



Investigation Files #18-11-304
#19-01-138
Undertaking File #19-01-003

UNDERTAKING

IN THE MATTER OF THE *MOTOR DEALER ACT R.S.B.C. 1996 c. 316* and the *BUSINESS PRACTICES AND CONSUMER PROTECTION ACT S.B.C. 2004, c. 2*

THIS UNDERTAKING is made, jointly and severally, with an effective date of 4
February 2019,

by:

ARARAT AUTO LTD. (#30433)

WHEREAS:

1. Ararat Auto Ltd. ("Ararat") is a "motor dealer" as defined under the Motor Dealer Act R.S.B.C. 1996 c. 316 ("MDA").
2. The "Registrar of Motor Dealers" ("Registrar"), as defined under the MDA, is responsible for the administration and enforcement of the MDA, its regulations, and prescribed provisions of the Business Practices and Consumer Protection Act S.B.C. 2004 c. 2 (the "BPCPA").
3. The Registrar has investigated and received information that:
 - Ararat supplied its ICBC vendor number and password to multiple unlicensed salespersons (body shops);
 - The body shops purchased salvage vehicles from ICBC auction, repaired them, and advertised them directly to consumers online;
 - Consumers attended these body shops and dealt with unlicensed salespersons;
 - The body shops paid Ararat a commission per-vehicle-sold and a number of vehicles were involved over a period of time;
 - Ararat created falsified sales agreements and transfer forms, showing that the sales occurred through the dealer;

- Ararat knowingly facilitated the sale of salvage vehicles to consumers through unlicensed salespeople/body shops; and
 - The vehicles offered to consumers for sale were “not suitable for transport” and had not completed the required inspection process.
4. The above detailed conduct violates the following statutory provisions:
- Engaged or employed an unlicensed salesperson in respect of the sale of a motor vehicle, in violation of section 13.1 of the MDA;
 - Engaged in deceptive acts or practices, as defined by section 4 of the BPCPA, in violation of section 5 of the BPCAP; and
 - Motor Vehicle Act, R.S.B.C. 1996 c. 318 (“MVA”) – Section 222 of the MVA – selling, offering for sale, exposing or displaying for sale, or delivering a motor vehicle that is not in accordance with the MVA and its regulations.

NOW THEREFORE Ararat & Kagrimanyan undertake:

5. To comply with the MDA, the MVA, the BPCPA, and the regulations made thereunder;
6. To cease and desist from engaging or involving unlicensed salespersons in respect of the sale of a motor vehicle;
7. To cease and desist from sharing ICBC auction bidding credentials or from conspiring to misrepresent or conceal from ICBC, or any other auction administrator, the identity or involvement of other entities behind the purchase of any vehicles being accessed via the ICBC salvage auction or any other automobile wholesale process;
8. For Ararat to pay an Administrative Penalty, in the amount of \$6,500 for contraventions of the MDA and the BPCPA;
9. For Ararat to reimburse the Registrar a total \$437.95 representing 100% of the investigation, hearing, and legal costs incurred to date in relation to this matter within thirty (30) days of the execution of this Undertaking;

ARARAT FURTHER ACKNOWLEDGES, REPRESENTS, AND DECLARES:

10. That in addition to rendering Ararat liable to further penalties and proceedings as provided for under the BPCPA, it is an offence under the BPCPA to fail to comply with any part of this undertaking that has not been previously terminated;

11. That nothing herein is intended to resolve any other complaint or investigation not specifically referenced in this Undertaking; and
12. Ararat has read this Undertaking and has had a reasonable opportunity to seek and obtain legal advice as its terms.

DATED this 4 day of February 2019

Signature: Original Signed
Artyom Kagrimanyan (#107100)
on behalf of Ararat Auto Ltd. (#30433)

ACCEPTED by the Registrar of Motor Dealers this 4 day of February 2019

Original Signed
Ian Christman, J.D.
Registrar of Motor Dealers