

Investigation File No.: C-26-03-499
Hearing File No.: H-26-03-003

**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

Investigation File No.: C-25-11-373
Hearing File No.: H-26-04-004

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AND:

KARAN SHARMA

RESPONDENT/SALESPERSON

**DECISION OF THE REGISTRAR OF MOTOR DEALERS
RE: APPLICATION FOR INTERIM LICENSE SUSPENSION**

Date and location of decision: May 5, 2026, at Langley, British Columbia

By way of written submissions

I. Introduction

1. The Vehicle Sales Authority of British Columbia (“the Authority”) brings this application pursuant to sections 4(6) and 5 of the *Motor Dealer Act* (“MDA”) and sections 6 and 7(2) of the *Salesperson Licensing Regulation* (“SLR”) seeking the suspension of the salesperson license of Karan Sharma (#302815) pending further order of the Registrar.
2. This application was heard by way of written submissions.

II. Background and Evidence

3. This matter relates to two Hearing Notices issued by the Authority. Both name Mr. Sharma as the sole Respondent. The first, file H-26-03-003 (“File 003”), alleges that Mr. Sharma, while being investigated by the Authority, contravened section 33(2)(a) of the *Motor Dealer Act Regulation* (“MDAR”) by issuing a threat to the Authority’s Director of Licensing and Investigations Alan Mullen. The second file, H-26-04-004 (“File 004”), alleges that Mr. Sharma contravened section 35(3)(a) of the *Motor Dealer Act* (“MDA”) by supplying false or misleading information to the Registrar of Motor Dealers and that he further contravened section 33(2)(a) of the MDAR by failing to comply with conditions previously imposed on his salesperson license. None of the allegations included in the two files have been proven at hearing.
4. A Pre-Hearing Conference (“PHC”) in both files took place on April 23, 2026. Mr. Sharma was served with notice of the PHC but did not appear on the scheduled date and time and the PHC proceeded in his absence. After hearing from counsel for the Authority, I ordered that pursuant to Rule 5 of the *Registrar’s Rules of Practice and Procedure* (“the Rules”), File 003 and File 004 were to be combined for all purposes, including this application. In addition, schedules were set for written submissions in this matter as well as the main hearing. The schedule was served on Mr. Sharma but he has not provided his submissions by the deadline or otherwise responded.
5. Mr. Sharma is currently licensed with the Authority as a salesperson and his license expires on November 10, 2026. Mr. Sharma’s license is currently inactive as he is not employed by a motor dealer.

a. File 003

6. The Authority relies on an affidavit sworn March 26, 2026 by Mr. Mullen in this file. Mr. Mullen deposes as to the following chronology with respect to Mr. Sharma:

January 21, 2025: Conditions are placed on Mr. Sharma's salesperson license

September 29, 2025: Mr. Sharma's license is suspended subject to further order of the Registrar pursuant to section 7 of the SLR

November 28, 2025: Mr. Sharma's license is suspended for one month following a hearing before the Registrar

7. Mr. Mullen further deposes that on March 18, 2026 he received a telephone call from Mr. Sharma. Mr. Mullen says that he was able to confirm that the telephone number displayed on his phone at that time matched that associated with Mr. Sharma in the Authority's records. After answering the call, the following exchange took place:

Mr. Sharma: I am going to put stuff out on you to expose you to the world.

Mr. Mullen: Oh really?

Mr. Sharma: Yeah, it's on, so get ready brother.

8. Following this exchange, Mr. Mullen ended the call and reported the matter to the Langley RCMP.

b. File 004

9. The Authority relies on an affidavit sworn April 8, 2026 by Joel Jordan in this file. Mr. Jordan is an Investigations Officer with the Authority.

10. Mr. Jordan recites the same chronology with respect to Mr. Sharma as does Mr. Mullen. In addition, Mr. Jordan attaches a copy of the conditions imposed on Mr. Sharma's license. The conditions include prohibitions against working in the finance office of any motor dealer or as a loan broker. Further, Mr. Sharma is not to handle consumer monies or work as a salesperson without supervision. Finally, Mr. Sharma was, within two days of the conditions being imposed, required to provide a copy of the conditions to any motor dealer with whom he was currently employed, notify the Authority of any change in his

employment in any capacity with any motor dealer, and prior to commencing new employment, provide a copy of the conditions to the motor dealer within two days and provide proof of that having been done to the Authority.

11. Also attached to Mr. Jordan's affidavit are written submissions prepared by Mr. Sharma and filed with the Authority's Hearings Office on September 25, 2025 in hearing file H-25-09-003 which was decided in reasons dated November 28, 2025. In those submissions, Mr. Sharma states at paragraph 11 as follows:

11. Since the conditions were imposed, I have not engaged in conduct contrary to them. I have not been employed as a salesperson since November 2024.

(emphasis added)

12. Finally, Mr. Jordan attaches a copy of an email exchange between he and Meenu Nazran on March 26 and 27, 2026. Meenu Nazran's email signature indicates that they are the Operations Manager at Alliance Motorcars ("Alliance") in New Westminster, BC.

13. In response to Mr. Jordan's email of March 26, 2026, Meenu Nazran states that Mr. Sharma was engaged as a salesperson with Alliance between February 2025 and May 2025 and worked as part of a sales team, receiving compensation through the team lead.

III. Positions of the Parties – The Authority

14. The Authority submits that Mr. Sharma's salesperson license should be suspended in order to protect the public interest. It argues that I am authorised to do so by sections 4(6) and 5 of the MDA and sections 6 and 7(2) of the SLR.

IV. Positions of the Parties – Mr. Sharma

15. Mr. Sharma has not provided any submissions in response to the Authority's application in this matter.

V. The Law

16. Section 7(2) of the SLR authorizes the suspension of a salesperson license "if the authority considers, having regard to the conduct of the licensee, that it would not be in the public interest for the licensee to continue to be licensed."

17. The British Columbia Court of Appeal in *Scott v. College of Massage Therapists of British Columbia*, 2016 BCCA 180 addressed the imposition of interim conditions under section 35 of the *Health Professions Act*, referring to such an order at paragraph 41 as “an extraordinary remedy that ought to be used sparingly.” That provision permits a discipline committee to impose conditions on a registrant’s practice or suspend a registration if doing so is considered necessary to protect the public during an investigation.

18. The court in *Scott* articulated the test to be applied under section 35 as follows:

[81] In the context of s. 35, the inquiry committee should be satisfied that there is a prima facie case supporting the index allegations, and that having regard to such material as is put before it by the registrant, the public requires protection through an interim order. There will be no “mini trial” on the index allegations before the inquiry committee. However, as *Perry* stated, the inquiry committee in considering the evidence on which the allegation is made against the registrant (at para. 19):

... is entitled to discount evidence that is inconsistent with objective or undisputed evidence or which is manifestly unreliable. The Committee may receive and assess evidence on the effect of an interim order on the registrant, and the registrant is entitled to give evidence on this. The registrant may also give evidence, if he can, to establish that the allegation is manifestly unfounded or manifestly exaggerated; but the Committee is not otherwise required to hear his evidence as to whether or not the substantive allegation against him is or is not well-founded: that is not the issue on the application for an interim order.

19. The test in *Scott* was considered by Registrar of Motor Dealers in *Vehicle Sales Authority v. Best Import Auto Ltd.* 2017-BCRMD-008 (“*Best Import*”). While that decision dealt with an application to suspend a motor dealer’s license as opposed to that of a salesperson, I am of the view that the reasoning applies equally here:

[16] While it was decided under the *Health Professions Act*, the BC Court of Appeal decision in *Scott v. College of Massage Therapists of British Columbia*, 2016 BCCA 180 provides guidance regarding interim suspensions. A review of that decision notes the following principles:

(a) at this stage, I am not “trying” the facts. I am determining whether the

evidence if believed true, indicates the public would be placed at risk of harm if *Best Import* continued to operate,

(b) the test is whether a *prima facie* case has been made out in support of the Allegations,

(c) the three main considerations are:

(i) the seriousness of the allegations,

(ii) what measures are currently in place to protect the public, and

(iii) the probability of harm,

(d) in reviewing the evidence, I am to be mindful and consider its reliability, plausibility, internal and external consistency and any motivation, and

(e) I am to balance the interests of *Best Import* to continue to operate with that of the public interest and protection of the public from harm. The public interest is paramount.

20. The test in *Scott* was further refined by the BC Supreme Court in *Klop v. College of Naturopathic Physicians of British Columbia*, 2022 BCSC 2086, leave to appeal denied, *Klop v. College of Naturopathic Physicians of British Columbia*, 2023 BCCA 125 ("*Klop*"). In its reasons, the Court in *Klop* found that in the case of an interim license suspension application, a two-part test could be drawn from *Scott* as follows:

[102] An interim order under s.35 is a drastic remedy that may have serious reputational and financial impacts on the registrant and thus out to be used sparingly: *Scott* at paras. 41, 55. As such, to make in interim order under s.35(1), the Panel must be satisfied that (*Scott*, at para.81):

a) there is a *prima facie* case supporting the allegations against the registrant; and

b) the public requires protection through an interim order.

21. I am of the view that the test developed in *Scott* and further applied in *Klop* is the proper test to be applied when considering whether to issue a suspension order under section 7(2) of the SLR.

VI. Discussion

A. Is there a *prima facie* case supporting the allegations against Mr. Sharma?

22. In *Klop*, the Court commented on the first element of the *Scott* test as follows:

[103] On the first element of the *Scott* test, the Panel is not assessing the substantive allegations; rather, its objective is to determine whether an interim order is required until the discipline committee assesses the merits: *Scott* at paras. [44](#), [72–76](#), [88](#). At this stage of the analysis, the Inquiry Committee need only find a *prima facie* case. This standard is satisfied by a case that “covers the allegations made and which, if they are believed, is complete and sufficient to justify a verdict in the complainant’s favour in the absence of an answer”: *Scott* at para. [80](#), citing *Ontario (Human Rights Commission) v. Simpson Sears Ltd.*, [1985] 2 S.C.R. 536 at 558, [1985 CanLII 18](#) [*Simpson Sears*].

(emphasis added)

23. Here, the Authority alleges three contraventions of the MDA and MDAR by Mr. Sharma. These include making a threat to Mr. Mullen, providing false or misleading information to the Registrar in the course of a hearing and failing to adhere to the conditions on his license. Each of the allegations is supported by affidavit evidence. Mr. Mullen deposes as to his telephone conversation with Mr. Sharma and Mr. Jordan attaches various exhibits that support the remaining allegations.

24. I am of the view that the evidence as a whole covers the allegations made and which, if they are believed, is complete and sufficient to justify a determination in the Authority’s favour in the absence of an answer from Mr. Sharma. In other words, there is a *prima facie* case supporting the allegations made against Mr. Sharma in both File 003 and File 004.

B. Does the public require protection through an interim order?

25. Having found that the Authority has met the first element of the *Scott* test, I turn to the second element, namely, whether the public requires protection through an interim suspension order. In doing so, I again consider the reasoning of the court in *Klop*

[105] On the second branch of the test, the Panel must find that there is a real risk to the public if an interim order is not granted: *Scott* at para. [55](#). The seriousness of the risk is determined with a view to the seriousness of the allegations, nature of the evidence and likelihood of the conduct being repeated if no order is made: *Scott* at para. [55](#). The analysis at this stage is limited to a “preliminary assessment of the facts”: *Scott* at para. [88](#). The Panel is not to venture into an analysis of the merits of the allegations but is permitted to discount evidence that is “manifestly unfounded or manifestly exaggerated”: *Scott* at para. [63](#).

26. The Authority refers to the decision in *R. v. Wholesale Travel Group Inc.* 1991 Can LII 30 (SCC), [1991] 3 SCR 154 as support for the proposition that “the focus of regulatory legislation is the protection of the public at large.” More specifically, the Court says at paragraph 129 that “Regulatory legislation involves a shift of emphasis from the protection of the individual interest and the deterrence and punishment of acts involving moral fault to the protection of public and societal interest.”

27. Returning to the allegations here, I find that they are serious. Mr. Sharma is alleged to have engaged in various conduct that would, if proven, raise concerns with respect to his governability. He is alleged to have threatened Authority staff, to have breached the conditions of his license and to have misled the Registrar. The nature of the evidence in support of these allegations is clear and logical. I also find that it is likely that some, if not all of the conduct alleged will be repeated if the order sought is not granted. Mr. Sharma’s license has already been suspended on two occasions in less than 16 months. Further, he has declined to participate in either this hearing or the PHC.

28. Having considered all of the circumstances, I find that there is a real risk to the public if an interim suspension order is not granted. The Authority has satisfied the second element of the test in *Scott*.

VII. Summary

29. Based on the aforementioned, I order that Mr. Sharma's salesperson's license 302815 is suspended pursuant to section 7 of the SLR until further order of the Registrar. The suspension of Mr. Sharma's license takes effect on service of this decision as provided for in the Rules.

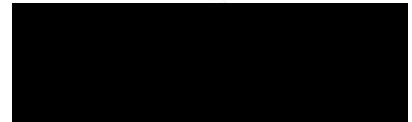
VIII. Right of Review of Decision

30. Sections 26.11 and 26.12 of the MDA provide that a person may request the Registrar to reconsider a determination within 30 days of receiving the later of the determination or any written reasons respecting the determination. A Request for Reconsideration of this decision must be submitted in writing may be filed electronically to hearings@vsabc.ca or by mail to the Authority.

31. 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 5th day of May 2026

"Original signed"



Patrick Poyner
Registrar of Motor Dealers