

Investigation File No.: No. C-22-09-071

Hearing File No.: H-23-05-004

# **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:

C.& F. Service Ltd. dba Practical Auto Sales and Leasing (MDL# 7452)

### AND:

Harlan Ritchie (SP# 202665)

(collectively "the Respondents")

#### AND:

The Registrar of Motor Dealers

## WHEREAS:

- 1. The Respondent, C.& F. Service Ltd. 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, Practical Car Leasing and Sales, (C.&F. Service Ltd. and Practical Car Leasing Sales are hereafter together referred to as "**Practical**") and registered with the Vehicle Sales Authority of B.C. ("**VSA**") under Motor Dealer License No.7452.
- 2. The Respondent, Harlan Ritchie ("Mr. Ritchie") is employed by Practical and is a licensed salesperson within the meaning of section 1(1) of the MDA and is also registered with the VSA under Salesperson License No. 202665.
- 3. 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"). The MDA, its regulations, and the BPCPA are hereafter referred to collectively as "the Legislation."
- 4. The Respondents have been the subject of an investigation undertaken by the VSA ("the Investigation") in response to a complaint made by a consumer, Sharon Hentze, ("Ms. Hentze"). The complaint and investigation findings are outlined in VSA File No. C-22-09-071 and the investigation report of VSA investigations officer, Ross Cote ("IO Cote") dated April 24, 2023.

#### AND WHEREAS:

- 5. On July 29, 2022, Ms. Hentze purchased a 2008 Honda Odyssey ("the Honda") from Practical for an agreed price.
- 6. Prior to completing the sale to Ms. Hentze, the Respondents represented to her that the Honda had undergone a mechanical and safety inspection and they agreed to change the previously installed disability equipment to a regular steering wheel, airbag, and ignition.
- 7. The Respondents completed the mechanical repairs as noted above and advised Ms. Hentze that the Honda was ready to be picked up. Ms. Hentze attended Practical on July 29, 2022, took possession of the Honda, and drove it from the Respondents' lot.
- 8. On August 26, 2022, Ms. Hentze brought the Honda to a local Honda dealership, Nanaimo Honda, for a mechanical inspection and to have the "airbag code" cleared. The certified technician at Nanaimo Honda confirmed that there were numerous mechanical deficiencies and serious safety issues with the Honda and that it was not road worthy and not suitable for transportation.
- The Registrar has concluded that the Respondents have contravened the following legislation:
  - a. Section 5(1) of the BPCPA by committing or engaging in a deceptive act or practice in respect of a consumer transaction as follows:
    - By using ambiguity about a material fact, or by failure to state a material fact, the effect of which was misleading to Ms. Hentze. In particular, the Respondents failed to inform Ms. Hentze that the Honda was not suitable for transportation and that the wrong parts were installed when performing the aforementioned mechanical repairs.
  - b. Section 21(2)(f) of the *Motor Dealer Act Regulation*, ("**MDAR**"), by making a written representation in the form of a sales or purchase agreement that failed to state that the Honda was not suitable for transportation.
  - c. Section 22 of the MDAR, for failing to ensure that any written representation used in the consumer transaction contained a statement that the Honda was not suitable for transportation and was sold for parts only or purposes other than transportation.
  - d. Section 27(b) of the MDAR, for failure to affix to the Honda in a clear and legible manner the statement "Not Suitable for Transportation".

## NOW THEREFORE:

- 1. The Respondents undertake in their dealings with consumers to comply with the Legislation.
- 2. Mr. Ritchie will pay to the VSA an Administrative Penalty in the sum of \$750.00 within thirty (30) days of the Registrar accepting this Undertaking.
- 3. Practical will reimburse the Registrar for the investigation costs of this matter, in the sum of \$917.42 within thirty (30) days of the Registrar accepting this Undertaking;

- 4. All motor vehicles offered for sale by Practical, unless identified as "Not Suitable for Transportation" must, before any sale, pass a Provincial Private Vehicle Inspection (PVI) conducted by a designated inspection facility using a qualified red seal mechanic using a form that conforms with the Provincial PVI standard. Practical, its officers, directors or employees can have no direct or indirect personal business interest in the designated inspection facility.
- 5. Practical will provide a copy of the mechanical and safety inspection report as noted in paragraph 4 to any consumer considering purchasing a motor vehicle from Practical before the sale is finalized.
- 6. The Respondents agree this undertaking is binding on them unless it is terminated in writing by the Registrar or by Order of the Supreme Court of British Columbia; and
- 7. The Respondents agree that the Registrar may declare that this undertaking has been breached by Practical and/or Mr. Ritchie and the Registrar may institute such legal proceedings as the Registrar considers advisable.
- 8. 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 Respondents, to the following address:

211 Poplar St Nanaimo, BC V9S 2G8

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

RESPONDENT MOTOR DEALER:
C. & F. Service Ltd. dba Practical Car Leasing and Sales (MOTOR DEALER # 7452)

Name of Authorized Signatory

RESPONDENT SALESPERSON:
Harlan Ritchie (Salesperson # 202665)

Withheld in accordance with Section 22 of FOIPPA

ACCEPTED by the Re 23 day of M	gistrar of Motor Dealers this ay 2023.
"Original signed"	
Kenneth Affleck, K.C. Registrar of Motor Dea	lers