



Issue #19 - 2008

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## Dealer and salesperson suspended for *deceptive acts or practices* - assessed substantial penalties

The Registrar of Motor Dealers has found Vancouver Auto Leasing Ltd., located at Clark Drive and East Hastings Street in Vancouver, and salesperson Shahram Moghaddam, guilty of deceptive acts, as defined by the province's Business Practices and Consumer Protection Act, with respect to the resale of a repaired vehicle purchased from ICBC.

In a ruling written by Deputy Registrar Ian Christman, the dealership was instructed to:

### Complete the seller's copy of the APV9T form!

Motor Dealers must complete all of the required fields on the APV9T and keep the seller's copy in their corresponding motor vehicle sales file. This assures that the sold motor vehicle will not be subsequently bridged. The seller is required by Section 17 of the Motor Vehicle Act to complete this document which states ... "that the transferor and the transferee of the title or interest must immediately sign a notice of the transfer in the form required by the Insurance Corporation of British Columbia (which is the APV9T)".

A similar message is going out to all ICBC Auto Plan Brokers reminding them to ensure all APV9Ts they process are completed in their entirety and not to process the APV9T unless all the required fields are completed properly.

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- take back the repaired Toyota and issue a refund of \$28,473.74
- refund \$3,800 in lieu of a return of a vehicle traded-in by the customer
- refund the VSA the costs of the investigation and hearing (\$946.19) and pay administrative penalties in the amounts of \$7,500 (dealer) and \$750 (salesperson).
- the dealer registration and salesperson licence are to remain suspended until they seek reinstatement at a hearing before the Registrar.

The ruling also stated that Shahram Moghaddam, who had completed the Salesperson Certification Course in 2004, clearly did not understand his legal obligations. He was ordered to complete the course again before his licence could be reinstated.

Evidence at the hearing demonstrated that Vancouver Auto Leasing Ltd. knowingly purchased this Toyota from ICBC's repaired vehicle listing, but advised the customer that it had been a stolen vehicle recovery. No information beyond the basic declaration that there had been repairs in excess of \$2,000 had been forthcoming, and Mr. Moghaddam persuaded the customer that any repairs had been minor. In fact, they had been extensive. Other evidence demonstrated misrepresentation in advertising of the options and accessories on this vehicle.

## **CAUTION: Pitfalls of Bridging**

Dealers who permit middlemen of any description - agent, broker, curber or whatever - to engage in vehicle sales, ultimately transferring the ownership from the dealership to a purchaser only upon completion of a sale, are putting themselves at risk.

So called "bridging" raises multiple concerns:

- As long as the vehicle is in the dealer's name - irrespective of where it is - the dealer will likely be held responsible for compliance with the Motor Dealer Act and the Business Practices & Consumer Protection Act on a vehicle that they didn't actually sell to a consumer.
- If the vehicle does not meet the requirements of the Motor Vehicle Act (safe) the dealer may be required to fix it or buy it back.
- Curbers often sell these vehicles to another broker, but the original dealer remains the owner of record, in contravention of the Motor Vehicle Act for failing to report a change of ownership within 10 days.
- Dealers may find themselves accessories to misrepresentation when curbers claim to work for the dealership.
- In the event of odometer rollbacks and other fraudulent activity, sometimes police matters, the registered owner - the dealer - at the time of the alleged infraction may find themselves engaged in criminal or civil prosecutions.