

FILED



By the Office of the Registrar of Motor Dealers
on December 12, 2025

Investigation File No.: C-25-03-137
Hearing File No.: **H-25-11-002**

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:

Capilano Volkswagen Inc.
(DL #10515)

(the "Respondent")

AND:

The Registrar of Motor Dealers

WHEREAS:

1. The Respondent is a Motor Dealer as defined in the *Motor Dealer Act* (the "**MDA**"), incorporated in accordance with the laws of British Columbia under the name Capilano Volkswagen Inc. and registered with the Vehicle Sales Authority of B.C. ("**VSA**") under Motor Dealer License No.10515.
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. The Respondent is the subject of an investigation launched by the VSA in response to a complaint made by a consumer, James Condon (the "**Complainant**"). The Consumer Complaint and investigation findings are outlined in VSA File No. C-25-03-137 and the investigation report of VSA Investigations Officer, Daryl Dunn, dated June 18, 2025 (the "**Consumer Complaint**")

AND WHEREAS:

4. On November 13, ²⁰²³~~2024~~, the Complainant purchased a Volkswagen Touareg (the "**Volkswagen**") from the Respondent. At the time of purchase, the Volkswagen was sold to the Complainant on the basis that the Volkswagen was suitable for transportation.
5. Shortly after the purchase, the Complainant brought the Volkswagen back to the Respondent, complaining of excessive oil consumption.
6. The Respondent had the Volkswagen examined at their repair facility on four different occasions and determined the oil in the Volkswagen was within specifications.

7. The Consumer Complaint revealed that two of the previous Volkswagen's owners complained to the Respondent about excessive oil consumption. In both cases, the Volkswagen's oil problems were not fixed.
8. The Respondent agrees that the Volkswagen's oil consumption issue should have been disclosed to the Complainant at the time of sale and has made arrangements to unwind the transaction.
9. The Registrar asserts that the Respondent has contravened the following legislation:
 - a. Section 5(1) of the BPCPA by engaging in a deceptive act or practice in respect of a consumer transaction by stating that the Volkswagen was of a particular standard, quality, style or model when it was not and by failing to state a material fact about the Volkswagen, specifically the excessive oil consumption, the effect of which was misleading.
 - b. Section 33(2)(a) of the *Motor Dealer Act Regulation* ("MDAR") for failing to act with honesty and integrity in the course of business by selling the Complainant a vehicle that had an issue with its oil consumption.

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 **\$40,000** 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 **\$2030.38** 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 199th Street
Langley, B.C. V2Y 0E2

1151 Marine Drive
North Vancouver, B.C. V7P 1T1

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

DEREK LAM
Name of Authorized Signatory

Patrick Poyner
Registrar of Motor Dealers

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