

## Digital dealership registration available at 40 dealerships Ontario-wide

On March 24, Ross Romano, former Minister of Government and Consumer Services, officially launched the digital dealership registration (DDR) pilot program, which has been rolled out to 40 dealerships across Ontario. OMVIC played a key role in the launch by conducting regulatory compliance assessments and was invited to the event as a program partner.

The event, which was held at the Finch, Chevrolet, Cadillac, Buick, GMC Dealer in London, Ontario, showcases the government's continued commitment to adopting digital practices and technologies that benefit people and businesses across the province.

If you have any questions or concerns about the initiative, please contact the Ministry of Public and Business Service Delivery (MPBS) at [dealerships@ontario.ca](mailto:dealerships@ontario.ca).



*From left to right: Frank Notte, Director, Government Relations, Trillium Automobile Dealers Association, Maureen Harquail, Chief Operating Officer and Deputy Registrar, OMVIC, Michael Harris, Parliamentary Assistant to the Minister of Legislative Affairs, Ross Romano, former Minister of Government and Consumer Services, Farah Mohammed, Manager Industry and Stakeholder Relations, OMVIC, and Jordin Finch, Dealer Principal, Finch, Chevrolet, Cadillac, Buick, GMC*

## Reminder: Licences and certificates are sent electronically

Since the beginning of the pandemic, OMVIC has been issuing dealer and salesperson licences and certificates electronically. While OMVIC is not issuing hard copies, we are emailing licences and certificates within 72 hours of registration application approval.

Please ensure you check your email account, including your junk folder, if you're expecting these items. If needed, you may update your contact information [here](#).

## OMVIC'S 2021 ANNUAL REPORT AND 2022 BUSINESS PLAN AVAILABLE ONLINE

The annual report provides a summary of OMVIC's achievements and performance last year, while the business plan outlines OMVIC's strategic goals and objectives for this year. Both are available [here](#).

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## Dealership visits across Ontario with OMVIC's CEO



From left to right: **John Carmichael**, OMVIC CEO and Registrar, **Jenan Culic**, COO of Downtown Auto Group

Each quarter, OMVIC's Chief Executive Officer (CEO) and Registrar, John Carmichael, visits three to four motor vehicle dealerships to meet with our registrants face to face. This stakeholder outreach offers opportunities to build closer relationships between OMVIC and our registrants, and gain a better understanding of the challenges they may be facing and how we can better support them.

On March 15, 2022, John Carmichael visited Willowdale Nissan, Thornhill Hyundai and Audi Thornhill. John discussed how each dealership has been coping with the economic impact of COVID-19 and the current inventory shortage.

On June 21, 2022, John Carmichael visited the Downtown Auto Group (Autoplex) in Toronto. With President and CEO Shahin Alizadeh,

COO, Jenan Culic and the General Managers of the group's dealerships, John Carmichael discussed issues regarding low inventory and the resulting increased trading amongst dealers. Other dealerships that were visited within the Downtown Auto Group included Downtown Toyota, Downtown Hyundai, Downtown Ford, Genesis Downtown, Avenue Nissan, Lexus Downtown, Nissan Downtown, Infiniti Downtown and Downtown Chrysler.

Dealers noted that vehicle inventory issues remain top of mind, and contract cancellations are still common due to increased wait times for new vehicles. Dealers are finding themselves vulnerable to fraud and are also concerned that many new vehicles are being advertised and sold for above manufacturer suggested retail price (MSRP).

## OMVIC's 2022 mystery shop program

February marked the beginning of OMVIC's annual mystery shop program, where OMVIC investigators and inspectors pose as consumers seeking out non-compliant advertising and disclosures, and unregistered salespersons at dealerships across Ontario. The annual selection process involves utilizing a randomized generator to create a list of dealers that will be shopped. Those who fail the mystery shop may be subject to administrative action.

This year, OMVIC will visit dealers in the following municipalities: Etobicoke, Scarborough, Peterborough, Belleville, Chatham-Kent, Grey Bruce, Kanata, Cornwall, Belleville, Muskoka, London, Guelph, Kawartha Lakes, St. Catharines, Markham and Richmond Hill.

*Please note this list is not exhaustive. OMVIC may conduct mystery shopping outside of these regions.*

Below is an overview of the results from the 2021 mystery shop program:

- OMVIC visited 95 motor vehicle dealers across various regions within Ontario.
- 72% of those involved in the mystery shop program passed with flying colours. This represents a 13% increase since 2020, demonstrating that Ontario dealers are more compliant with the **Motor Vehicle Dealers Act (MVDA)**.
- 28% of registrants were unsuccessful in passing the checks. 59% of those who failed received a caution letter and 41% were recommended for disciplinary action.



- The main area of non-compliance was **all-in price advertising** and 59% were recommended to receive a caution letter.

To ensure you're compliant this year with **all-in price advertising**, sign up for OMVIC's educational webinars. For more information, contact [education@omvic.on.ca](mailto:education@omvic.on.ca) or call 1-800-943-6002 ext. 3180.

To access OMVIC's advertising review services, contact [dealers@omvic.on.ca](mailto:dealers@omvic.on.ca). If you have questions about the mystery shop program, contact our dealer support team at 1-800-943-6002. To learn more about compliance under the MVDA, review the **requirements**.

## Mr. Kuldeep Kapoor LAT decision

Toronto, ON, July 6, 2022 – In a written decision released on June 20, the Licence Appeal Tribunal (LAT) directed OMVIC to carry out its proposal to refuse the registration of **Mr. Kuldeep Kapoor** as a motor vehicle salesperson under the *Motor Vehicle Dealers Act, 2002* (the Act).

Refusing Mr. Kuldeep Kapoor registration makes it illegal for him to trade in motor vehicles in Ontario. The LAT found revoking Mr. Kapoor's registration was necessary to protect the public, given his lack of candour and failure to take responsibility due to his gambling issues, undischarged bankruptcy and criminal charges.

One of Mr. Kapoor's first jobs was working in a bank as a Financial Services Manager. This role included reviewing and evaluating credit applications where he would underwrite loans up to \$250,000. He then quickly became a licenced mortgage broker, where upwards of 40 creditors made Mr. Kapoor short-term loans with high rates of return. This all occurred between 2008-2016.

In 2015, Mr. Kapoor filed for bankruptcy, acknowledging the debt of around \$1.5 million to 40 creditors. Days later, the appellant's counsel sent a letter to creditors indicating that their loans carried a criminal rate of interest and did not comply with the *Interest Act*.

In 2017, Mr. Kapoor was charged with defrauding the public for over \$5,000, contrary to section 380(1) of the Criminal Code. The trial did not proceed until December of 2020, and it was the Crown's position that the appellant engaged in fraudulent means to induce the complainants to loan him money, while also gambling with the monies borrowed.

According to the defence, there was no hard evidence that he used the

money for gambling and no evidence that he misrepresented the use of funds. On January 29, 2021, Mr. Kapoor was acquitted by a judge of the Ontario Superior Court of Justice, as they found no evidence of the above.

Mr. Kapoor testified that everyone was initially satisfied with the arrangement and loans were repaid with interest. As he struggled to repay these loans, he admitted that he had a sports gambling addiction in 2015; however, he emphasized that he never used funds "loaned for a stated purpose" to gamble. He indicated that he only used funds loaned to him by individuals for a "general purpose" to repay his gambling losses.

Mr. Kapoor described his behaviour as "stupid" and began to explain the impact of his actions and the effect on his personal life. According to the appellant, since declaring bankruptcy he has worked hard to rebuild his life and seek counseling, and now has stable employment.

Mr. Kapoor began working with his current employer, West Motors, in July of 2016. Since that time, he has held various roles with this company. He does not sell vehicles, but rather assists with data analysis and marketing.

Furthermore, he initially applied for registration as a motor vehicle salesperson on October 7, 2016, when he was denied. A second application was submitted on May 31, 2021, when he was instructed to provide further details of the status of the bankruptcy.

The Deputy Registrar testified that it was concerning that, at the time of the second application, the bankruptcy remained undischarged and that Mr. Kapoor referred to it

as "abandoned." There was concern for lack of responsibility and governability on his end. With that said, the Registrar issued a Notice of Proposal to Refuse registration on September 27, 2021.

The Registrar proposed to refuse the registration on the following two grounds set out in s.6(1)(a) of the Act:

- (i) Having regard to the appellant's financial position or the financial position of an interested person in respect of the appellant, the appellant cannot reasonably be expected to be financially responsible in the conduct of business.
- (ii) The past conduct of the appellant or of an interested person in respect of the appellant affords reasonable grounds for belief that the appellant will not carry on business in accordance with law and with integrity and honesty.

Under these circumstances the grounds for refusal are factually intertwined. Mr. Kapoor's prior conduct and testimony before the tribunal provide reason to believe that he will not act in accordance with the law, with integrity and honesty, or reasonably be expected to be financially responsible in the conduct of business.

In summary, the tribunal concluded that Mr. Kapoor's past conduct afforded reasonable grounds to believe he would not carry out business as a motor vehicle salesperson. The tribunal directed the Registrar to carry out its proposal to revoke Mr. Kapoor's registration. The full decision can be found on [omvic.ca](https://www.omvic.ca).



## TADA Talks podcast

Over the past 25 years, OMVIC has been dedicated to enhancing industry professionalism and ensuring fair, honest and open competition for registered motor vehicle dealers. OMVIC has been supporting dealer and salesperson compliance with the *Motor Vehicle Dealers Act (MVDA)* with free advertising review services, easy-to-follow guidelines, videos, educational webinars, toolkits with advertising templates, a negative equity calculator, checklists and more!

John Carmichael OMVIC's CEO and Registrar also participated in a **TADA Talks podcast**. The podcast provides an overview of OMVIC and John discusses how consumers buying from an OMVIC-registered dealer stay protected.

OMVIC also offers education courses like the Key Elements Course, designed to help dealers and salespersons brush up on MVDA rules and regulations.

Visit [omvic.ca](https://omvic.ca) for more information.



## OMVIC's 2022 Annual General Meeting

OMVIC held its 2022 Annual General Meeting on June 15. The event was preceded by an industry roundtable that was designed to facilitate meaningful discussion between OMVIC and our key industry stakeholders, which included:

- OMVIC's Board of Directors
- The Motor Vehicle Dealers Compensation Fund Board of Trustees
- OMVIC's Consumer Protection Advisory Committee members
- The Used Car Dealers Association of Ontario
- Trillium Automobile Dealers Association
- Car Help Canada
- Consumers Council of Canada
- Global Auto Makers of Canada
- Georgian College
- Canadian Vehicle Manufacturers' Association
- Canadian Finance and Leasing Association
- OMVIC employees

Both events were well attended and provided an opportunity for relationship building between OMVIC and key industry stakeholders. We also heard valuable feedback and insights related to current and future consumer issues associated with the inventory shortage.

A standard process during the AGM is the appointment of new or existing board members for a new three-year term.

At our recent AGM we appointed three board members:

- David McQuilkin was elected for a three-year term as our new TADA director.
- Jason Mayhew was elected for a three-year term as our new UCDA Director.
- Robert McMillan was reappointed for another three-year term as the joint UCDA/TADA director.

We also said goodbye to Kevin Bavelaar and Tony Del Gobbo.

Watch the full AGM session [here](#).

### Follow OMVIC on social media to stay up to date on the latest news

IG: @omvic\_official

Twitter: @omvic\_consumers

LinkedIn: Ontario Motor Vehicle Industry Council (OMVIC)

For your questions, please contact OMVIC's dealer support team at [dealers@omvic.on.ca](mailto:dealers@omvic.on.ca), or call 1-800-943-6002.

## CONTACTING OMVIC

### THE DEALER STANDARD

is published by the

### ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL

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OMVIC is committed to offering excellent customer service and resources to set dealers and salespeople up for success. For support, please use the email addresses listed below.

- **DEALER SUPPORT**  
[dealers@omvic.on.ca](mailto:dealers@omvic.on.ca)
- **REPORT A CURBSIDER**  
[nocurbs@omvic.on.ca](mailto:nocurbs@omvic.on.ca)
- **REGISTRATION**  
[registration@omvic.on.ca](mailto:registration@omvic.on.ca)
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