Investigation File No.: C-24-11-033
Hearing File No.: H-25-09-005

**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:

**LADISLAO VEGA**

COMPLAINANT

AND:

**640353 B.C. LTD. d.b.a. CHILLIWACK MITSUBISHI**

RESPONDENT/MOTOR DEALER

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# DECISION OF THE REGISTRAR OF MOTOR DEALERS

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**Date and location of decision:** **April 16, 2026 at Langley, British Columbia**

**By way of written submissions**

**Appearances for:**

The Authority: Claudia Arrieta – Legal Counsel

The Respondent: David R. Parker – Legal Counsel

## I. Introduction

1. This proceeding arises out of a consumer complaint received by the Authority on November 12, 2024, from Ladislao Vega ("the Complaint") concerning a consumer transaction in which he states that he purchased a 2024 Mitsubishi Outlander ("the Vehicle") from 640353 B.C. Ltd. dba Chilliwack Mitsubishi ("the Respondent") on August 15, 2024.

2. In the Complaint, Mr. Vega alleges that the Respondent inflated the Vehicle's purchase price and charged him for an extended manufacturer's warranty that he should not have had to pay for.

3. The Respondent is a motor dealer, continuously licensed with the Authority since March 8, 2010 under license number 24358.

4. The Authority and the Respondents have provided, each through legal counsel, written submissions and evidence in support of those submissions. Mr. Vega 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. 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 subject to any statutory shift to the Respondent which will be noted and applied where applicable.

### a. The Authority

6. The Authority issued the Hearing Notice in this matter on September 25, 2025. An Amended Hearing Notice ("AHN") was issued on October 3, 2025. The Authority relies on the affidavit of Joel Jordan sworn September 24, 2025. Mr. Jordan is an Investigations Officer employed by the Authority.

7. Mr. Jordan has attached a copy of the Complaint to his affidavit. In it, Mr. Vega says that he purchased the Vehicle from the Respondent on August 15, 2024. Included with the Complaint is an email from Mr. Vega to the Authority dated November 12, 2024 in which Mr. Vega says that "the warranty extended by Mitsubishi Motors throughout Canada is free for all those who buy the Outlander PHEV, all this is not said by me, the People from the Different Mitsubishis said it when they saw my contract, even the Nissan person said that I could talk to the bank and let them know that my contract is wrong."

8. Mr. Vega provided a copy of the August 15, 2024 Purchase Agreement ("the Agreement") which sets out the price of the Vehicle as $62,696.00. Additional charges include "Auto Care" in the amount of $2,499.00, "WECARE TIRE + RIM 19" in the amount of $1,500.00, "Admin" in the amount of $695.00, "Air" in the amount of $100.00 and "Extended Vehicle Warranty" ("EVW") in the amount of $4,798.00. The total purchase price of the Vehicle after taking into consideration Mr. Vega's trade-in and taxes was $77,910.20.

9. The Authority wrote to the Respondent on November 27, 2024 and provided it with a copy of the Complaint and requested its response which was provided by its employee Patricia Kalavritinos on December 11, 2024. Ms. Kalavritinos denied any wrongdoing by the Respondent in respect of Mr. Vega's purchase.

10. In addition to its response to the Complaint, the Respondent provided the Authority with a number of records including a copy of the August 15, 2024 Purchase Agreement ("the Amended Agreement"). Mr. Jordan has identified four alterations to the Agreement as follows:

    (a) The odometer reading for the Trade-in Vehicle had been changed;

    (b) The change to the Trade-in Vehicle's odometer reading has an initial next to it that resembles that of Casey Smith, the Respondent's financial director;

    (c) Under the "Purchase Price" section the word "IZEV" had been handwritten next to the manufacturer's rebate section; and

    (d) A checkmark had been added declaring the Vehicle as being "New."

11. In an email exchange on April 16, 2025, Mr. Jordan asked Ms. Kalavritinos whether the Agreement had been amended after it was signed by Mr. Vega. Ms. Kalavritinos

responded that “the bill of sale did not print the mileage of the trade in vehicle” and that “As funding and flooring was sent the same day this would indicate that it was added and signed the same day.”

12. Mr. Jordan deposes that on April 23, 2025, he took part in a telephone call with the Respondent. The person he spoke with is not named. In the course of that call, the person he spoke with advised him that the Respondent amended the Agreement for filing purposes and that it had implemented a system whereby “deal auditors” check files to ensure that they comply with governing legislation and lender requirements.

13. Mr. Jordan attaches an email received on April 24, 2025 from Cassidy Smith, the Group Financial Director with the Respondent. In that email, Ms. Smith indicates that the “Free Gold Plan” warranty was registered to the Vehicle and is advertised as “bare essential coverage excluding a list of highly priced comprehensive modules” and that “it is offered and encouraged by Mitsubishi to ‘upgrade’ their warranty to platinum for full comprehensive coverage.” Ms. Smith says that “the We Care Warranty sold to Mr. Vega is not considered double coverage but additional as represented.”

14. Mr. Jordan deposes that in a telephone call on June 3, 2025, Mr. Vega told him that he has a copy of the Agreement but not the amended version and that he was not aware of the changes that were made to it after he had signed the original.

15. Mr. Jordan wrote to Mr. Vega on April 25, 2025 to advise him that following the investigation into the Complaint his allegations were found not to have been substantiated and that the file would be closed. More specifically, Mr. Jordan advised Mr. Vega as to the price of the Vehicle, “The signatures and initials on the contracts, policies and agreements are a direct representation of the conversations that occurred prior to signing.” Further, Mr. Jordan advised Mr. Vega that the Respondent “disclosed the additional warranties that were purchased in the [Agreement]. The signatures and initials on the contracts, policies and agreements are a direct representation of the conversations that occurred prior to signing.”

**b. The Respondent**

16. The Respondent relies on the evidence of Cassidy Buga, formerly Cassidy Smith. Ms. Buja identifies herself in her affidavit sworn January 19, 2026 as a salesperson licensed

by the VSA and employed by the Respondent. She says that she was the Financial Services Advisor who assisted Mr. Vega with his purchase of the Vehicle.

17. In her affidavit, Ms. Buga first addresses the warranty coverage that makes up part of Mr. Vega's purchase. Ms. Buga refers to the "Transfer of Liability" form attached to Mr. Jordan's affidavit. This form is dated August 15, 2024 and signed by the Finance Manager and Buyer. The form lists nine "applicable items", each of which has an option to accept, decline or "N/A". There are three items that have the initials "LV" handwritten into the "Accept" box – Mechanical Breakdown Coverage ("MBC"), Tire & Rim and Auto Care. The remining six items have the same initials in the respective "Decline" boxes.

18. Ms. Buga says that she explained each of the nine items in the Transfer of Liability form to Mr. Vega as well as their costs. She says that she answered Mr. Vega's questions about the items and explained to him that each were optional and not included in the Vehicle's purchase price. Ms. Buga confirms that Mr. Vega agreed to purchase the three items noted in the form and that these products are offered by a warranty company called We Care.

19. Ms. Buga says that Mr. Vega understood what he was purchasing and that she explained the price, coverage offered and deductibles for each. She says that this is reflected by his initials on the Agreement. She further refers to two "We Care" warranty documents signed by Mr. Vega and attached to Mr. Jordan's affidavit in support of her statement that Mr. Vega understood what he was purchasing.

20. The two "We Care" documents referred to by Ms. Buga both describe the Coverage Type as "New – WE Care Platinum." They differ in that the coverage period for one is ten years or 160,000km while the other is five years or 100,000km. The total cost for the ten-year coverage is $5,037.90 while that for the five-year coverage is $4,478.88.

21. Ms. Buga further says that a manufacturer's warranty known as the Mitsubishi Gold Plan was included in Mr. Vega's purchase of the Vehicle and that this was explained to Mr. Vega at the time of his purchase of the Vehicle.

22. Ms. Buga says that she amended the Agreement as noted by Mr. Jordan. She says that these changes were made after the sale was completed for internal record-keeping

purposes and that all relevant documents were sent to the lender for funding. Ms. Buga attaches the documents that she says were submitted to the lender which included the original Agreement without the changes.

23. Ms. Buga says that the changes made to the Agreement were reflected in other documents signed by Mr. Vega. For example, she says that the Transfer/Tax Form includes the odometer reading for Mr. Vega's trade-in, the IZEV Program Incentive Received Form shows the $5,000.00 IZEV rebate and the Scotiabank Credit Agreement shows that the Vehicle was a new purchase.

## III. Positions of the Parties

24. The Authority alleges the following in the AHN:

(a) The Respondent committed or engaged in a deceptive act or practice in respect of a consumer transaction contrary to section 5(1) of the *Business Practices and Consumer Protection Act* ("BPCPA") by making a representation that uses exaggeration, innuendo or ambiguity about a material fact or that fails to state a material fact, if the effect is misleading, namely, by:

i. altering the purchase agreement after it was executed by the parties; and
ii. offering Mr. Vega, the MBC warranty but instead itemizing it as an EVW; and

(b) The Respondent failed to expressly itemize the MBC warranty in the purchase agreement contrary to paragraph 21(1)(l) of the *Motor Dealer Act Regulation* ("MDAR").

25. A further allegation that the Respondent contravened section 33(2)(a) of the MDAR has been withdrawn by the Authority.

26. In its Amended Response, the Respondent says that the alterations to the Agreement were not deceptive as they were made solely for internal record-keeping purposes and had no bearing on any element of the consumer transaction that would effect Mr. Vega in any material way.

27. The Respondent further submits that the EVW as noted on the purchase agreement was synonymous with the MBC and as such it was properly itemized.

## IV. Remedy Sought

28. The Authority seeks the following:

   (a) Administrative penalties issued to the Respondent in the amount of $20,000 pursuant to section 164 of the BPCPA and in the amount of $25,000 pursuant to section 26.04 of the *Motor Dealer Act* ("MDA"); and

   (b) An order that the Respondent reimburse the Authority its actual costs, including legal costs, incurred in relation to this matter.

29. The Respondent in its written submissions does not specifically address the remedy sought by the Authority. Counsel for the Respondent submits that the evidence does not support a finding that any contraventions occurred and that the matter should be dismissed.

## V. Preliminary matter

### a. Authority investigation exceeded jurisdiction

30. In its Sur-Reply, the Respondent argues that the Authority's investigation was contrary to its own Investigations Policy and as such, it acted without jurisdiction with the result being that this proceeding should be dismissed.

31. The Respondent says that the Authority continued to investigate this matter after advising Mr. Vega that the Complaint had not been substantiated and the corresponding file was to be closed. In doing so, the Respondent says that the Authority acted contrary to its own policy, went outside of the scope of the Complaint and acted on irrelevant considerations.

32. In response, the Authority says that the evidence obtained by Mr. Jordan from Mr. Vega was relevant and material to this proceeding and that he acted in a manner that was consistent with his legislative delegated authority.

33. Section 24.1 of the MDA provides for the creation of an agreement between the provincial government and the Authority to administer the MDA. To that end, an Administrative Agreement was entered into on March 24, 2004 and includes various core business functions which are delegated to the Authority by way of the included Delegation Regulation. One of those functions is "inspection and investigation of Motor Dealers for

compliance with the *Act* and its regulations and other consumer protection statutes on behalf of the Registrar."

34. In 2013, the Authority created the Investigations Policy and Procedures Manual ("the Policy") which lists its objectives at section A.1.1 and includes the investigation of consumer and dealer complaints as well as "VSA generated files." Section C.1.1 describes the purpose of an investigation as follows:

    - Thoroughly gather and document reliable evidence in keeping with the requirements of procedural fairness and natural justice;
    - Determine, based on the evidence, whether there has been a failure to comply with statutory requirements or terms of licence; and
    - Where there has been a failure to comply, determine an appropriate enforcement action.

35. In other words, the Authority is responsible for the enforcement of the MDA and specific provisions of the BPCPA. This includes the investigation of complaints and compliance issues arising from other sources including motor dealer inspections, licensing applications and consumer complaints.

36. On receipt of the Complaint in this case, the Authority provided a copy to the Respondent and sought its response. The Respondent provided copies of various documents related to Mr. Vega's purchase including a copy of the Agreement which Mr. Jordan observed to have been amended. Mr. Jordan sought confirmation from the Respondent as to whether the Agreement had been amended and a written response was received on April 16, 2025. Further enquiries took place on April 23, 2025 when Mr. Jordan spoke with a representative of the Respondent and again on April 24, 2025 when the Respondent emailed Mr. Jordan, highlighting the changes to the Agreement and providing comments concerning the warranty coverage sold to Mr. Vega. The day after this email, the Authority wrote to Mr. Vega to advise him that his complaints had not been substantiated and that their file would be closed.

37. The Respondent says that the Authority's own policy prohibited it from investigating any compliance related matters beyond that in the Complaint. I disagree. There is no limitation in the MDA or the Authority's own policies that restricts its ability to investigate compliance

related matters. In the present case, the Complaint arose out of a consumer transaction. The consumer transaction included the purchase agreement between Mr. Vega and the Respondent. The Authority sought a response from the Respondent who provided a copy of the Agreement which was noted to have been amended. The Authority made enquiries as to those changes and the Respondent responded accordingly. That the Authority had found that Mr. Vega's specific concerns were not substantiated did not foreclose it from continuing to investigate other compliance matters arising out of the Complaint investigation, particularly where evidence of non-compliance was provided by the Respondent. Doing so resulted in no prejudice to the Respondent who had notice of the allegations and an opportunity to respond.

38. The Respondent refers to the decision in *Stefani v. the College of Dental Surgeons of BC*, 1996 CanLII 877 as authority for the proposition that where an administrative body acts on a "combination of relevant and irrelevant considerations" as the basis for its investigation, its decision should be set aside. However, I do not consider that to be the case here. As noted above, the Authority obtained an amended copy of the Agreement from the Respondent and, pursuant to its authority under the MDA, it sought to investigate whether the amendments constituted a contravention. This was not, as referred to in *Stefani*, a "fishing expedition" but rather it was a reasonable extension of the original investigation of the Complaint based on relevant information. The Amended Agreement was not, in my view, irrelevant to the Complaint but rather additional evidence that flowed from its investigation of the Complaint and that it was statutorily authorized to pursue.

39. The Authority was justified in continuing its investigation of the Respondent after notifying Mr. Vega that his Complaint had been unsubstantiated. I dismiss the Respondent's request that this proceeding be dismissed.

## VI. Analysis

### a. *Business Practices and Consumer Protection Act* allegations

#### i. Deceptive Act or Practice

40. 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, 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.

41. 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.

42. In addition to the general description in section 4(1), section 4(3) of the BPCPA provides specific examples of representations by suppliers that constitute a deceptive act or practice.

43. The Authority alleges that the Respondent committed or engaged in two distinct deceptive acts or practices contrary to section 5 of the BPCPA. First, it altered the Agreement after it was executed by the parties and second, it failed to properly itemize the MBC in the Agreement. The Respondent admits to having amended the Agreement after it was executed by Mr. Vega. It also admits that the Agreement does not specifically identify the MBC in the Agreement but says that it is synonymous with the EVC. On that basis, there is some evidence that a deceptive act or practice has been committed and the burden of proof therefore shifts to the Respondent to prove that it did not.

**Alteration of the Agreement**

44. I will first consider the alteration of the Agreement by the Respondent and whether doing so constitutes a deceptive act or practice within the meaning of the BPCPA.

45. I begin my analysis by saying that a motor dealer who chooses to unilaterally make changes to or otherwise amend a motor vehicle purchase agreement without notifying the purchaser does so at its peril. A purchase agreement is a contract that binds parties while establishing respective rights and obligations. While an alleged breach of an agreement

is a matter for a civil court to determine, an allegation that a change or amendment to a purchase agreement constitutes a deceptive act or practice will turn on its individual circumstances and falls squarely within the jurisdiction of this tribunal.

46. Here, the Authority submits that as a result of the alterations to the Agreement, Mr. Vega is left with uncertainty as to which version of the Agreement he can rely on to ground his responsibilities to the Respondent. In response, the Respondents say that the alterations were for internal purposes and reflected the true nature of the Agreement which Mr. Vega was already aware of. The Respondent further argues that the alterations were immaterial to the substance of Mr. Vega's purchase.

47. Section 4 of the BPCPA is clear that it is not necessary that a consumer is in fact deceived. It is enough if the representation or other conduct by the supplier has the capability or effect of misleading or deceiving the consumer.

48. Here, there were three alterations to the Agreement – the odometer reading for Mr. Vega's trade-in was inserted to reflect its actual mileage, a box was checked to indicate that Mr. Vega had purchased a new vehicle and the word "IZEV" was written in next to the pre-printed rebate section.

49. Attached to Ms. Buga's affidavit is a copy of an IZEV Program Incentive Received Form ("the Incentive Form") which is dated August 15, 2024 and signed by Mr. Vega. This form serves as Mr. Vega's acknowledgment that he received a $5,000.00 Transport Canada IZEV incentive in respect of his purchase of the Vehicle. The Agreement reflected receipt of this incentive and I do not find that adding the word IZEV constitutes a deceptive act or practice insofar as it was not a misrepresentation and it did not have the capability or effect of misleading or deceiving Mr. Vega given the existence of the Incentive Form. The addition did not result in any material change to the Agreement.

50. I turn next to the Respondent's checking of the "New" box subsequent to the execution of the Agreement. In the Complaint, Mr. Vega provides a description of the Vehicle which includes confirmation that it was a new vehicle. Ms. Buga has attached to her affidavit a copy of the Scotiabank Credit Agreement dated August 18, 2024 and signed by Mr. Vega which indicates that the Vehicle was new. Given these circumstances, I do not find that the checking of the "New" box was a misrepresentation or conduct that had the capability,

tendency or effect of deceiving or misleading Mr. Vega who was clearly aware that he had purchased a new vehicle.

51. Finally there is the insertion of Mr. Vega's trade-in vehicle's mileage by the Respondent after the Agreement was executed. Ms. Buga refers to the "Transfer/Tax Form" dated August 15, 2024 and signed by Mr. Vega which notes the mileage for his trade-in vehicle. While this figure should have been added at the outset, I do not find that inserting the correct figure after execution constituted a deceptive act as it was not a misrepresentation and did not have the capability, tendency or effect of deceiving or misleading Mr. Vega.

52. Considering the amendments individually and as a whole, I do not find that they constitute a deceptive act or practice in respect of the consumer transaction. There is no evidence that any of the alterations were material to the consumer transaction. Each of the amendments were consistent with Mr. Vega's knowledge and understanding of his purchase as evidenced by the various documents that he signed. While the Authority says that the very existence of the Amended Agreement has the capability of confusing Mr. Vega as to his responsibilities to the Respondent, I do not find there to be evidence that these three amendments would result in such confusion nor is it clear as to what Mr. Vega's responsibilities are to the Respondent subsequent to his execution of the Agreement. As noted above, the subject of the amendments were all previously known by Mr. Vega and have no discernable impact on any of the material aspects of the transaction.

53. I do not find that the alterations to the Agreement constituted a deceptive act or practice contrary to section 5(1) of the BPCPA and I dismiss this allegation.

**The Mechanical Breakdown Coverage**

54. The Authority further alleges that the Respondent engaged in a deceptive act or practice by offering Mr. Vega the MBC warranty but itemizing that in the Agreement as the EVW. In response, the Respondent says that the MBC and the EVW are synonymous with one another and that Mr. Vega was aware of the warranty coverage that he purchased.

55. In the November 12, 2024 email to the Authority, Mr. Vega clearly indicates his confusion with respect to the warranty coverage in the Agreement. He appears to have asked other motor dealers to review the Agreement which led Mr. Vega to conclude that the Agreement

was “wrong.” He was of the view that he was charged for warranty coverage that should have been included with his purchase of the Vehicle.

56. As noted above, at the time of his purchase of the Vehicle, Mr. Vega purchased the MBC warranty which is described by Ms. Buga as an “optional plan that covers the cost of specific mechanical repairs” after the expiration of the manufacturer's warranty. Ms. Buga says that this coverage is also known as “Extended Vehicle Warranty”, “Premium Mechanical Breakdown Policy” and “Vehicle Service Contract.” The basis for the multiple names for this coverage is not clear.

57. Mr. Vega signed two “We Care” documents, both of which refer to “New – We Care Platinum” coverage for the Vehicle. One of the purchases had an associated cost of $4,798.00 plus PST. This amount is included in the Agreement and corresponds with the EVW.

58. While the Respondent argues that Mr. Vega was fully informed as to what he purchased, the evidence indicates that this was not the case. He was of the view that he was charged for warranty coverage that should have been provided for free. Ms. Buga’s evidence is that Mr. Vega did receive the included Mitsubishi Gold Plan but as noted by the Authority, this is not indicated in the Agreement.

59. Turning back to section 4 of the BPCPA, any conduct by a supplier that has “the capability, tendency or effect of deceiving or misleading a consumer” is a deceptive act or practice. Here, while the Respondent included the Auto Care and Tire & Rim coverage in the Agreement, it did not properly identify the MBC warranty coverage purchased by Mr. Vega, instead inserting the cost of that coverage next to the pre-printed EVW section. The cost of the MBC coverage is reflected in a document that identifies it as “New – We Care Platinum” coverage. Ms. Buga says that the coverage is described three different ways. I find that the cumulative effect of these factors was to have the capability, tendency or effect of deceiving or misleading Mr. Vega and as such, the Respondent committed a deceptive act or practice in respect of the consumer transaction by failing to identify the MBC warranty coverage in the Agreement, contrary to section 5(1) of the BPCPA.

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

60. Section 21(1)(l) of the MDAR 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 the Respondent failed to itemize the MBC in the Agreement. The Respondent says that every cost and charge itemized in the Agreement was known and consented to by Mr. Vega and that the MBC and EVC are synonymous with one another.

61. As noted previously, Mr. Vega purchased three additional insurance products along with the Vehicle – MBC, Tire & Rim and Auto Care. The Tire & Rim and Auto Care coverage are clearly itemized in the Agreement but the MBC is not. Instead, it is described as EVC which the Respondent says is synonymous with the MBC.

62. The MDA and MDAR are consumer protection legislation. The purpose of section 21(1) is to ensure that buyers of new vehicles are made aware of all costs associated with their purchase. This is achieved through proper itemization in a purchase agreement which is the responsibility of a motor dealer. Including the incorrect description of an insurance product cannot be explained away by saying that the itemized coverage is synonymous with the actual coverage. While Ms. Buga says that the MBC was known by various other names, there is no indication as to the basis for which she makes that assertion.

63. By not specifically including the MBC warranty coverage in the Agreement, the Respondent failed to include an itemized list of other charges Mr. Vega was responsible for contrary to section 21(1)(l) of the MDAR.

## VII. Summary of Findings

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

    (a) The Respondent committed or engaged in a deceptive act or practice in respect of a consumer transaction contrary to section 5(1) of the BPCPA by failing to identify the MBC warranty coverage in the Agreement; and

    (b) The Respondent failed to include in the Agreement an itemized list of other charges Mr. Vega was responsible for contrary to section 21(1)(l) of the MDAR.

## VIII. Compliance Action

65. In the AHN, the Authority seeks administrative penalties of $25,000 pursuant to section 26.04 of the MDA and of $20,000 pursuant to section 164 of the BPCPA. 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.

66. 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.

67. The issuance of an administrative penalty is not mandatory, however. As noted in *Re: Affordable Auto Sales and Services Inc., supra*:

> [26] The starting point is to first consider whether the facts suggest an administrative penalty is even needed for deterrent purposes. An administrative penalty is not "automatic" because there has been a transgression. I must consider whether the above conditions, the dealer providing a refund and my below order for costs will suffice as a deterrent given the specific facts of this case and of the dealer.
>
> [27] The Authority's regulatory philosophy and enforcement principles speak of using progressive enforcement coupled with education to address non-compliance. Generally, a first-time transgression results in warnings, education and maybe conditions on a license. Even so, the regulatory philosophy and enforcement principles reserve the right to "jump" to more stringent compliance options for a first-time transgression where necessary to protect the public interest. Such was the case in *Crown Auto Body, supra.*

68. Considering the circumstances here, I am of the view that an administrative penalty is not necessary to address non-compliance. While I have found two contraventions by the Respondent of the MDAR and BPCPA, these were first-time transgressions that flowed from the Respondent's failure to properly document an insurance product in the Agreement. While this failure misled Mr. Vega as to the warranty coverage that he purchased, he ultimately received what he paid for and suffered no adverse economic consequences.

**a. Compliance Order**

69. As I have found that the Respondent has contravened provisions of the BPCPA and MDAR, I may issue a compliance order under sections 155 of the BPCPA and 26.02 of the MDA to address non-compliance. I am of the view that the following compliance response is consistent with the Authority's Regulatory Philosophy:

    a. The Respondent is ordered to provide a copy of the Amended Agreement to Mr. Vega within seven (7) days of receipt of this decision;

    b. The Respondent is ordered to provide Mr. Vega a letter within seven (7) days of receipt of this decision, identifying and explaining the alterations to the original purchase agreement and confirming that the MBC warranty coverage should have been specifically itemized in the original purchase agreement;

    c. A copy of the Respondent's letter to Mr. Vega as noted in sub-paragraph (b) is to be provided to the Registrar through the Hearings Office within fourteen (14) days of receipt of this decision; and

    d. The Respondent is ordered to provide to the Registrar a copy of its policy and/or procedures manual that addresses the practice for its staff in completing motor vehicle purchase agreements, specifically, the itemization of additional equipment, services or warranties. This is to be provided through the Hearings Office within fourteen (14) days of receipt of this decision.

70. A compliance order may also 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.

71. The Authority seeks reimbursement of its costs from the Respondent in the amount of $2,238.12. This amount is included in the affidavit of Alan Mullen who is the Authority's Director of Investigations and Licensing. The total amount is made up of $940.34 in investigation costs and $1,297.79 in legal fees. The Respondent has made no submissions in response to the Authority's request for recovery of costs.

72. 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…

73. 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

74. This was a case of medium complexity that proceeded by way of written submissions. There were only two witnesses who provided affidavit evidence as to the subject matter of the Authority's allegations. There was one interim matter, the Respondent's request for an oral hearing, that required additional submissions and a decision. Of the four allegations originally advanced by the Authority, two were proven, one was dismissed and one was withdrawn. Applying all of these factors, I order the Respondent to reimburse the Authority's costs in the amount of $2,000.00.

## IX. Summary of Decision on Penalty

75. In summary, the following compliance action is ordered:

(a) A Compliance Order is issued to 640353 B.C. Ltd. dba Chilliwack Mitsubishi ("the Respondent") pursuant to section 26.02 of the MDA and section 155 of the BPCPA which provides that:

i. The Respondent shall comply with the MDA, the BPCPA and the regulations made thereunder;

ii. The Respondent is ordered to provide a copy of the Amended Agreement to Mr. Vega within seven (7) days of receipt of this decision;

iii. The Respondent is ordered to provide Mr. Vega with a letter within seven (7) days of receipt of this decision, identifying and explaining the alterations to the Agreement and confirming that the MBC warranty coverage should have been specifically itemized in the Agreement;

iv. The Respondent is ordered to provide a copy of the letter to Mr. Vega as noted in sub-paragraph (iii) to the Registrar through the Hearings Office within fourteen (14) days of receipt of this decision;

v. The Respondent is ordered to provide to the Registrar a copy of its policy and/or procedures manual that addresses the practice for its staff in completing motor vehicle purchase agreements, specifically, the itemization of additional equipment, services or warranties, through the Hearings Office within fourteen (14) days of receipt of this decision; and

vi. The Respondent is ordered to reimburse the Authority's actual costs, including actual legal costs, in the amount of $2,000.00.

## X. Right of Review of Decision

76. 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.

77. 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 16th day of April 2026

"Original signed"

[redacted]

Patrick Poyner
Registrar of Motor Dealers