

Investigation File No.: C-22-11-007 Hearing File No.: H-23-05-003

# **UNDERTAKING**

IN THE MATTER OF THE MOTOR DEALER ACT, RSBC 1996, c 316 and the BUSINESS PRACTICES AND CONSUMER PROTECTION ACT, SBC 2004, c 2

## **BETWEEN:**

Westwood Honda

(DL# 31286)

(the "Respondent")

#### AND:

The Registrar of Motor Dealers

#### WHEREAS:

- The Respondent, Westwood Honda, ("Westwood"), is a Motor Dealer as defined in the Motor Dealer Act ("the MDA"), incorporated in accordance with the laws of British Columbia operating under the name, Westwood Honda, and registered with the Vehicle Sales Authority of BC ("VSA") under Motor Dealer Licence No. 31286.
- 2. The Registrar of Motor Dealers is the Registrar as defined in the MDA, ("the **Registrar**"), and is responsible for the administration and enforcement of the MDA, its regulations, and the prescribed provisions of the *Business Practices and Consumer Protection Act* ("the **BPCPA**").
- 3. Westwood is the subject of an investigation launched by the VSA in response to a complaint made by a consumer, Rodolfo Simoes ("Mr.Simoes"). The complaint and investigation findings are outlined in VSA File No. C-22-11-007 and the investigation report of VSA investigations officer, Daryl Dunn ("IO Dunn") dated March 16, 2023.

### **AND WHEREAS:**

- 4. On March 15, 2021, Mr. Simoes purchased a 2015 Subaru Impreza ("the **Impreza**") from **Westwood** for a price agreed upon by the parties.
- 5. In October 2022, while Mr. Simoes was attempting to sell the **Impreza**, he reviewed a Carfax report which indicated that prior to his original purchase, it had sustained damage in the amount of \$3,782.38 as well as a glass claim in the amount of \$1,691.86.
- 6. At no time was **Mr. Simoes** made aware of any previous damage to the **Impreza** that would satisfy the legislation (either on the purchase documents or signed declaration form) by **Westwood**.

- 7. **Mr. Simoes** provided a copy of the Used Motor Vehicle Purchase Agreement ("the **Agreement**") relating to his purchase of the **Impreza** from **Westwood**. That document includes a section entitled "Disclosures for a Used Vehicle" which afforded **Westwood** the opportunity to disclose prior damage exceeding \$2,000. That section was left blank by **Westwood** and therefore did not disclose any prior damage to the **Impreza**. The ICBC transfer documents, the APV9T form in particular, similarly did not disclose any previous damage with respect to the **Impreza**.
- 8. Subsequently as part of the investigation, **Westwood** provided a copy of the **Agreement** to the **VSA** in which the aforementioned disclosures section had been completed, including the prior damage declaration. **IO Dunn's** investigation determined that this version of the **Agreement** had been altered following **Mr. Simoes'** purchase by completing the disclosures section, confirming the prior damage to the **Impreza**.
- 9. The Registrar asserts that **Westwood** has contravened the following legislation:
  - a. Section 5 of the BPCPA by engaging in a deceptive act or practice in respect of a consumer transaction as follows:
    - i. By failing to state a material fact, the effect of which was misleading, by failing to advise **Mr. Simoes** that the **Impreza** had previously sustained damage in excess of \$2,000.00; and
    - ii. By altering the **Agreement** which had the capability, tendency or effect of deceiving or misleading Mr. Simoes.
  - b. Section 21(2) of the *Motor Dealer Act Regulation* ("**MDAR**"), for failure to include in the Agreement, the prescribed mandatory information respecting the motor dealer's sale of a used vehicle;
  - c. Section 23(b)(ii) of the MDAR, for failure to disclose, in the case of a used vehicle, sustained damages requiring repairs costing more than \$2000.00;
  - d. Section 33(2) of the MDAR, for failure to act with honesty and integrity in the course of business by altering the **Agreement** subsequent to the sale of the **Impreza** and providing a copy of the altered **Agreement** to the VSA;

**NOW THEREFORE** the Respondent undertakes, acknowledges, and agrees with the Registrar:

- 1. To comply with the MDA, MDAR, BPCPA, and the sections thereunder;
- 2. To pay an Administrative Penalty in the amount of **\$5,000.00** in relation to the subject matter of this Undertaking as per the Notice of Administrative Penalty which will be provided to the Respondent upon receipt of the fully executed and filed Undertaking;
- 3. To reimburse the Registrar a total of **\$1,423.79** representing 100% of the investigation costs incurred to date in relation to the subject matter of this Undertaking within thirty (30) days of the Registrar signing this Undertaking;

- 4. That this Undertaking is binding on the Respondent until such time as it is either terminated in writing by the Registrar or terminated by Order of the Supreme Court of British Columbia;
- 5. That in addition to rendering the Respondent liable to further penalties and proceedings as provided for under the BPCPA, it is an offense under the BPCPA to fail to comply with any part of this Undertaking that has not been previously terminated;
- 6. That the Registrar may, upon breach of any part of this Undertaking by the Respondent, declare the Undertaking to be at an end and may institute such proceedings and take such action under the BPCPA, or the Act as considered necessary; and
- 7. That any communication with the Registrar in connection with this Undertaking shall be made to the following address:

Registrar of Motor Dealers Vehicle Sales Authority of B.C. #280 – 8029 199<sup>th</sup> Street Langley, BC V2Y 0E2

And in the case of the Respondent Motor Dealer, to the following address:

Westwood Honda 2400 Barnet Highway Port Moody, BC V3H 1W3

unless another address for delivery is given to the other party, in writing, by either the Registrar or the Motor Dealer.

The Respondent acknowledges and warrants that they have had an opportunity to seek legal advice as to the terms of this Undertaking.

WESTWOOD HONDA (MOTOR DEALER# 31286)		) <b>ACCEPTED</b> by the Registrar of Motor Dealers this ) <u>3rd</u> day of May 2023.
Per:	Withheld in accordance with Section 22 of FOIPPA	)
Signature		) ) "Original signed" )
Colin Case Name of Authorized Signatory		) Kenneth Affleck, K.C. Registrar of Motor Dealer