Investigation File No.: C-25-11-373
C-26-03-499
Hearing File No.: H-26-03-003
H-26-04-004

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 MOTOR VEHICLE SALES AUTHORITY OF BRITISH COLUMBIA

THE AUTHORITY

AND:

KARAN SHARMA

RESPONDENT/SALESPERSON

DECISION OF THE REGISTRAR OF MOTOR DEALERS

Date and location of decision: **July 2, 2026, at Langley, British Columbia**

By way of written submissions

I. Introduction

1. The Vehicle Sales Authority of British Columbia ("the Authority") alleges that Karan Sharma has breached provisions of the *Motor Dealer Act* ("MDA") and the *Motor Dealer Act Regulations* ("MDAR") and as a consequence it seeks the revocation of Mr. Sharma's salesperson license and the imposition of a waiting period in the range of five to ten years that must elapse prior to the Registrar accepting a new application for licensing.

2. Mr. Sharma is the holder of salesperson license S302815 issued by the Authority with an expiry date of November 10, 2026. The Authority's records indicate that Mr. Sharma's license has been inactive since November 1, 2024.

II. Procedural History

3. There is considerable procedural history to this matter. Two Hearing Notices, files H-26-03-003 ("File 003") and H-26-04-004 ("File 004"), were issued by the Authority on April 9, 2026. In support of File 003 is an affidavit sworn March 26, 2026 by the Authority's Director of Investigations and Licensing Alan Mullen ("the Mullen Affidavit"). An affidavit sworn April 8, 2026 by Authority Investigation Officer Joel Jordan ("the Jordan Affidavit") supports File 004.

4. A Pre-Hearing Conference ("PHC") took place in this matter on April 23, 2026. Notice of the PHC ("the Notice") was sent to the parties by email on April 17, 2026. Despite being served with the Notice, Mr. Sharma did not attend the PHC. In the course of the PHC I ordered that File 003 and File 004 be combined for all purposes. In addition, separate written submission schedules were confirmed for the Authority's application for an interim suspension of Mr. Sharma's license as well as for this hearing. A PHC Report was sent to the parties by email documenting the combining of the two files and the submission schedules.

5. Mr. Sharma did not provide a response to the Authority's submissions in its interim suspension application by the stated deadline and in reasons dated May 5, 2026, I ordered that Mr. Sharma's license be suspended pursuant to section 7 of the *Salesperson Licensing Regulation* ("SLR") pending further order of the Registrar. That suspension order remains in effect.

6. Mr. Sharma has not provided submissions in response to those of the Authority in this matter. I am satisfied that Mr. Sharma was properly served with the Notice and the PHC Report as required by Rule 22(1)(e) of the *Registrar's Rules of Practice and Procedure* ("the Rules") and as such this matter will proceed without the benefit of Mr. Sharma's participation.

III. Background Facts

7. I will review the facts in the two noted files separately. In doing so, I remind myself that despite Mr. Sharma's failure to provide written submissions, the burden of proof remains with the Authority to prove the allegations in the two Hearing Notices on a balance of

probabilities. The question to be asked is whether it is more likely than not that the alleged conduct occurred: *F.H. v. McDougall* [2008] 3 S.C.R. 41 at paragraph 44.

a. File 003

8. In File 003, the Authority alleges that Mr. Sharma contravened section 33(2)(a) of the MDAR by failing to act with honesty and integrity in the course of business, specifically by threatening Mr. Mullen.

9. In his affidavit, Mr. Mullen says that on March 18, 2026, he received a telephone call on his work issued cell phone from a telephone number which matched that associated with Mr. Sharma in the Authority's licensing records. Mr. Mullen provided a screenshot of his call history which includes Mr. Sharma's name and telephone number. The call was 41 seconds in duration and Mr. Mullen says that he recognized the voice on the call as Mr. Sharma's from previous discussions with him.

10. Mr. Mullen described the telephone call with Mr. Sharma as including some pleasantries after which the conversation continued as follows:

> 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.

11. Following this exchange, Mr. Mullen ended the call and made contemporaneous notes of the discussion with Mr. Sharma. A copy of the typewritten notes are attached to Mr. Mullen's affidavit and differ somewhat from Mr. Mullen's affidavit in that he notes Mr. Sharma as saying "I am going to put out stuff on you to the world, all the stuff that you've said to Hardeep at alliance about me, I am going to expose you to the world."

b. File 004

12. In File 004, the Authority alleges that Mr. Sharma contravened section 35(3)(a) of the MDA by supplying false and misleading information to a person acting under the MDA. Specifically, the Authority says that Mr. Sharma made representations in written submissions to the Registrar in the course of a hearing on September 25, 2025 that were

untrue. The representation in question was that Mr. Sharma had not worked as a salesperson since November 2024 when in fact he had worked as a salesperson with a motor dealer, Alliance Motor Cars ("Alliance"), between approximately February 2025 and May 2025.

13. The Authority further alleges that Mr. Sharma contravened section 33(2)(a) of the MDAR by failing to act with honesty and integrity in the course of business. Specifically, the Authority asserts that he did not comply with conditions imposed on his licence on January 21, 2025, in that he failed to disclose those conditions to Alliance and failed to notify the Authority of the commencement of his employment with Alliance.

14. Mr. Jordan was the assigned Investigation Officer in relation to File 004. He deposes that Mr. Sharma's salesperson's license has been inactive since November 1, 2024 and that conditions were placed on his license on January 21, 2025. Two of the eight conditions are as follows:

    (a) Karan Sharma must notify the Authority prior to any change in his employment in any capacity with any motor dealer; and

    (b) Karan Sharma, prior to commencing employment with a Motor Dealer, [must] provide a copy of these conditions to the Motor Dealer; and Karan Sharma, within two (2) days of commencing employment with a Motor Dealer [must] provide the Authority with proof, the sufficiency of which will be determined by the Authority, that he has complied with paragraph 7 above.

15. Mr. Jordan has attached to his affidavit, written submissions provided by Mr. Sharma in VSA Hearing File No. H-25-09-003 ("*Sharma No.1*"). Those submissions were in response to the Authority's application for an interim suspension of Mr. Sharma's salesperson's license. At paragraph 11 of the submissions Mr. Sharma writes as follows:

> [11] Since the conditions were imposed, I have not engaged in conduct contrary to them. <u>I have not been employed as a salesperson since November 2024</u>. I have assisted my family with their daycare business. Any suggestion that I have continued to work secretly as a salesperson is unfounded. (emphasis added)

16. After considering the parties' submissions I ordered that Mr. Sharma's salesperson license be suspended pending further order of the Registrar on September 29, 2025 and following a full written hearing, I ordered that Mr. Sharma's license was to be suspended for a period of one month.

17. In response to his investigation, Mr. Jordan received two emails from Meenu Nazra who is the operations manager at Alliance. In the first email dated March 26, 2026, Ms. Nazra states that Mr. Sharma did not notify Alliance of the conditions on his license. In the second email dated March 27, 2026, Ms. Nazra states that Mr. Sharma was engaged as a salesperson with Alliance from February 2025 through May 2025. Further, Ms. Nazra described the sales team that Mr. Sharma was a part of and she also described the manner in which he was compensated.

18. Mr. Jordan deposes that Mr. Sharma did not notify the Authority of his employment as a salesperson with Alliance.

V. Analysis

a. Section 35(3)(a) MDA – Supplying false or misleading information

19. Section 35(3)(a) of the MDA provides that a person who supplies false or misleading information to a person acting under the MDA commits an offense. It is a defence to an allegation under this provision if at the time the information was provided, the person did not know that it was false or misleading and, with the exercise of reasonable diligence, could not have known that it was false or misleading.

20. I commented on the importance of this provision in *Sharma No.1, supra,* as follows:

> 27. In a regulated profession, it is critically important that licensees provide accurate and truthful information to their regulatory body, as doing otherwise undermines the integrity of the profession and erodes public trust. Supplying false or misleading information can obstruct the regulator's ability to carry out its mandate to protect the public, ensure compliance with professional standards, and maintain accountability. Such conduct may also constitute professional misconduct, exposing the licensee to disciplinary action, including suspension or revocation of their license. Ultimately,

honesty and transparency are foundational to ethical practice and the proper functioning of any regulatory framework.

21. The Authority has provided Mr. Sharma's written submissions that he prepared and advanced in the hearing referenced above. Mr. Sharma clearly represented that he had not been engaged as a salesperson since November 2024. However, Ms. Nazra subsequently confirmed that Mr. Sharma was in fact working as a salesperson with Alliance, a licensed motor dealer, between February 2025 and May 2025. Ms. Nazra is the operations manager at Alliance and has provided specific details about Mr. Sharma's employment including his compensation structure.

22. Having considered the evidence, I am satisfied that Mr. Sharma's submissions made during the hearing in *Sharma No. 1* that he had not been engaged as a salesperson since November 2024, were false or misleading. As Mr. Sharma has not participated in this matter, there is no evidence to suggest that he did not know or that he could not have known that the representations were false or misleading. I find that Mr. Sharma's representation in *Sharma No. 1* that he had not been engaged as a salesperson since November 2024 constituted a contravention of section 35(3)(a) of the MDA.

b. Section 33(2)(a) MDAR – Failing to act with honesty and integrity in the course of business

23. Section 33(2) of the MDAR requires that a registrant or licensee act with honesty and integrity in the course of business. The Authority says that Mr. Sharma contravened this provision on two occasions. First, he threatened Mr. Mullen in the course of the March 18, 2026 telephone call and second, he failed to adhere to the conditions on his license by not notifying Alliance of the existence of the conditions and by not notifying the Authority of his being hired as a salesperson by Alliance.

24. Dealing first with the allegation that he threatened Mr. Mullen, I am satisfied that the telephone call in question was placed by Mr. Sharma to Mr. Mullen. I make this finding after having reviewed the screen shot photo of Mr. Mullen's work phone which notes Mr. Sharma's name and phone number which matches that in the Authority's licensing records. Mr. Mullen also says that he recognized Mr. Sharma's voice on the call.

25. Having established that Mr. Sharma made the call to Mr. Mullen, I must decide whether his comments constituted a failure to act with honesty and integrity in the course of business. There is no indication that Mr. Sharma and Mr. Mullen had a relationship outside of their respective employment and the comments reference the motor dealer, Alliance, where Mr. Sharma had been working. The comments were therefore made in the course of business. Turning to the comments themselves, the call was only 41 seconds in duration, it was made by Mr. Sharma and there is no indication that Mr. Mullen said anything to invite or encourage Mr. Sharma's comments. To the contrary, it appears that Mr. Sharma made the call for the sole purpose of threatening, intimidating or otherwise engaging in hostilities with Mr. Mullen. Doing so was without justification and demonstrated a lack of honesty and integrity in the course of business contrary to section 33(2)(a) of the MDAR.

26. I turn now to the second allegation under this provision – that Mr. Sharma failed to adhere to his conditions by failing to notify Alliance of the conditions on his license and by failing to notify the Authority that he was employed by Alliance.

27. The conditions were placed on Mr. Sharma's license on January 21, 2025 and required Mr. Sharma to provide a copy of them to a motor dealer prior to commencing employment with it and to notify the Authority prior to any change in his employment in any capacity with a motor dealer.

28. Ms. Nazran confirmed that Mr. Sharma was employed by Alliance as a salesperson from February 2025 through May 2025 and that she was not aware of the conditions. Mr. Jordan confirmed that Mr. Sharma did not notify the Authority of his employment with Alliance. On that basis, Mr. Sharma failed to adhere to his conditions.

29. Having found that Mr. Sharma failed to adhere to the conditions on his license, the next question to be determined is whether that constitutes a breach of section 33(2)(a) of the MDAR. In *Sharma No.1*, I noted as follows at paragraph 44:

> 44. Section 33(2)(a) of the MDAR requires that licensees act honestly and with integrity in the course of business. At all material times, Mr. Sharma was a licensed salesperson. A failure to adhere to conditions on a license that are in place as a means by which to protect the public runs contrary to those requirements. Mr. Sharma was aware that he was required to notify the Authority of any change in his employment with any motor dealer

and he failed to do so and on that basis I find that Mr. Sharma is in breach of section 33(2)(a) of the MDAR.

30. The reasoning in *Sharma No.1* applies equally here. Mr. Sharma knew that there were conditions imposed on his license and he failed to abide by them which constitutes a failure to act with honesty and integrity in the course of business and a contravention of section 33(2)(a) of the MDAR.

VI. Compliance action

31. Having found that Mr. Sharma has breached both the MDA and MDAR, I must determine the appropriate compliance action. The Authority takes the position that Mr. Sharma's salesperson license should be revoked and that the Registrar should refuse to receive any future license applications for a period of five to ten years.

32. Compliance action must be considered with a view to deterring future misconduct by the specific individual and by the industry generally. If I am of the view that the available compliance options will not adequately deter Mr. Sharma from future misconduct, it is my responsibility to protect the public by revoking his salesperson license.

a. License Revocation

33. Section 7(2) of the SLR authorizes the revocation or 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. As noted by Registrar Christman in *MVSABC v. Salame* (2021) 20-11-012:

> [12] In balancing the interests of a person to be licensed in a given profession with the protection of the public and the public's interest, the public interest is paramount: *Pacific International et al v. B.C. Securities Commission* 2002 BCCA 421 (B.C. Court of Appeal) at paragraph 12.

34. Both Hearing Notices provided the required statutory notice to Mr. Sharma that the Authority intended to seek revocation of his salesperson license and of his right to be heard. As noted above, Mr. Sharma has elected not to participate in this hearing.

35. In this case, I have found that Mr. Sharma has committed three contraventions of the MDA and MDAR. While each of the contraventions are distinct from one another, they share a common theme in that each have an air of dishonesty and lack of integrity to them in relation to the Authority which is tasked with governing his conduct as a salesperson.

36. Equally concerning is that the conduct here appears to follow a pattern engaged in by Mr. Sharma over a relatively short period of time as follows:

(a) November 13, 2021: License first issued.

(b) January 21, 2025: Conditions placed on license.

(c) September 29, 2025: License suspended pending further order of Registrar.

(d) November 28, 2025: License suspended for one month. Mr. Sharma ordered to pay Authority's costs and re-take VSABC salesperson licensing course within 30 days.

(e) May 5, 2026: License suspended pending further order of Registrar.

37. Mr. Sharma's compliance history demonstrates a similar pattern. As noted above, in *Sharma No.1* I found that Mr. Sharma had contravened section 33(3)(a) of the MDA and section 33(2)(a) of the MDAR, the same contraventions found here. Further, the circumstances of the contraventions in *Sharma No.1* are strikingly similar to those here. In the previous matter, Mr. Sharma was found to have lied to Mr. Jordan in the course of an investigation and he was also found to have failed to adhere to the conditions on his license. While not included in affidavit evidence, counsel for the Authority has indicated in submissions that Mr. Sharma has failed to satisfy the compliance order issued in *Sharma No.1* which required that he reimburse the Authority's costs and retake the VSABC salesperson licensing course.

38. I am mindful that in Mr. Sharma's first three years of being licensed, he appeared to carry on business as a salesperson without issue. However, since that time he has shown an inability and seemingly an unwillingness to abide by the governing legislation and rules and to adhere the conditions imposed on his license. This pattern of conduct has culminated with this hearing in which he has failed to respond to correspondence or to participate at all.

39. When an individual becomes a licensed member of a regulated industry, they accept an obligation to comply with the governing body's rules, regulations, and enabling legislation. This obligation is neither optional nor subject to negotiation. The regulatory framework exists to safeguard the integrity of the industry and to protect the public it serves. Where a licensee fails or refuses to comply, they may be regarded as ungovernable, and regulatory intervention, including enforcement action, becomes necessary. As noted in *Salame*, supra, the protection of the public interest is paramount.

40. In Mr. Sharma's case, he has failed on two occasions to adhere to the conditions on his license and his license has been suspended three times in less than one year. After being found to have contravened the MDA and MDAR in November 2025, he has now contravened the same provisions. Based on these circumstances, I am of the view that a further suspension will have little or no impact on Mr. Sharma's future conduct as a salesperson. Similarly, given Mr. Sharma's inability to comply with conditions and previous compliance orders and his failure to participate in this hearing, the imposition of an administrative penalty will likely have no impact. Mr. Sharma has demonstrated himself to be ungovernable and it is not in the public interest that he continues to be licensed. I therefore order that, pursuant to section 7(2) of the SLR, Mr. Sharma's salesperson license be revoked effective immediately.

b. Future Licensing Applications

41. Where a license is revoked, a period must be set which the salesperson must wait before the Registrar will accept an application for licensing. The reasoning behind setting such a waiting period was discussed by Registrar Christman in *Re: Elisabeth Kovacs* (October 25, 2017) 17-09-001:

> [23] The *Motor Dealer Act* and the *Salesperson Licensing Regulation* would allow Ms. Kovacs to re-apply for a license at any time. In order to protect the Registrar's process, to save administrative time and costs, and provide certainty regarding the cancellation of Ms. Kovacs salesperson license, I find it necessary to set a length of time in which the Registrar would not accept such an application from Ms. Kovacs: *Pugilese v. Clark*, 2008 BCCA 130 (BC Court of Appeal) and *B.C. College of Optics Inc. v. The College of Opticians of British Columbia,* 2016 BCCA 85 (BC Court of Appeal).

42. I have reviewed the various decisions provided by the Authority and I have given consideration to the facts of this case. I have given greater consideration to the decisions involving salespeople over those of motor dealers given the individual conduct that Mr. Sharma has been found to have engaged in. In the *Kovacs* matter referenced above, the re-application waiting period was set at four years after the Registrar found Ms. Kovacs "took a significant amount of money from her employer" in the course of her employment. She was also found to have provided false information to the Authority's investigators. The four-year reapplication period was conditional on Ms. Kovacs' repayment of the monies taken.

43. Similarly, in *Re: Ivan Diaz Lara* 2018-BCRMD-002, Mr. Lara took a customer's down payment for his own use and charged them an additional delivery fee which was not authorized by the dealership. The money was repaid and Mr. Lara's license was cancelled with the re-application wait period set at four years.

44. In the present case, Mr. Sharma did not misappropriate funds from his employer or from a consumer. Rather, his contraventions were primarily directed at the Authority, including providing false evidence at a Registrar's hearing, making threats toward Mr. Mullen and failing to comply with the conditions of his license. While these actions did not result in direct harm to consumers, they undermine the Authority's ability to effectively regulate him—conduct which may, in certain respects, be more serious than financial misconduct. Where funds are taken, restitution may be made, as in *Lara*, or a reapplication period may be tied to repayment. In contrast, in circumstances such as these—particularly where Mr. Sharma has chosen not to participate in the hearing—there is no evidence before me that provides any assurance he is either willing or able to conduct himself in a compliant manner as a salesperson in the future.

45. Given the circumstances of this case, having considered all of the circumstances including previous Registrar's decisions, the Registrar will not accept an application from Mr. Sharma for licensing as a salesperson for a period of five years from the date of this decision. Whether or not Mr. Sharma would be granted a licence in the future, should he apply, will depend on the facts that exist at the time he re-applies.

VII. Costs

46. The Authority seeks its investigation and hearing costs pursuant to section 26.02(4) of the MDA which authorizes the inclusion of costs in a compliance order as follows:

(4) The registrar may include one or more of the following orders in a compliance order:

…

(d) that a person reimburse to the registrar all or part of the actual costs, including actual legal costs, incurred by the registrar for

(i) any inspection or investigation of the person.

47. The Authority has proven the allegations against Mr. Sharma in File 003 and File 004. However, I have not been provided the amount of the costs sought to be recovered by the Authority and as such, I cannot determine whether they are reasonable or make such an order of reimbursement. I will therefore adjourn the issue of costs as well as the issuance of a compliance order to allow the Authority an opportunity to provide me with brief submissions and evidence of the amount of reimbursement claimed. As the submissions on costs is a continuation of this hearing, given his failure to participate there is no requirement that Mr. Sharma be served with, or provided an opportunity to respond to the Authority's submissions.

VIII. Summary

63. In summary, given the aforementioned, the following compliance action is ordered:

a. Karan Sharma's salesperson license is revoked effective immediately; and

b. The Registrar will not accept an application from Mr. Sharma for licensing as a salesperson for a period of five years from the date of this decision.

IX. Right of Review of Decision

64. 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.

65. 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 2nd day of July 2026

"Original signed" [redacted]

Patrick Poyner
Registrar of Motor Dealers