



Investigation File No.: C-25-08-391
Hearing File No.: H-25-09-003

**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:

KARAN SHARMA

RESPONDENT/SALESPERSON

DECISION OF THE REGISTRAR OF MOTOR DEALERS

RE: COSTS

Date and location of decision: March 3, 2026, at Langley, British Columbia

By way of written submissions

1. In written reasons dated November 28, 2025 (“the Decision”), I found that Karan Sharma contravened the *Motor Dealer Act* (“MDA”) and the *Motor Dealer Act Regulations* (“MDAR”).
2. Included in the Decision was a Compliance Order which ordered Mr. Sharma to reimburse the Registrar its actual costs, including actual legal costs for its investigation of Mr. Sharma. The quantum of those costs was to be agreed upon by the parties or by further order of the Registrar. As the parties have been unable to reach an agreement, I will address quantum.
3. The Authority’s position is that Mr. Sharma should be ordered to pay 100% of its costs. The Authority has provided an affidavit from its Director of Investigations and Licensing Alan Mullen who deposes that the Authority’s actual costs total \$3,192.75. This amount has been calculated by the Authority’s Finance department “using an hourly rate that is

reflective of the direct salary and pro-rated overhead costs of each staff member engaged in this matter.”

4. Attached to Mr. Mullen’s affidavit is an Investigation Cost Recovery invoice which indicates that the Authority’s costs are divided between Investigation Costs which total \$467.40 and Legal Fees which total \$2,725.35. Counsel for the Authority indicates in her written submissions that this request for reimbursement of costs is restricted to staff time only and that there are no additional disbursements being requested.
5. By email dated February 11, 2026 to the parties, Mr. Sharma was advised that he was able to provide a response to the Authority’s submissions on or before March 2, 2026. This was schedule was confirmed in a second email to the parties on February 19, 2026. Mr. Sharma did not provide a response to the Authority’s submissions by the stated deadline.
6. The legislative authority for an order reimbursing the Authority’s costs is section 26.02(4)(d) of the MDA which provides that the Registrar may include in a compliance order an order that a person reimburse to the Registrar all or part of the actual costs, including actual legal costs, incurred for the inspection or investigation of the person.
7. The decision in *Re: Wild Grizzly Transport Ltd.*, 2018-BCRMD-022 provides guidance in determining the quantum of costs 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.

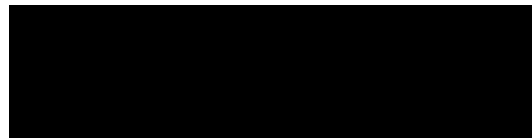
(f) The need for the Registrar to issue interim orders to compel the disclosure of evidence

8. I agree with the Authority's submission that this matter was of moderate complexity. The matter involved allegations that Mr. Sharma provided false or misleading information to a person acting under the MDA and that he failed to act with honesty and integrity in the course of business. This was a one-time breach that occurred on a single day during the Authority's investigation.
9. The hearing of this matter was by way of written submissions and the Authority relied on the affidavit evidence of four witnesses. Mr. Sharma introduced five statements from individuals who he sought to rely on as witnesses.
10. In addition to the hearing itself, there were several interim matters including a pre-hearing conference, the Authority's application for an interim suspension of Mr. Sharma's salesperson license which was granted and Mr. Sharma's application for reconsideration of that decision. I note that the Authority brought a further application seeking an oral hearing for the limited purpose of cross-examining one of Mr. Sharma's witnesses, but it ultimately chose not to proceed with that cross-examination.
11. After having considered all the circumstances including the various factors described in *Wild Grizzly*, I am of the view that the Authority's position concerning reimbursement of costs is reasonable. A Compliance Order ordering Karan Sharma to reimburse the Registrar's actual costs, including actual legal costs, in the amount of \$3,192.75 will be issued.
12. 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.

13. 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*.

"Original signed"

Signed this 3rd day of March, 2026



Patrick Poyner
Registrar of Motor Dealers