decision of *Webster et al. v. VSABC et al.* 2017-BCRMD-013 (“*Webster*”). In that decision, the Registrar commented as follows:

[29] Further guidance on the proper application of the unconscionability provisions of the BPCPA can be garnered from the caselaw. For this purpose, the Registrar has

adopted the analytical approach in *Bain v. The Empire Life Insurance Company*, 2004 BCSC 1577 and as applied in *The Estate of George Mann Sr. v. Ocean Park Ford* (File 07-70255, May 19, 2009, Registrar decision on Reconsideration).

[30] In *Bain*, Justice Tysoe reviewed the factors in section 8(3) of the BPCPA, noting that the existence of one or more factors was not determinative of unconscionability. Those factors were to be considered against the whole of the case. In *Bain*, Justice Tysoe also noted that:

[72]The test was expressed in different terms in a subsequent decision of the B.C. Court of Appeal, *Harry v. Kreutziger* (1978), 1978 CanLII 393 (BC CA), 9 B.C.L.R. 166:

That single question is whether the transaction, seen as a whole, is sufficiently divergent from community standards of commercial morality that it should be rescinded. (p. 177)

This test was recently cited by the B.C. Court of Appeal in *Ma v. MIV Therapeutics Inc.*, 2004 BCCA 483 (CanLII).

[31] In *Bain*, Mr. Justice Tysoe also cautioned that the purpose of the legislation is to protect consumers from the transgressions of suppliers. The legislation is not meant to protect consumers from their own mistakes: *Bain*, at paragraph 88.

57. In her complaint, Ms. Garrow says that Legacy Auto “lied about putting [sic] 10,000 down payment on the financing side” and that she “traded in my Honda Accord 2007”. Ms. Garrow describes some mechanical issues with the Vehicle, saying “I feel like I’ve been swindled.” Beyond these comments, there is no further information from Ms. Garrow as to the circumstances leading up to or following her purchase of the Vehicle. As noted previously, the Authority alleges that the addition of the \$10,000.00 to the Vehicle’s purchase price, which is not denied by the Respondents, constitutes an unconscionable act or practice.

58. Turning to the evidence of the Respondents, they rely on Mr. Joa’s statement in which he says that the sale price of the Vehicle was \$15,300.00. A \$10,000.00 cash back promotion

was offered to Ms. Garrow which would involve adding \$10,000.00 to the sale price for which she would be given cash back. I note that the Purchase Agreement which notes the sale price as \$25,300.00 is signed by Ms. Garrow. Similarly, the CSC includes the sale price as \$25,300.00 and this is also signed by Ms. Garrow.

59. According to Mr. Joa, at the time of delivery, Ms. Garrow opted out of the cash back promotion but due to an error, the cash back amount was inadvertently applied as a down payment instead of as a means by which to reduce the sales price back to the original sale price of \$15,300.00. This error resulted in Ms. Garrow paying \$1,200.00 more than she should have as the incorrect sales price attracted increased sales tax. A signed statement from Jim Del Rosario indicates that Ms. Garrow was reimbursed this amount on January 16, 2025.
60. The cash back promotion appears to have been presented to Ms. Garrow and accepted by her. While she says in her complaint that Legacy Auto lied about the \$10,000 deposit, there is no further explanation as to what this means or how she says Legacy Auto lied about the deposit.
61. On balance, I do not consider this consumer transaction to have met the definition of an unconscionable act or practice in respect of Ms. Garrow. Considering the factors in section 8(3) of the BPCPA, there is no evidence that Ms. Garrow was subject to undue pressure to enter the consumer transaction or that the Respondents took advantage of her inability to protect her own interests due to an infirmity or inability to understand the consumer transaction. There is no evidence that the price of the Vehicle exceeded that of similar vehicles, nor was there evidence that there was no reasonable probability of full payment of the total price by Ms. Garrow. The terms or conditions of the consumer transaction were not inequitable. While \$10,000.00 was added to the sale price to enable Ms. Garrow to obtain additional funds, that amount was ultimately applied as a down payment against the Vehicle meaning Ms. Garrow purchased the Vehicle for the actual sale price of \$15,300.00.
62. I have also considered whether an unconscionable act has occurred in respect of the lender, RBC. It is not disputed by the Respondents that they added \$10,000.00 to the Vehicle's sale price in both the Purchase Agreement and the CSC to assist Ms. Garrow in obtaining additional funds. However, there is no evidence to suggest, as was the case in

Webster, supra, that Ms. Garrow was not qualified for the loan generally or that the Respondents falsified income information to assure that Ms. Garrow would qualify for a loan.

63. I have also considered the July 30, 2025 undertaking entered into between the Authority and Suki Bath Motors (“Suki Bath”). In that case, the motor dealer admitted that it engaged in or committed an unconscionable act or practice in relation to a consumer transaction by including a documentation fee in a purchase agreement that was almost five times more than that advertised on its website and by inflating the price of the subject vehicle by \$7,000.00 as part of a cashback offer to the consumer. It was acknowledged that the lender in Suki Bath did not allow for cashback in its financing applications.

64. I find that the Suki Bath matter is distinguishable from this case. Beyond receiving an “Origination Fee” from RBC as an incentive for the financing referral, there is no evidence that either Respondent obtained a direct benefit through the inclusion of false information in the Purchase Agreement. Similarly, there is no evidence that RBC did not allow for the proposed cashback deal.

65. As with Ms. Garrow, I have considered each of the factors in section 8(3) of the BPCPA in my analysis of whether the Respondents committed or engaged in an unconscionable act or practice in respect of a consumer transaction as it relates to RBC. Having considered these factors and the evidence, I do not find that this consumer transaction meets the definition of an unconscionable act or practice.

ii. Deceptive Act or Practice

66. Section 5(1) of the BPCPA prohibits suppliers from committing or engaging in a deceptive act or practice in respect of a consumer transaction. Where a deceptive act or practice is alleged by a consumer, section 5(2) provides that the burden of proof shifts to the supplier to demonstrate that the deceptive act was not committed or engaged in. However, before the burden shifts, there must be evidence indicating that the deceptive act or practice has been committed: *Crown Auto Body and Auto Sales Ltd. v. Motor Vehicle Sales Authority of British Columbia*, 2014 BCSC 894 (BCSC) at paragraphs 26-27. In other words, a bare allegation is not enough. There must be some evidence that the deceptive act or practice has been committed.

67. A “deceptive act or practice” is defined by section 4(1) of the BPCPA as meaning in relation to a consumer transaction:

(a) an oral, written, visual, descriptive or other representation by a supplier, or

(b) any conduct by a supplier that has the capability, tendency or effect of deceiving or misleading a consumer or guarantor.

68. A deceptive act or practice may be innocent, negligent, or deliberate conduct by a dealer or salesperson: *Webster, supra*.

69. Where a consumer seeks damages under the BPCPA that are the result of a supplier committing a deceptive act or practice, common law considerations of reasonable reliance, a connection between the breach and the harm and the quantum of damages arising out of the harm must be met by the consumer: *Webster, supra*.

70. As noted previously, I have found both Respondents to be suppliers as defined by the BPCPA. Legacy Auto created the Purchase Agreement and in doing so added \$10,000.00 to the Vehicle’s selling price. Similarly, Surrey Mitsubishi added \$10,000.00 to the Vehicle’s selling price in the CSC. The purpose for doing so was to secure additional funds for Ms. Garrow from RBC although ultimately, she declined that arrangement and the additional \$10,000.00 was instead applied as a down payment which resulted in Ms. Garrow paying the original purchase price. Given this evidence, the burden shifts to the Respondents to demonstrate that the deceptive act or practice was not committed.

71. In *Webster, supra*, Registrar Christman applied section 5(1) of the BPCPA in the context of a motor dealer acting as a loan broker on behalf of a consumer. In finding that the BPCPA did apply, he stated as follows:

[22] Subsection 5(1) of the BPCPA prohibits a supplier from committing a deceptive act or practice “in respect of a consumer transaction.”

5(1) A supplier must not commit or engage in a deceptive act or practice in respect of a consumer transaction. (Emphasis added.)

[23] The Legislature has not prohibited suppliers from committing deceptive acts or practices to a consumer, but in relation to a consumer transaction. In subsection 1(1) of the BPCPA, the definition of consumer transaction includes the provision of goods or services to a consumer. (emphasis added)

[24] The services that may be provided to a consumer include acting on behalf of a consumer in a consumer transaction, such as a loan broker as defined in Part 5 of the BPCPA. It may be that a loan broker, acting on behalf of a consumer, in respect of a consumer transaction, makes misrepresentations to a third party, such as a lender, which may harm a consumer. The BPCPA is meant to protect consumers in such situations. A consumer is not to be deprived of the protections and remedies available under the BPCPA, just because the supplier in such a case did not make a misrepresentation directly to the consumer.

72. I find that the circumstances in this case are similar to those in *Webster*. Through the creation of the Purchase Agreement and the CSC, each of the Respondents misrepresented the true price of the Vehicle to a third party, RBC. This resulted in RBC providing funds to Ms. Garrow that exceeded the Vehicle's actual purchase price. Any security interest that RBC would register against the Vehicle would in turn exceed its value. These misrepresentations were made in relation to the consumer transaction with Ms. Garrow. The Respondents have not discharged the burden of proof that the deceptive act or practice was not committed. I find that inclusion of the increased selling price of the Vehicle in the Purchase Agreement and the CSC were deceptive acts or practices in relation to the consumer transaction between the Respondents and Ms. Garrow and I find that the Respondents therefore breached section 5(1) of the BPCPA.

c. *Motor Dealer Act Regulation section 21(1)(l)*

73. Sections 21(1) and (2) of the MDAR describe the required contents of a purchase agreement for new and used vehicles respectively. For the sale of used vehicles, both subsections apply: section 21(2) MDAR.

74. Section 21(1)(l) requires a motor dealer to include in a purchase agreement an itemized list of the cost of any other charges for which the purchaser is responsible. The Authority

alleges that both Respondents failed to itemize the cost of the cash back in the Purchase Agreement.

75. Here, I have found that Legacy Auto sold the Vehicle to Ms. Garrow using a purchase agreement bearing Surrey Mitsubishi's name. As the purpose of this section is to ensure that the selling motor dealer properly particularizes the purchase agreement for the benefit of the consumer, I dismiss this allegation against Surrey Mitsubishi as its role in this consumer transaction was limited to the creation of the CSC and not the creation of the Purchase Agreement.
76. Section 21(1)(l) of the MDAR requires a motor dealer to include in a sales or purchase agreement "an itemized list of the cost of any other charges for which the purchaser is responsible." (emphasis added) The evidence does not indicate that the cash back is an additional "cost" or that there is a "cost" to the cash back to be particularized in the Purchase Agreement. Rather, Legacy Auto has instead added \$10,000 to the purchase price, initially as a cash back scheme, but then reduced the price by that same amount, applying the \$10,000 as a down payment.
77. The evidence does not indicate an additional charge to Ms. Garrow that carries with it a cost that would require itemization on the Purchase Agreement and on that basis, I dismiss this allegation.

d. Motor Dealer Act Regulation section 21(1)(h)

78. The Authority alleges that both Respondents contravened section 21(1)(h) of the MDAR by failing to include the actual selling price of the Vehicle in the Purchase Agreement.
79. I dismiss this allegation against Surrey Mitsubishi for the same reason I dismissed the allegation that it contravened section 21(1)(l) of the MDAR. However, there is no disagreement between the parties that Legacy Auto added \$10,000.00 to the actual purchase price of the Vehicle in the Purchase Agreement to enable Ms. Garrow to obtain additional financing from RBC. In doing so, Legacy Auto failed to include the actual selling price of the Vehicle in the Purchase Agreement contrary to sections 21(1)(h) of the MDAR.

e. Motor Dealer Act Regulation section 33(2)(e)

80. Section 33(2)(e) of the MDAR prohibits a licensee or registrant, in the course of business, from making false or misleading representations with respect to any amount charged in respect of a consumer transaction.

81. As noted above, I have found that both Respondents misrepresented the actual selling price of the Vehicle by adding \$10,000.00 to it on the Purchase Agreement and the CSC. Neither Respondent denies having done so. Given that finding and the evidence, I find that both Respondents breached section 33(2)(e) of the MDAR.

VII. Summary of Findings

82. I find that the following contraventions have been proven on a balance of probabilities:

- (a) Legacy Auto carried on business as a motor dealer other than in its registered name contrary to section 3(1)(b) of the MDA;
- (b) Legacy Auto committed or engaged in a deceptive act or practice in respect of a consumer transaction contrary to section 5(1) of the BPCPA by representing in the Purchase Agreement that the Vehicle's purchase price was \$10,000.00 more than its actual purchase price;
- (c) Surrey Mitsubishi committed or engaged in a deceptive act or practice in respect of a consumer transaction contrary to section 5(1) of the BPCPA by representing in the Conditional Sales Contract that the Vehicle's purchase price was \$10,000.00 more than its actual purchase price;
- (d) Legacy Auto made a false or misleading representation in the Purchase Agreement with respect to the purchase price of the Vehicle contrary to section 33(2)(e) of the MDAR;
- (e) Surrey Mitsubishi made a false or misleading representation in the Conditional Sales Contract with respect to the purchase price of the Vehicle contrary to section 33(2)(e) of the MDAR; and
- (f) Legacy Auto failed to include the actual selling price of the Vehicle in the Purchase Agreement contrary to section 21(1)(h) of the MDAR.

VII. Consumer Remedy Sought

83. Ms. Garrow seeks rescission, or cancellation, of the Purchase Agreement. The approach for the adjudication of a claim for a consumer remedy in the context of the BPCPA was set out by Registrar Christman in *Pham et al. v. Super Sale Auto et al.* (19-07-002) January 3, 2020 as follows:

[32] Any consumer remedy for a misrepresentation under the BPCPA, must still meet the common law elements of such a claim:

- (a) a representation that is untrue or misleading – a misrepresentation,
- (b) the consumer reasonably relied on the misrepresentation,
- (c) the consumer experienced damages due to the misrepresentation, and
- (d) there is some evidence of the amount of damages (legally called quantum of damages) that the consumer suffered due to the misrepresentation.

[33] The BPCPA modifies the first of these common law elements ((a) misrepresentation) in aid of consumer protection in the following ways:

- (a) once there is some evidence that a misrepresentation occurred, the onus shifts to the dealer to show the misrepresentation did not happen, was in fact true or was not misleading: section 5(2) of the BPCPA, and
- (b) deems certain conduct to be misrepresentations: section 4(3) of the BPCPA.

[34] The consumer still has the burden to show that it reasonably relied on the misrepresentation; that the damages it seeks is due to the misrepresentation; and provide some evidence of the amount (quantum) of those damages.

- *Bunyak v. Daryl's Best Buys Auto Sales Ltd.* (October 5, 2015, File 14-12-002, Registrar)
- *Crowston v. Platinum Auto Corporation* (April 26, 2012, File 12-002, Registrar)
- *Casillan v. 565204 B.C. Ltd. dba Daewoo Richmond*, 2009 BCSC 1335 (BC Supreme Court)
- *Vavra v. Victoria Ford Alliance Ltd.*, 2003 BCSC 1297 (BC Supreme Court)

[35] If the misrepresentation was not reasonably relied on by the consumer when they made their decision, they would generally not be entitled to damages. The BPCPA

remedies consumer harm due to actions of the supplier and not remedy errors of judgement by consumers: *Crowston v. Platinum Auto Corporation*. This was noted by Justice Tysoe of the BC Supreme Court:

[88] In *Miller v. Lavoie* (1966), 1966 CanLII 426 (BC SC), 60 D.L.R. (2d) 495 (B.C.S.C.), Wilson C.J.S.C. made the following observation about predecessor legislation dealing with unconscionable transactions:

This Court exists for many purposes and one of these purposes is the protection of unsophisticated and defenceless persons against the exactions of conscienceless persons who seek to take advantage of them. The legislation provides one method of exercising that benevolent authority. But the Courts are not empowered to relieve a man of the burden of a contract he has made under no pressure and with his eyes open, merely because his contract is an act of folly. (p. 501)

- *Bain v. The Empire Life Insurance Company*, 2004 BCSC 1577 (BC Supreme Court)

[36] The Registrar is not empowered to grant remedies for what are known as *Sale of Goods Act* claims. For instance, a claim that a vehicle was not reasonably fit and durable at the time of sale, is a claim under section 18 of the *Sale of Goods Act*. Unless it can be shown the dealer misrepresented the vehicle's condition, the Registrar cannot grant any remedy for such claims.

[37] Finally, obtaining the cancelation of a contract for a misrepresentation is rare. To be able to repudiate (cancel) a contract requires showing the aggrieved person did not receive substantially the thing they bargained for. There may be public policy reasons to allow canceling a contract under the BPCPA, but these too are rare. Generally, the measure of damages for a breach of the BPCPA is contractual; the cost to put the person into the position they would have been had the representation been true.

- *Tercon Contractors Ltd. v. British Columbia (Transportation and Highways)*, 2010 SCC 4 (Supreme Court of Canada).
- *Mikulas v. Milo European Cars Specialists Ltd.* (1995), 1995 CanLII 2431 (BCCA), 60 C.P.R. (3d) 457 (BC Court of Appeal) at para. 9
- *Casillan v. 565204 B.C. Ltd. dba Daewoo Richmond*, 2009 BCSC 1335 (BC

Supreme Court) at paragraph 34.

- *Harris & Harris v. Windmill Auto Sales & Detailing Ltd. et al* (April 10, 2013, File 12-030, Registrar) affirmed by *Windmill Auto Sales & Detailing Ltd. v. Registrar of Motor Dealers*, 2014 BCSC 903 (BC Supreme Court).
- *Knapp v. Crown Auto Body and Auto Sales Ltd. et al.* (Registrar, File 08-70578, September 21, 2009) and affirmed by *Crown Auto Body and Auto Sales Ltd. v. Motor Vehicle Sales Authority of British Columbia*, 2014 BCSC 894 (BC Supreme Court)

84. I do not find there to be sufficient evidence that Ms. Garrow did not obtain substantially what she bargained for in her purchase of the Vehicle. While I have found that the Respondents engaged in a deceptive act or practice contrary to section 5(1) of the BPCPA, that deceptive act was in respect of the addition of the cash back amount to the actual sale price of the Vehicle to obtain additional financing funds for Ms. Garrow. Ultimately she decided not to pursue this arrangement and the funds were applied as a down payment against the purchase with the result being that Ms. Garrow paid no more for the Vehicle than she initially agreed to other than an additional \$1,200.00 in tax as part of her purchase and that amount was reimbursed to her by Surrey Mitsubishi. The misrepresentation here was made to, and relied upon by RBC, not Ms. Garrow.

85. As I find no causal link between the misrepresentation by the Respondents and Ms. Garrow's claim for damages, I am unable to award a remedy and I dismiss the claim for rescission of the Purchase Agreement.

X. Compliance Action

86. Section 8.1(4)(b) of the MDA provides that a contravention by a person of a prescribed provision of Part 2, 4 or 5 of the BPCPA is grounds for the Registrar to suspend or cancel a motor dealer's registration. Given that I have determined that there have been two breaches of section 5(1) of the BPCPA which falls under Part 2 of that legislation, I am required to give serious consideration to them in deciding compliance action.

87. As noted above, counsel for the Respondents provided Supplementary Submissions which proposes resolution of this matter by the Respondents by way of an undertaking on the following terms:

1. To comply with MDA, the MDAR and the BPCPA and the provisions thereunder;
2. To pay an Administrative Penalty in the amount of \$6,000.00 in relation to the issues covered in the Undertaking;
3. To compensate an amount of \$600.00 to the Complainant (which amount is in addition to the restitution of the tax payment already made); and
4. To reimburse the Authority 100% of the investigation costs.

88. Section 26.01 of the MDA and section 154 of the BPCPA authorize the Registrar to accept from a person a written undertaking that is in a form and that contains terms and conditions the Registrar determines are appropriate in the circumstances if the Registrar has reason to believe that the person is contravening, is about to contravene or has contravened either Act or their regulations.

89. Here, while I have found that the Respondents have each contravened the MDA, MDAR and BPCPA, I am of the view that the proposed terms and conditions are not appropriate in the circumstances. More specifically, I do not consider that the proposed administrative penalty reflects the circumstances of the noted contraventions. Further, I do not consider there to be evidence to support reimbursement or compensation to the consumer. On this basis, I do not accept the undertaking and will turn to a discussion of the appropriate compliance action.

a. Administrative Penalties

90. The purpose of administrative penalties is 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 and BPCPA 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.

91. The maximum administrative penalty which can be imposed under the MDA on a corporation is \$100,000.00 while the maximum under the BPCPA is \$50,000.00: sections 26.05(1) MDA and section 165(2) BPCPA.
92. It is open to the Authority to seek separate administrative penalties under the MDA and BPCPA given the distinct contraventions under the different legislation: see *Re: N.W. Auto Depot Ltd. et al.* 2018-BCRMD-033 at paragraph 76. Given the common factors that must be considered under the MDA and BPCPA, it is open to me after considering the evidence to issue a combined administrative penalty, particularly where the contraventions arise out of the same consumer transaction.
93. The Authority seeks two distinct administrative penalties in this matter on a joint and several basis - \$30,000.00 as against the Respondents pursuant to section 26.05 of the MDA and \$15,000.00 as against the Respondents pursuant to section 165 of the BPCPA. As noted previously, the Respondents submit that the proposed combined administrative penalty should be “substantially reduced”, and suggesting a range between \$3,000.00 and \$12,500.00 based upon previously decided Registrar’s decisions and accepted undertakings.
94. Sections 164(2) of the BPCPA and section 26.04(2) of the MDA set out the factors that must be considered prior to an administrative penalty being issued. I will address each individually.
- i. Previous enforcement actions for contraventions of a similar nature by the person**
95. The only previous enforcement action alleged by the Authority is against Surrey Mitsubishi in which it received a verbal warning for failing to itemize items in a purchase agreement. I do not consider that to be a contravention of a similar nature to that under consideration here.
- ii. The gravity and magnitude of the contravention**

96. I find that the contraventions were of a serious nature. Legacy Auto used Surrey Mitsubishi's purchase agreement to complete the consumer transaction and then used Surrey Mitsubishi's RBC portal to apply for financing for Ms. Garrow. The sale price of the Vehicle was artificially inflated in order to obtain additional financing for Ms. Garrow. As a result, RBC provided financing funds to Ms. Garrow that exceeded the actual value of the Vehicle. Borrowing from the language of the MDAR and BPCPA contraventions, this consumer transaction was of a misleading and deceptive nature.

iii. The extent of the harm to others

97. Ms. Garrow paid additional tax due to the increased purchase price although that was ultimately reimbursed to her. RBC was caused through the CSC to lend more funds to Ms. Garrow than it would have had the true purchase price of the Vehicle been disclosed to it.

iv. Whether the contravention was repeated or continuous

98. The contraventions in this case arose out of a single consumer transaction and as such were neither repeated nor continuous.

v. Whether the contravention was deliberate

99. The Respondents have admitted to the contraventions. The increased sale price and the inclusion of that in the Purchase Agreement and CSC was deliberate.

vi. Any economic benefit derived from the contravention

100. The Respondents' received an incentive of \$413.26 from RBC for referring Ms. Garrow's loan application. This amount appears to have been tied to the loan amount and as such, there was a meager economic benefit derived from the contravention.

vii. Other factors for consideration

101. In deciding whether to issue an administrative penalty, I remind myself that doing so is not a penalty for past conduct. Rather, it is intended to deter future misconduct while meeting the goals of specific and general deterrence. I am also mindful that the amount of an administrative penalty should not be such that it would cause unreasonable economic hardship to a motor dealer and effectively cause it to no longer be able to carry on business. As noted in *Webster, supra*, at paragraph 155:

[155] The amount of the penalty should not be too high as to be a punishment for past conduct, but also not too low to be the mere cost of doing business.

102. In this case, I have found that the Respondents both participated in a consumer transaction, contrary to the MDA, the MDAR and the BPCPA. Legacy Auto chose to use a Surrey Mitsubishi purchase agreement to complete the purchase because that allowed Surrey Mitsubishi to in turn apply to RBC for financing for Ms. Garrow. In other words, it did so to gain a business advantage. It misrepresented the Vehicle's purchase price in the Purchase Agreement and Surrey Mitsubishi did the same in the CSC for the same purpose.

103. In considering the appropriate administrative penalty, I have considered the Authority's position and I have reviewed the decisions provided by counsel for the Respondents. I find that the Authority's position to be outside of the appropriate range while also finding that the range suggested by the Respondents does not reflect the circumstances of this case. I have reviewed a separate undertaking in the matter of *Re: Nissan of Nanaimo* (November 20, 2024, H-24-11-002). In that case, the motor dealer misrepresented the vehicle's purchase price to a lender to ensure that the purchase would complete, failed to include the actual selling price of the vehicle in the purchase agreement, made false and misleading representations as the amounts charged in the consumer transaction and failed to include an itemized list of the cost of additional insurance products.

104. I pause to note that undertakings do not follow formal compliance hearings but rather are proposals from motor dealers to the Registrar, typically following negotiation with the Authority, intended to resolve complaints without the necessity of a hearing. As such, not all the facts that support the undertaking are available which requires caution in

relying on them. For that reason, the administrative penalties included in them may be less than otherwise assessed following a full, contested hearing.

105. Given all of the circumstances, I am of the view that the facts in this case are somewhat more serious than in *Nissan of Nanaimo* insofar as here, the two dealers each prepared separate documents that included misleading information. On that basis, I find that an appropriate Administrative Penalty to be issued to the Respondents in this matter is \$32,500. This administrative penalty is issued to the Respondents on a joint and several basis.

b. Condition on License

106. As indicated in the Hearing Notice, as Registrar I am authorized to make various orders including adding conditions or restrictions to a registration and/or license that I consider necessary to protect the public interest and to ensure compliance with legislation.

107. In the Supplemental Submissions, counsel for the Respondents states that Legacy Auto “will institute mandatory reoccurring training for all sales and finance staff focusing on accurate agreement itemization and documentation of all representations, including vehicle disposal arrangements.” Counsel for the Respondents further provides “Arash Askarian, the director of Legacy Auto advises that he has implemented significant changes to both staff and management in order to ensure compliance.”

108. While I find that such changes are a positive response to the circumstances in this matter, I am of the view that they should be included pursuant to section 4(6) as a condition to both Respondents’ registrations as follows:

Legacy Auto and Surrey Mitsubishi are to submit to the Registrar for review, their internal policies which address how they will institute mandatory reoccurring training for all sales and finance staff focusing on accurate agreement itemization and documentation of all representations, including vehicle disposal arrangements. These policies are to be provided to the Registrar on or before March 15, 2026. Following receipt of the policies the condition will be removed from Legacy Auto and Surrey Mitsubishi’s registrations without the need for further application by the motor dealers.

c. Compliance Order – BPCPA section 155 and MDA section 26.02

109. As I have found that the Respondents have both contravened provisions of the BPCPA, MDA and MDAR, I may issue a compliance order under sections 155 of the BPCPA and 26.02 of the MDA to address non-compliance.

110. A compliance order may include an order that a person reimburse all or part of the Authority's costs, including legal costs, incurred for any inspection or investigation of a person: section 26.02(4)(d) MDA and section 155(4)(d) BPCPA. The Authority seeks reimbursement of its costs from the Respondents on a joint and several basis.

111. The legal basis for an award of costs is set out in *Re: Barnes Wheaton (North Surrey) Chevrolet Buick GMC Ltd and Quast* (2019-BCRMD-023) as follows:

[85] Cost recovery and administrative penalties serve two different purposes. Cost recovery recognizes that the person who contravened the legislation should be responsible for any costs associated with investigating and ameliorating that breach and not the general industry through their collective licensing fees. Administrative penalties are used to deter future misconduct...

112. As I have not been provided with the Authority's proposed costs in this matter, I am unable to consider whether a compliance order for reimbursement of those costs is appropriate. The Respondents must also be provided with an opportunity to review and provide their respective positions. Therefore, I will defer consideration of whether a compliance order should be made concerning costs pending receipt of further submissions. I direct the Authority to provide me with its written submissions and its proposed costs on or before January 30, 2026. The Respondents may provide their response no later than 14 days following receipt of the Authority's submissions. Each parties' submissions are not to exceed five pages in length and are to be provided through the Hearings Office.

113. I issue the following Compliance Order:

- (a) Legacy Auto and Surrey Mitsubishi are to abide by the *Motor Dealer Act*, R.S.B.C. 1996, s.316 and its regulations and the *Business Practices and Consumer Protection Act*, S.B.C. 2004, s.2 and its regulations.

XII. Summary of Decision on Penalty

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

- (a) An administrative penalty in the amount of \$32,500.00 is issued to Legacy Auto Sales Inc. dba Legacy Auto Group and 0976736 BC Ltd. dba Surrey Mitsubishi on a joint and several basis;
- (b) A Compliance Order is issued pursuant to section 26.02 of the MDA and section 155 of the BPCPA which provides that Legacy Auto Sales Inc. dba Legacy Auto Group and 0976736 BC Ltd. dba Surrey Mitsubishi shall each comply with the MDA, the BPCPA and the regulations made thereunder; and
- (c) A condition is imposed on each of the licenses of Legacy Auto Sales Inc. dba Legacy Auto Group and 0976736 BC Ltd. dba Surrey Mitsubishi requiring them to provide to me, no later than March 15, 2026, copies of their internal policies which address how they will institute mandatory reoccurring training for all sales and finance staff focusing on accurate agreement itemization and documentation of all representations, including vehicle disposal arrangements.
- (d) My decision with respect to costs is deferred pending receipt of further submissions of the parties.

XIII. Right of Review of Decision

115. This decision, may be reconsidered pursuant to sections 26.11 and 26.12 of the MDA and sections 181 and 182 of the BPCPA. 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 or by mail to the Authority.

116. 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 15th day of January 2026

"Original signed"



Patrick Poyner
Registrar of Motor Dealers