

Promoting a Fair, Safe and Informed Vehicle Sales Marketplace in Ontario



# 2019 ANNUAL REPORT

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# 2020-22 BUSINESS PLAN

CONSUMER PROTECTION | DEALER PROFESSIONALISM | CUSTOMER SERVICE

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# PROFILE

The Ontario Motor Vehicle Industry Council (OMVIC) administers and enforces the *Motor Vehicle Dealers Act 2002 (MVDA)*—a public protection statute—on behalf of the Ontario Ministry of Government and Consumer Services (MGCS). OMVIC is a not-for-profit corporation governed by a 12-member Board of Directors.

OMVIC's creation on January 7, 1997, marked the first time a regulated business sector moved to self-management. Previously, Ontario's motor vehicle sales industry was regulated by the Ministry of Consumer and Commercial Relations (now the Ministry of Government and Consumer Services).

Registration with OMVIC is mandatory for all Ontario motor vehicle dealers (new and used) and salespeople.

## OMVIC'S MANDATE

To maintain a fair, safe and informed marketplace for motor vehicle sales in Ontario.

## OMVIC'S PRIORITIES

- CONSUMER PROTECTION
- DEALER PROFESSIONALISM
- CUSTOMER SERVICE

## OMVIC'S VALUES

- Protecting consumers and acting in the public interest
- Acting respectfully and with integrity
- Taking fair, measured and appropriate action
- Monitoring industry trends, developments and issues
- Meaningfully engaging with consumers, registrants and stakeholders
- Ensuring value at every consumer, registrant and stakeholder point of contact
- Seeking the highest standards and performing best in class
- Continuing to adopt the practices of a “modern regulator” with the intention of applying best practices, including
  - dedication to the principles of consumer protection, transparency and operational independence;
  - employing risk-based compliance/enforcement activities;
  - enhancing registrant professionalism;
  - improving digital processes and automation;
  - engaging stakeholders;
  - employing data analytics and effective performance measures; and
  - fostering a culture of innovation
- Identifying major sources of risk to consumers and executing compliance strategies to address them
- Keeping abreast of consumer needs and expectations, as well as factors that impact vehicle sales
- Exploring and using technologies to increase, improve and/or expedite services and registrant engagement
- Communicating clearly to inform and educate
- Maintaining a work environment that fosters learning and adapting, job satisfaction, enjoyment and pride in accomplishment

## OMVIC'S ONGOING OBJECTIVES

As the regulator, OMVIC exists broadly to protect the public interest and, more narrowly, to protect consumers. Consumers must have confidence that the vehicle purchase process is regulated, fair and safe, and that they have rights to protect them if they encounter problems. To accomplish this OMVIC's objectives are:

- Consumer protection by pursuing those who would prey on an unwary public
- Consumer protection by delivering complaint conciliation and inquiry assistance
- Informed consumers educated by information and educational resources, direct outreach and awareness programs
- Registrant professionalism through certification programs for new dealers and salespeople and the availability of ongoing educational resources
- Registrant compliance enabled by a robust inspections program and appropriate application of administrative and/or enforcement activities
- Registrant accountability by administering a Code of Ethics (CoE), Standards of Business Practice (SoBP) and a transparent disciplinary process

# PROTECTION FOR ONTARIANS

The retail sale of motor vehicles is regulated in Ontario. As the regulator, OMVIC administers and enforces the MVDA and its regulations as well as relevant sections of the *Consumer Protection Act 2002* (CPA).

Penalties for breaching the MVDA are significant. The maximum penalty for an individual is a fine of \$50,000 and/or imprisonment for two years less a day. The maximum fine for a corporation is \$250,000. For an individual acting as a dealer without benefit of registration (a curbsider), the minimum penalty is \$2,500. The maximum fine for breaching the CoE is \$25,000.

Ontario consumers are further protected by the CPA, legislation that prohibits unfair business practices (false, misleading, deceptive or unconscionable representations).

It is important to note that the protections provided by the MVDA, the Motor Vehicle Dealers Compensation Fund and OMVIC apply only to consumers who buy or lease from a registered dealer. Consumers who choose to buy privately do not benefit from those protections.

## Key protections provided by the MVDA include:

**All-In Price Advertising.** If a dealer advertises a price for a vehicle, that price must include all fees and charges the dealer intends to collect; there can be no hidden fees. *Note: HST and licensing do not have to be included in the all-in price if the advertisement clearly and prominently indicates they are not included.*

**Disclosure.** Dealers must disclose in writing specified information (including material facts) related to a vehicle's past-use, history and condition.

**Cancellation Rights.** Should a dealer fail to properly disclose

- a vehicle's previous use as a taxi, limousine, police cruiser, emergency service vehicle or daily rental (unless the daily rental was subsequently owned by someone other than a registered dealer);
- that a vehicle was branded (Irreparable, Salvage or Rebuilt);
- a vehicle's make, model or model year; or
- the true distance a vehicle has been driven (or the designated statement if the mileage is not known),

the purchaser may rescind (cancel) the contract within 90 days of delivery and all monies paid must be refunded.

**Access to the Motor Vehicle Dealers Compensation Fund.** Consumers who suffer a financial loss as a result of a trade with a registered dealer may be entitled to compensation of up to \$45,000 per valid claim. Claims criteria are set out in the MVDA.

# PROTECTION FOR ONTARIANS

## **OMVIC:**

Maintaining a fair,  
safe and informed  
marketplace for motor  
vehicle sales in Ontario

# 2019 EXECUTIVE SUMMARY

In 2019, OMVIC focused on continued implementation of the recommendations of an efficiency study conducted in 2018. These efforts were very successful in

- developing an IT Strategic Plan to ensure a modern workplace
- initiating business process re-engineering
- adding registrant self-serve functions and capabilities to online services
- completing a sustainability study for the Motor Vehicle Dealers Compensation Fund
- creating financial dashboards for the Board and management
- optimizing digital inspection reporting

Protecting Ontario's vehicle buyers is OMVIC's first priority. In 2019, efforts across the organization demonstrated that OMVIC's commitment to its mandate has not wavered and that consumers rely on OMVIC more than ever. For example, OMVIC's Complaints and Inquiries Team fielded 31,234 inquiries from consumers, conciliated 1,149 complaints and negotiated the return of \$1,769,754 to consumers. OMVIC's Communications, Media Relations and Education Team conducted awareness programs that included seminars, webinars and a cross-province TV/radio/online campaign designed to ensure consumers are aware of their right to all-in price advertising.

Consumer protection and fostering a fair, safe and informed marketplace was also supported by OMVIC's Inspectors, who conducted 2,363 inspections in 2019, and by OMVIC's Investigators, who conducted 330 investigations related to illegal sales (curbsiding) and industry misconduct resulting in 778 charges against 63 entities. The Registrar took 1,267 actions that included issuing 54 Proposals to Revoke, Suspend, Refuse or Impose Conditions on Registration, 46 Notices of Discipline (for alleged breaches of the CoE) and four Immediate Suspensions.

In order to meet its mandate, it is essential a modern regulator have adequate resources and funding.

In 2019, OMVIC's revenues were \$21,701,063 and its expenses were \$21,429,597. This sound and prudent fiscal management ensured OMVIC was positioned and equipped to protect the rights of consumers, enhance industry professionalism and ensure fair, honest and open competition for Ontario's registered motor vehicle dealers.

# 2019 SUMMARY



# 2019

## SUMMARY

### OMVIC BY THE NUMBERS

THE FOLLOWING IS A BRIEF SUMMARY OF **OMVIC'S 2019** STATISTICS, INITIATIVES AND ACHIEVEMENTS.



**REVENUE** FOR FISCAL 2019  
**\$21,701,063**

**EXPENSES** FOR FISCAL 2018  
**\$21,429,597**



### REGISTRANTS

**38,881, including**

- **8,188** DEALERS
- **30,693** SALESPERSONS

### REGISTRATION ACTIVITIES

- **802** NEW DEALER APPLICATIONS
- **4,665** NEW SALESPERSON APPLICATIONS
- **7,763** DEALER RENEWALS
- **13,464** SALESPERSON RENEWALS



### COMPLIANCE INITIATIVES

(INCLUDES INSPECTIONS/INVESTIGATIONS/PROSECUTIONS/ADMINISTRATIVE ACTIONS)

**2,363**

INSPECTIONS CONDUCTED. NOTE: 6% OF INSPECTIONS REFERRED TO SENIOR MANAGEMENT FOR POSSIBLE FURTHER ACTION

**1,267**

REGISTRAR ACTIONS TAKEN, INCLUDING 54 PROPOSALS TO REVOKE, SUSPEND, REFUSE OR IMPOSE CONDITIONS ON REGISTRATION

**4** IMMEDIATE SUSPENSIONS

ISSUED RELATED TO SERIOUS ISSUES OF ONGOING CONSUMER HARM

**71**

COMPLIANCE WARNING LETTERS ISSUED

**330**

INVESTIGATIONS OPENED (168 CURBSIDER/ 162 INDUSTRY)

**778**

CHARGES LAID AGAINST 63 ENTITIES

**428**

AGAINST 39 ALLEGED CURBSIDERS

**350**

AGAINST 24 REGISTRANTS

NOTE: AS OF DECEMBER 2017, OMVIC INVESTIGATORS LAY INDIVIDUAL CHARGES, NOT SINGLE GLOBAL COUNTS FOR MULTIPLE OFFENCES, AS HAD BEEN DONE HISTORICALLY

**46**

NOTICES OF DISCIPLINE SERVED FOR ALLEGED BREACHES OF THE CoE

**318**

CoE ISSUES IDENTIFIED REQUIRING ACTION ON THE PART OF THE REGISTRANTS INVOLVED

**365**

DEALERS PROVIDED WITH ADVERTISING ASSISTANCE



# OMVIC BY THE NUMBERS

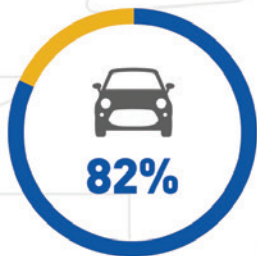


## CONSUMER COMPLAINT HANDLING

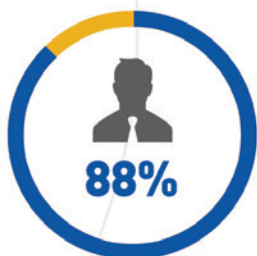


- **1,149** FORMAL COMPLAINTS CLOSED
- **\$1,769,754** RETURNED TO CONSUMERS AFTER CONCILIATION EFFORTS

## ONLINE REGISTRATION SERVICES USED BY



OF DEALERS



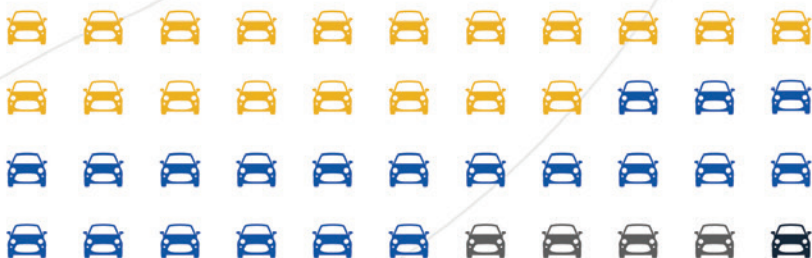
OF SALESPERSONS

## COMMUNICATIONS



- **39** BULLETINS, NEWSLETTERS AND NEWS RELEASES PUBLISHED
- **51** SEMINARS/WEBINARS CONDUCTED
- **38** MEDIA INTERVIEWS CONDUCTED
- **1,254** SOCIAL MEDIA POSTS PUBLISHED (FACEBOOK, TWITTER, LINKEDIN, BLOGS, INSTAGRAM)
- **2,533,797** WEBSITE PAGEVIEWS

## MOTOR VEHICLE DEALERS COMPENSATION FUND



44 CLAIMS RECEIVED, 19 OF WHICH WERE SETTLED BY STAFF PRIOR TO ADJUDICATION  
**20 APPROVED** (OR PARTIALLY APPROVED), 4 DEFERRED 1 DENIED



TOTAL VALUE OF  
CLAIMS PAID  
**\$235,192**

# MESSAGE FROM THE PRESIDENT AND CHAIR OF THE BOARD

**The Honourable Lisa Thompson**  
**Minister of Government and Consumer Services**

5th Floor  
777 Bay Street  
Toronto, ON M5B 2H7



**Dear Minister:**

On behalf of the OMVIC Board of Directors, I am pleased to present the 2019 Annual Report and 2020–22 Business Plan.

Like many marketplace segments, retail vehicle sales are experiencing change and disruption. But I am proud to report that OMVIC has worked diligently to ensure the organization is properly resourced and modernized to meet these changing times.

In 2019, OMVIC provided record funding for consumer and registrant awareness and education initiatives, enabling the creation of the *OMVIC Academy*, a unique consumer education resource, and *Help for Dealers* MVDA resources. Both are video based and provide unique delivery of important messaging and information designed to protect the car-buying public or increase registrant professionalism.

The Board also guided staff's determined company-wide implementation of the recommendations of the efficiency study report on improving efficiency of operations, stakeholder satisfaction, and organizational structure and culture.

This included the first phases of a large-scale digitization effort, a key component of the Information Technology (IT) Strategic Plan. Once complete, this transformation will ensure OMVIC remains a modern regulator with enhanced and improved operational functions—one that can take on the challenges of an ever-evolving future.

In addition to ensuring OMVIC initiatives were adequately funded, OMVIC approved a contribution to the Motor Vehicle Dealers Compensation Fund as a solution to support its viability.

Minister, on behalf of OMVIC's Board of Directors, I want to assure you OMVIC remains committed to protecting the rights of Ontario's motor vehicle buyers, enhancing the professionalism of our registrants, and fostering a fair, honest and open marketplace for registered motor vehicle dealers.

I want to take this opportunity to thank you and your staff at the ministry, OMVIC's senior management team and staff, our registrants, and consumer stakeholder groups for their support and collaboration throughout 2019.

Sincerely,

A handwritten signature in black ink that reads "K. Bavelaar". The signature is fluid and cursive.

**Kevin Bavelaar**  
President and Chair  
OMVIC Board of Directors

# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

**The Honourable Lisa Thompson**  
**Minister of Government and Consumer Services**

5th Floor  
777 Bay Street  
Toronto, ON M5B 2H7



**Dear Minister:**

2019 was a year of challenges—challenges met by a dedicated OMVIC staff and management team with a proven commitment to OMVIC’s mandate. It was also a year of accomplishments.

Through compliance, enforcement and prosecutorial efforts, OMVIC protected the rights of Ontario consumers, and through educational and awareness initiatives for both consumers and registrants, OMVIC enhanced industry professionalism and helped maintain a fair, safe and informed vehicle sales marketplace.

OMVIC’s Investigations Team laid 778 charges in 2019, 2,363 inspections were conducted, 46 Notices of Discipline were served for alleged breaches of OMVIC’s CoE, 1,267 Registrar actions were taken, and 1,149 formal complaints were conciliated, resulting in the return of \$1,769,754 to consumers.

OMVIC also issued four Immediate Suspensions: three related to lien non-payouts by dealers, which, had it not been for the protections provided by the Motor Vehicle Dealers Compensation Fund, would have resulted in significant financial harm to consumers. The Compensation Fund approved 20 claims resulting in more than \$235,000 being paid to consumers.

While these results underscore OMVIC’s commitment to administering and enforcing the MVDA, education and awareness were also fundamental tools employed in 2019. In addition to OMVIC’s annual consumer awareness campaign to create awareness of all-in price advertising, OMVIC introduced the *OMVIC Academy*—five educational videos designed primarily for first-time car buyers and New Canadians. Taking style cues from sitcoms of the 80s and 90s, each video featured a recurring cast of characters providing valuable (and entertaining) car-buying lessons. The videos, available with French, Punjabi and Simplified Chinese subtitles, were supplemented by a downloadable *OMVIC Academy Car-Buying Guide* and a *Teachers Manual*, so that the resources could be used in driving schools and high schools.

On the registrant education front, OMVIC worked with feedback provided by a survey of more than 3,000 dealers and salespeople to develop and launch the *Help for Dealers* videos and support resources (quizzes, fact sheets, advertising templates, calculators, posters and checklists) that promote professionalism and compliance by helping dealers and salespeople understand the MVDA.

Minister, I can state with confidence that OMVIC’s reputation as a diligent regulator is well earned; there is a shared feeling of pride and commitment by this team. As we continue to implement results of the efficiency study, we look forward to continuing to work with you and your staff while meeting our mandate and protecting Ontario’s motor vehicle buyers.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Carmichael'. The signature is fluid and cursive, written over a light grey rectangular background.

**John Carmichael**  
Chief Executive Officer

# 2019 ANNUAL REPORT

## ACCOMPLISHMENTS

### OMVIC's Strategic Plan established four strategic goals:

1. Increase consumer awareness.
2. Increase registrant professionalism.
3. Be a trusted and respected partner.
4. Improve organizational capacity.

These goals are the Board of Directors' highest-level promises to its stakeholders. Each priority sets a clear direction for operational leadership to align resources with operational activities to enable delivery of these promises.

OMVIC's 2019 Annual Report outlines the actions taken to achieve the strategic goals and the measures used to demonstrate their success.

### GOAL 1: INCREASE CONSUMER AWARENESS

**Strategic Direction: Increase consumer awareness and education and be a trusted source of information for the public on motor vehicle sales**

STRATEGY	Offer information and advice to consumers engaged in motor vehicle transactions
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Provide free translation services to consumers	Provided translation services to 101 callers in 14 languages.
Provide free information and, where appropriate, conciliation services to consumers engaged in disputes with registered dealers	Provided assistance/conciliation in 1,149 formal complaints, resulting in restitution to affected consumers totalling \$1,769,754.
Achieve ratings of 4 or greater on a scale of 1 to 5 for knowledge and courtesy from both consumers and dealers	Achieved average ratings of 4.3 for courtesy and 3.8 for knowledge from 329 consumers who participated in conciliations. Achieved ratings averaging 4.7 for courtesy and 4.6 for knowledge from 146 dealers.
Provide assistance to claimants to the Compensation Fund	Of the claims made to the Fund, paid 20, for a total amount of \$235,192, after consideration by the Board of Trustees. Received 24 other claims. Of those, resolved 19 through staff efforts, with financial restitution paid by dealers to consumer claimants (without a final determination required by the Board of Trustees), deferred four claims and denied one claim.

# 2019 ANNUAL REPORT

## ACCOMPLISHMENTS

### GOAL 1: INCREASE CONSUMER AWARENESS (CONT'D)

Strategic Direction: Increase consumer awareness and education and be a trusted source of information for the public on motor vehicle sales (cont'd)

STRATEGY	Identify and monitor the impact of new and emerging business models on consumers
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Engage stakeholders, other jurisdictions and experts in discussions regarding the impact of various online or non-traditional dealer business models	Staff attended Canadian Vehicle Regulators Conference, where impacts of non-traditional business models were discussed and insights gained. Continued regular discussions with other Canadian regulators.
Report to the ministry on possible needed changes to the MVDA	Provided recommendations to ministry.

# 2019 ANNUAL REPORT

## ACCOMPLISHMENTS

### GOAL 1: INCREASE CONSUMER AWARENESS (CONT'D)

**Strategic Direction: Increase consumer awareness and education and be a trusted source of information for the public on motor vehicle sales (cont'd)**

STRATEGY	Increase outreach to consumers through various communications initiatives
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
<b>Conduct annual consumer awareness campaign</b>	<p>Conducted consumer awareness campaign using TV, radio and online advertising. Designed campaign to make consumers aware of their right to all-in price advertising; secondary messaging promoted awareness of the dangers posed by curbsiders (online only). Awareness of all-in price advertising remained relatively stable at 44 per cent (down slightly from 47 per cent in 2018).</p> <p>OMVIC's all-in price advertising webpage viewed 243,618 times.</p> <p>OMVIC's curbsider webpage viewed 372,409 times.</p> <p>Launched and promoted <i>OMVIC Academy</i> (OA) educational resources targeting first-time car buyers and New Canadians. Included five videos and supporting <i>Car-Buying Guide</i> and <i>Teachers Manual</i>.</p>
<b>Access ad hoc advertising opportunities</b>	<p>Accessed numerous ad hoc advertising opportunities, including radio (all-in price advertising messaging); ServiceOntario locations (four educational/awareness videos); print or digital ads in Canadian International AutoShow Program, Concours d'Elegance Auto Show Program, <i>Ottawa Sun</i>, <i>Orillia Matters</i>, <i>Toronto Star</i>, <i>Ottawa Citizen</i> and <i>Metroland</i>; and sponsorship/advertising in/of Dave's Corner Garage radio program; <i>ONtheGO</i> Magazine; <i>Lemon Aid</i> TV show; and <i>Car Help Canada</i> podcast.</p> <p>Conducted online campaign to promote the OA resources: generated 11 million impressions and 120,018 views of the promotional video and 9,271 webpage visits.</p>
<b>Conduct direct outreach via seminars and tradeshow/event participation</b>	<p>Conducted 35 consumer education/awareness seminars and 16 registrant seminars/webinars. Participated in Canadian International AutoShow, Georgian College Auto Show, Ottawa International Auto Show, The National Women's Show and Expo, The Zoomer Show, Import Fest and Doors Open Oshawa.</p>
<b>Engage with mainstream media</b>	<p>Issued 11 news releases and conducted 38 interviews with mainstream media.</p>
<b>Engage consumers via social media and e-newsletters</b>	<p>Issued/published 374 Facebook posts, 50 blogs, 708 tweets (Twitter), 100 LinkedIn posts, 11 Instagram posts and 11 <i>Consumer Line</i> e-newsletters.</p>

# 2019 ANNUAL REPORT

## ACCOMPLISHMENTS

### GOAL 2: INCREASE REGISTRANT PROFESSIONALISM

Strategic Direction: Ensure a fair marketplace for our registrants

<b>STRATEGY</b>	Accommodate or facilitate registration of new business models in compliance with the MVDA
<b>2019-21 Targets</b>	<b>2019 Activities and Results</b>
Consult with applicants and current registrants with new or unique business plans and track	Tracked applications to identify novel or unique models, enabling discussions with applicants/registrants to ensure ability to comply with the MVDA.
Exercise discretion where afforded in the MVDA while ensuring consumer interests are protected	Exercised appropriate discretion while ensuring MVDA compliance and consumer protection, including using terms and conditions of registration to permit unique business models where possible.
<b>STRATEGY</b>	Ensure persons who have (or may have) put the public at risk do not get or maintain registration as dealers or salespersons
<b>2019-21 Targets</b>	<b>2019 Activities and Results</b>
Continue to process applications in accordance with the Registrar's authority under the MVDA	Registrar took regulatory action against applicants/registrants who did not meet, or no longer met, the requirements of the MVDA. These actions included issuance of Notices of Proposal to Refuse, Revoke or Suspend, or Notices of Discipline.  Registration/renewals were issued to 8,565 dealers and 18,129 salespeople, 1,126 registrations with Terms & Conditions.
<b>STRATEGY</b>	Review and update processes and resources to encourage registrant financial responsibility
<b>2019-21 Targets</b>	<b>2019 Activities and Results</b>
Continue to update and publish <i>Financial Management Best Practices</i> document	Made <i>Financial Management Best Practices</i> document available on OMVIC's website and provided to all new dealers. Document update to be completed in 2020.
Update required forms and procedures	Salesperson and business application updates are underway. Salesperson change application was updated and released in 2019; it was simplified from 10 to 5 pages.  A "gift letter" was introduced for new dealer applicants of gifted finances.
Identify appropriate financial management educational courses and opportunities for dealers	Courses identified and recommended, or included as a condition of registration, as appropriate.

# 2019 ANNUAL REPORT

## ACCOMPLISHMENTS

### GOAL 2: INCREASE REGISTRANT PROFESSIONALISM (CONT'D)

Strategic Direction: Ensure a fair marketplace for our registrants (cont'd)

STRATEGY	Monitor dealer advertising an address non-compliance
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Review advertisements, including all-in price advertising compliance, during all books and records inspection visits for retail dealers	Discussed and reviewed dealer advertising during all applicable inspection visits.
Conduct mystery shopping research to help monitor all-in price advertising compliance	Undertook four mystery shopping research initiatives to monitor all-in price advertising compliance. Of the dealers attended, 25 per cent found to be non-compliant. Other issues (e.g., improper or non-disclosure of accident histories) also identified.
Make educational resources available to dealers to inform them about the regulations regarding all-in price advertising	Developed educational all-in price advertising video, factsheet, quiz, advertised price calculators and advertising templates. Conducted campaign to promote new resources to all registrants.  Inspectors provided one-on-one coaching during inspection visits.
Conduct undercover shopping to enforce the MVDA and CoE and deter non-compliance	Investigations Team conducted Mystery Shop Projects in Sudbury and Sault Ste. Marie. Shopped a total of 28 dealerships; found 14 to be non-compliant with the MVDA's all-in price advertising regulation, resulting in enforcement (charges) or administrative action (discipline or formal cautions).
STRATEGY	Use risk-based inspection program to mitigate risk to the public, Compensation Fund and marketplace
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Review risk-based inspection criteria as required	More than 55 per cent of inspections were risk-based. Updated and augmented risk list based on serious consumer complaints.



# 2019 ANNUAL REPORT

## ACCOMPLISHMENTS

### GOAL 2: INCREASE REGISTRANT PROFESSIONALISM (CONT'D)

Strategic Direction: Ensure a fair marketplace for our registrants (cont'd)

STRATEGY	Identify and monitor indicators of consumer harm to provide early detection of possible compliance issues
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Encourage new dealer registrants to monitor finances with professional assistance as required	Provided guidance at 647 new dealer inspections
Review and revise current complaints processes and tracking data	OMVIC Complaints & Inquiry staff reviewed and updated department processes through OMVIC's Business Process Re-engineering Project. Identified improvements for future data collection and reporting.
Monitor weekly reports issued based on complaints information collected; escalate and take appropriate action where consumer risk is identified	Reports identified numerous situations where urgent inspections were required. On three occasions, inspections resulted in the issuance of Immediate Suspension Orders and Proposals to Revoke registration based on dealer conduct and ongoing consumer harm.
Communicate importance of financial oversight to avoid consumer harm and ensure success of dealers' businesses	Inspectors discussed the importance of timely payment of financial obligations, particularly lien payments, during all applicable inspections. Reviewed documents to ensure adherence with the requirements and detect compliance concerns.

# 2019 ANNUAL REPORT

## ACCOMPLISHMENTS

### GOAL 2: INCREASE REGISTRANT PROFESSIONALISM (CONT'D)

#### Strategic Direction: Provide Educational Opportunities for Registrants

<b>STRATEGY</b>	Monitor success of OMVIC Certification Course
<b>2019-21 Targets</b>	<b>2019 Activities and Results</b>
Conduct periodic review of Certification Course outcomes	Monitored outcomes. Pass rate and average grades stable.
<b>STRATEGY</b>	Assist registrants in complying with the MVDA
<b>2019-21 Targets</b>	<b>2019 Activities and Results</b>
Provide educational resources to help registrants comply with the MVDA	<p>Through <i>Help for Dealers</i> Education Campaign, provided educational videos, fact sheets, quizzes, posters and calculators. Topics included all-in price advertising, contract cancellation, disclosure of needed repairs, disclosure of collision repairs and disclosure of negative equity on bills of sale.</p> <p>Conducted online, email and print awareness campaign promoting <i>Help for Dealers</i> resources targeting registrants. Campaign generated 498,629 impressions, resulting in 12,158 webpage visits and 5,960 video views.</p> <p>Launched Key Elements Course (KEC) created by OMVIC and Georgian College, with the assistance of the Used Car Dealers Association. The KEC targets grandfathered registrants (those registered prior to 1999 who have not taken the OMVIC Certification Course) and Registrants who took the Certification Course prior to significant changes to the MVDA and regulations in 2010.</p> <p>Made registrants aware of the new KEC through advertising in the <i>Ontario Dealer Magazine</i> in addition to OMVIC publications.</p> <p>Conducted 16 MVDA related seminars/webinars for dealers/dealer groups.</p> <p>Issued 14 <i>Bulletins</i> and four <i>The Dealer Standard</i> newsletters.</p>

# 2019 ANNUAL REPORT

## ACCOMPLISHMENTS

### GOAL 2: INCREASE REGISTRANT PROFESSIONALISM (CONT'D)

Strategic Direction: Provide Educational Opportunities for Registrants (cont'd)

STRATEGY	Review registrant education
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Explore opportunities to increase registrant professionalism, including continuing education	<p>Reviewed introduction of Continuing Education (CE). While somewhat controversial, some registrant support for the program is present. CE would provide an excellent opportunity to improve professionalism and reduce non-compliance.</p> <p>Determined introduction of comprehensive CE program requires regulation change. Consulted MGCS.</p>
Conduct evaluation of current Certification Course curriculum and or requirements	<p>Conducted monthly review of course outcomes. Found: pass/fail rates and average grades to be stable.</p>
Explore greater OMVIC involvement in educational processes	<p>Deferred awaiting CE determination and possible regulation change.</p>

# 2019 ANNUAL REPORT

## ACCOMPLISHMENTS

### GOAL 2: INCREASE REGISTRANT PROFESSIONALISM (CONT'D)

Strategic Direction: Apply right-touch enforcement

STRATEGY	Ensure responsible and measured enforcement of the MVDA and other consumer protection legislation
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Review processes to identify and prioritize non-compliant activity and report on actions taken	Investigations Management Team reviewed current processes for prioritizing non-compliant activity/work assignments and developed new methodology to guide investigations priority setting/decision-making.
Implement priority-setting processes	Developed and piloted new investigations priority setting/decision-making methodology to be implemented in 2020/21.  Inspections assigned by priority to ensure staff deployed with appropriate urgency.
Use administrative authority/discretion to address non-compliance, minimize consumer harm and discourage recidivism, where appropriate	Issued 46 Notices of Discipline: 33 resolutions resulted in \$76,150 in fines and 17 orders to take remedial courses, most often the OMVIC Certification Course.  Business Standards Team issued 71 formal caution letters, including information to assist dealers with future compliance.  Provided 318 dealers with instructions regarding CoE compliance, including websites and advertising concerns.
STRATEGY	Optimize investigative processes
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Review and enhance policies for risk-based investigation actions and procedures	Investigations Management Team reviewed current processes for prioritizing non-compliant activity/work assignments and developed a new methodology to guide investigations priority setting/decision-making. Methodology will assist Investigations Team prioritize investigations.

# 2019 ANNUAL REPORT

## ACCOMPLISHMENTS

### GOAL 2: INCREASE REGISTRANT PROFESSIONALISM (CONT'D)

Strategic Direction: Communicate with registrants efficiently and effectively

STRATEGY		Provide new learning opportunities using video and/or electronic messaging
2019–21 Targets	2019 Activities and Results	
Develop and make available educational videos	Created educational videos to assist registrants with all-in price advertising, contract cancellation, disclosure of negative equity, disclosure of needed repairs and disclosure of collision damage.	
Review alternative message delivery mediums	Introduced video messaging and e-blasts. Vlog development underway.	

# 2019 ANNUAL REPORT

## ACCOMPLISHMENTS

### GOAL 2: INCREASE REGISTRANT PROFESSIONALISM (CONT'D)

Strategic Direction: Use technology to increase and improve service to registrants

<b>STRATEGY</b>	Continue adding registrant self-serve functions and capabilities to online services
<b>2019-21 Targets</b>	<b>2019 Activities and Results</b>
Implement system-guided online registration form	Made online registration applications available for Dealership/Salesperson Renewal, New/Reapply Salesperson registration, Add/Change Employer and Salesperson Cancellation.  Converted all registration forms to fillable PDF format. Enhancements to additional online registration services underway.
<b>STRATEGY</b>	Optimize registration and renewal processes
<b>2019-21 Targets</b>	<b>2019 Activities and Results</b>
Automate components of the registration process	Launched new Salesperson Application/Reapplication, allowing <i>new</i> salespersons to complete and submit applications online.
Review application information requirements to consider efficiencies	Completed review and revised online applications.
Increase applicants' awareness of registration requirements	Updated registration forms and procedures. Updated registration requirements and information on website.
<b>STRATEGY</b>	Optimize digital inspection reporting
<b>2019-21 Targets</b>	<b>2019 Activities and Results</b>
Review and enhance digital tools for Inspectors	Equipped inspectors with tablets to optimize efficiency.  Made inspection forms fillable PDF format for ease of use.
Develop digital inspection findings service	Completed pilot project with electronic inspection findings provided to dealers via email.

# 2019 ANNUAL REPORT

## ACCOMPLISHMENTS

### GOAL 3: BE A TRUSTED AND RESPECTED PARTNER

Strategic Direction: Position OMVIC as a trusted and respected partner with governments and other regulators and partners

<b>STRATEGY</b>	Use data visualization tools such as dashboards to provide real-time measurement of OMVIC business processes
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Create live dashboard for Key Operational Indicators	Included financial dashboards for OMVIC and the Compensation Fund in month-end Board and management reports. Created quarterly scorecard tracking key performance indicators for Board and management.
<b>STRATEGY</b>	Report <i>Provincial Offences Act</i> (POA) and Discipline decisions to publicly available case law databases
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Continue to make OMVIC POA and Discipline decisions available to the public through case law reporting services	Used case law reporting services to publish POA decisions, making them available to legal professionals and the public.

# 2019 ANNUAL REPORT

## ACCOMPLISHMENTS

### GOAL 3: BE A TRUSTED AND RESPECTED PARTNER (CONT'D)

Strategic Direction: Partner and collaborate with stakeholders with shared objectives

<b>STRATEGY</b>	Increase awareness of OMVIC and the MVDA among stakeholders, including law enforcement and industry personnel
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Revise curriculum and deliver auto theft investigative training to police services at the Canadian Police College	<p>Since 2014, OMVIC, in association with the Canadian Police College, has delivered the Specialized Vehicle Theft Investigative Techniques Course to police officers from across Canada. OMVIC's Investigations Team is responsible for delivering this specialized training.</p> <p>Updated course curriculum to reflect trends and developments in this evolving field of criminal activity. OMVIC-instructed course attended by 24 police officers.</p>
Engage frontline officers	Responded to 29 requests for assistance from law enforcement and government agencies.
<b>STRATEGY</b>	Engage law enforcement partners
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Report on engagement and assistance provided to law enforcement partners	<p>Continuing to foster strong relationships with police services across Ontario, OMVIC responded to 29 requests for assistance from various law enforcement and government agencies. Assistance included providing industry- or dealer-specific information involving joint operations/search warrants, vehicle thefts and information/criminal intelligence.</p> <p>OMVIC's Investigations Team is a member of the Criminal Intelligence Service of Ontario (CISO), a partnership between the Ontario government and the law enforcement community.</p> <p>OMVIC Inspectors provided mentoring to the inspection team of a newly formed Delegated Administrative Authority (DAA). OMVIC staff helped this newly formed authority develop a CoE and a regulatory compliance model.</p>



# 2019 ANNUAL REPORT

## ACCOMPLISHMENTS

### GOAL 4: IMPROVE ORGANIZATIONAL CAPACITY

Strategic Direction: Optimize services and processes and their delivery through technology

<b>STRATEGY</b>	Optimize services and processes and their delivery through technology
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Expand availability of Board portal	Compensation Fund Board of Directors used online portal to distribute agendas, claims and pre-reading materials to reduce carbon footprint, increase efficiency and reduce costs.  Moved meeting materials for Consumer Protection Advisory Committee to portal.
<b>STRATEGY</b>	Develop and implement IT Strategic Plan
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Establish IT Steering Committee and terms of reference	Established IT Steering Committee (and Terms of Reference). Held quarterly meetings with representatives from across organization.
Develop IT Strategic Plan	Developed IT Strategic Plan for 2019 through 2024 based on four guiding principles:  <ol style="list-style-type: none"><li>1) Enable a modern workplace</li><li>2) Consider enterprise solutions</li><li>3) Use Cloud services where applicable</li><li>4) Meet business needs through shared solutions</li></ol> Presented IT Strategic Plan to Board of Directors, which approved it.
<b>STRATEGY</b>	Identify opportunities to better use OMVIC's online membership functions
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Improve collaboration between online membership users and OMVIC	Contacted non-online users directly and provided assistance to create online account. Contacted registrants with inactive email addresses directly to re-establish email contact and promote online services.
<b>STRATEGY</b>	Identify additional online services for registrants
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Introduce new services	New online salesperson application/reapplication launched.

# 2019 ANNUAL REPORT

## ACCOMPLISHMENTS

### GOAL 4: IMPROVE ORGANIZATIONAL CAPACITY (CONT'D)

Strategic Direction: Increase and improve internal communication, information and knowledge sharing

STRATEGY	Optimize investigative processes
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Review and enhance case assignment and oversight tracking	Reviewed current processes for assigning and tracking work assignments and developed/implemented new business controls at the management level to better track work assignments on individual, team, monthly and annual basis. New controls increased accountability and oversight of investigations.
STRATEGY	Review and revise formalized Key Performance Indicators (KPIs) and outcome strategies
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Review and enhance KPIs to support strategic objectives and inform data-driven decisions	Tracked KPIs. To be refined in 2020 to align with 2020–22 Strategic Plan.

### GOAL 4: IMPROVE ORGANIZATIONAL CAPACITY (CONT'D)

Strategic Direction: Develop a human resources (HR) strategy, policies and processes that support the Strategic Plan

STRATEGY	Optimize investigative processes
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Review and optimize investigative staff roles and responsibilities	Reviewed Investigation Team's structure, deployment, composition and roles. Developed a Resource and Deployment Plan to optimize investigative resources, including additional management resources, realigning administrative, coordinator and court support functions. Added Investigators to ensure Team is right-sized to deliver high-quality, professional investigative services across Ontario.
Review and enhance Investigation Team performance and outcomes	Updated job descriptions for all Investigation positions to reflect current and anticipated job responsibilities. Introduced performance objectives for individual team members to be further enhanced in 2020. Produced Team performance measures quarterly. Shared performance with Investigations Team to chart progress of year-end goals.

# 2019 ANNUAL REPORT

## ACCOMPLISHMENTS

### GOAL 4: IMPROVE ORGANIZATIONAL CAPACITY (CONT'D)

Strategic Direction: Develop a human resources (HR) strategy, policies and processes that support the Strategic Plan (cont'd)

STRATEGY	Review and revise formalized KPIs and outcome strategies
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Explore opportunity to include KPIs in performance reviews (where applicable)	Conducted performance reviews based on individual goals and KPIs where appropriate.

# 2019 ANNUAL REPORT

## ACCOMPLISHMENTS

### GOAL 4: IMPROVE ORGANIZATIONAL CAPACITY (CONT'D)

Strategic Direction: Continue to be fiscally prudent

<b>STRATEGY</b>	Review sustainability of the Motor Vehicle Dealers Compensation Fund
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Review actuarial study and monitor sustainability	Completed study.
<b>STRATEGY</b>	Implement remaining Efficiency Study recommendations
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
<b>Develop plan to implement remaining recommendations:</b> <ul style="list-style-type: none"><li>▪ Review applicant experience</li><li>▪ Review inspections scheduling</li><li>▪ Review investigation resource deployment</li><li>▪ Review Complaints and Inquiries processes, roles and responsibilities, and optimization</li><li>▪ Monitor sustainability of the Compensation Fund</li><li>▪ Digitally integrate the Compensation Fund</li><li>▪ Enhance finance and performance management audit function</li><li>▪ Enhance organization-wide analytics</li><li>▪ Enhance contract and career planning</li><li>▪ Review training procedures</li><li>▪ Review culture and leadership</li></ul>	Plan developed. Implementation of remaining recommendations started.  Developed and submitted Investigations Resource and Deployment Plan for budget consideration. Approved 2020 Operating Budget funding for four additional positions to be filled in early 2020, signalling Senior Management and Board support for improving the team's capacity and culture by adding new knowledge, skills and abilities.

# 2019 ANNUAL REPORT

## ACCOMPLISHMENTS

### GOAL 4: IMPROVE ORGANIZATIONAL CAPACITY (CONT'D)

Strategic Direction: Improve organization's strength through effective succession planning

STRATEGY	Review organization-wide staff complement
<b>2019–21 Targets</b>	<b>2019 Activities and Results</b>
Review staffing requirements to ensure delivery of regulatory responsibilities	Conducted review of staffing, identifying immediate and potential future needs.

# BUSINESS ACCOMPLISHMENTS

## REGISTRATION

### OVERVIEW

In 2019, the number of registered salespeople in Ontario increased to 30,693 from 30,059 in 2018, continuing the growth trend seen since OMVIC's inception. The number of registered dealers (8,188) has remained relatively constant since 2012.

### Online Registration Services

OMVIC Registration staff launched new services and actively promoted the use of online registration services to registrants in 2019. The percentage of dealers registered as online users increased to 82 per cent from 73 per cent in 2018; salesperson usage increased to 88 per cent from 66 per cent in 2018.

These online registration services, which enhance the efficiency of registration processes, include:

- **New Salesperson Application/Reapplication.** Launched in April 2019, new salespersons can complete and submit applications online.
- **Renewals.** Eligible online renewal applications are approved immediately.
- **Salesperson Change Application.** Salespeople can transfer/add their licence to other dealer(s).
- **Pending application checks.** Registrants receive contact information of their assigned Registration staff member. If no application is pending, information and a link are provided for the required registration form.
- **Salesperson termination checks.** Dealers can review a related salesperson's registration.
- **Notifications.** Users receive email notifications for registration expiry, renewal or approval for the dealership or related salespersons.
- **Information update.** Users can update their contact information. Dealers can appoint or cancel their dealer administrator.

- **View online transactions.** Users can view their online transactions for their sales registration. Dealers can view renewal invoices, including their processing fee and their declared transactions for the period.
- **Feedback.** Users can send feedback on online services.

### Registration Activities

In 2019, Registration staff

- processed 802 new dealer applications
- processed 4,665 new salesperson applications
- renewed 7,763 dealer registrations
- renewed 13,464 salesperson registrations
- performed 41,899 other transactions, including registrant information changes, transfers and terminations

### Customer Satisfaction

Dealers and salespersons who interact with OMVIC staff during registration activities are sent an anonymous electronic customer service survey. In 2019, 1,181 surveys were completed. Registration Team members were rated 4.7 for courtesy, 4.8 for knowledge and 4.7 for efficiency on a 5-point scale.

The Registration Team also maintained an average response time of 17 seconds for telephone inquiries through the Automatic Call Distribution (ACD) system, well below the target of one minute.

### Telephone Inquiries

In 2019, OMVIC staff answered 150,578 telephone inquiries, down slightly from 156,922 in 2018. While the use of online services is quickly growing, the number of ACD calls received by the Registration Department in 2019 was 31,951, up from 27,444 in 2018.

# BUSINESS ACCOMPLISHMENTS

## REGISTRATION

### Registration and the MVDA

The Registrar determines whether new applicants meet requirements for registration and if existing registrants will continue to be registered. To gain registration, applicants must meet the preconditions set out in the MVDA; to maintain registration, registrants must adhere to the MVDA and the CoE. Non-compliance with the Act may result in administrative action or a Proposal to Revoke Registration. The Registrar may propose refusal or revocation of registration or propose terms and conditions for registration, as appropriate.

Should the Registrar propose to Refuse or Revoke registration, the affected applicant or registrant may request a hearing before the Licence Appeal Tribunal (LAT). In such cases, the Registrar's office presents the case for refusal or revocation before a Panel of the Tribunal and the applicant or registrant presents their appeal. The Panel may direct the Registrar to carry out, modify or set aside the Proposal and replace it with the Panel's own order. If a recipient of a Proposal does not appeal, the Proposal becomes effective as written.

The Registrar took 1,267 actions in 2019, an increase from 1,174 in 2018. Registrar actions included Proposals to Refuse or Revoke Registration and the inclusion of terms and conditions on registration. In the case of newly registered dealers, such conditions may include the requirement to provide an irrevocable letter of credit to the Motor Vehicle Dealers Compensation Fund. This letter of credit serves to protect the Compensation Fund should consumers have valid claims to the Fund as a result of the dealer's conduct.

Included in the Registrar actions was the issuance of Immediate Suspension Orders to four dealers. An Immediate Suspension is the most severe sanction against a registrant and is used only when OMVIC determines that a dealer's actions pose an imminent threat of public harm. The registration of three of the suspended dealers was eventually revoked; at the time of writing, the other remains suspended pending appeal.

### REGISTRATION ACTIVITIES 2019

ACTIVITY	2015	2016	2017	2018	2019
New Registration: Dealers	694	646	611	711	802
New Registration: Salespersons	3,983	4,166	4,245	4,730	4,665
Renewals: Dealers	7,710	7,770	7,732	7,750	7,763
Renewals: Salespersons	11,757	12,164	12,640	13,072	13,464
Information changes*	33,099	34,305	33,631	38,069	41,899

\*Includes information changes, terminations and salesperson transfers.

# BUSINESS ACCOMPLISHMENTS

## COMPLAINTS AND INQUIRIES

### OVERVIEW

OMVIC's Complaints and Inquiries Team assists both consumers and dealers, providing general advice and a conciliation/dispute resolution service. Complaints can be submitted via email, online, in person, by mail or by phone.

In 2019, the Complaints and Inquiries Team provided conciliation for 1,149 formal complaints. As a result of the Team's efforts and the cooperation of registered dealers, \$1,769,754 was returned to consumers. This amount does not include the significant value of repairs or vehicle exchanges that were also negotiated.

### Customer Satisfaction

The Complaints and Inquiries Team maintains a high level of customer service satisfaction. Feedback was solicited via an anonymous electronic survey from those who participated in the conciliation process. Results from 329 consumer respondents gave average ratings of 4.3 for courtesy, 3.8 for knowledge and 3.6 for efficiency. Of the 146 dealers who responded to the survey, Complaints and Inquiries staff were rated 4.7 for courtesy, 4.6 for knowledge and 4.6 for efficiency.

### Inquiries

Initial consumer contact with the Complaints and Inquiries Team occurs predominately through the ACD centre or online, with subsequent contact largely via email.

In 2019, the Complaints and Inquiries Team managed unprecedented levels of demand for its services, as demonstrated by the increased number of calls through the ACD centre and complaints received via the online complaints portal. The number of ACD calls to the Complaints and Inquiries Department increased to 31,234, from 28,377 in 2018, 27,444 in 2017 and 23,711 in 2016 (see chart). Additionally, the number of online complaints submitted increased to 1,631, from 1,423 in 2018. In addition to the formal online complaints, OMVIC staff responded to 2,965 email inquiries in 2019, from 1,828 in 2018. OMVIC believes this rapidly increasing demand from consumers is due to the success of its ongoing consumer awareness initiatives.



# BUSINESS ACCOMPLISHMENTS

## COMPLAINTS AND INQUIRIES

### The Complaints Process

On first contact with OMVIC, consumers or dealers are commonly provided with self-help instructions to resolve complaints. Complex complaints require direct staff engagement, with the objective being reasonable conciliation between the two parties. Depending on the complexity of the issues and cooperation levels, the process can take hours or months. *Note: OMVIC does not have the authority to compel or order a dealer to cancel a contract, return money or carry out repairs; only the courts have such authority.*

The most common complaints relate to

- vehicle condition concerns (including alleged improperly issued safety standards certificates)
- contract cancellation concerns
- misrepresentation and contract disputes

Should a suitable resolution not be found via the Complaints Process, consumers may consider civil action. If a consumer believes their complaint was not addressed, they can appeal to the Appeals Committee of OMVIC's Board of Directors. The Appeals Committee is chaired by a non-industry Board member. One appeal was filed with the Appeals Committee in 2019.

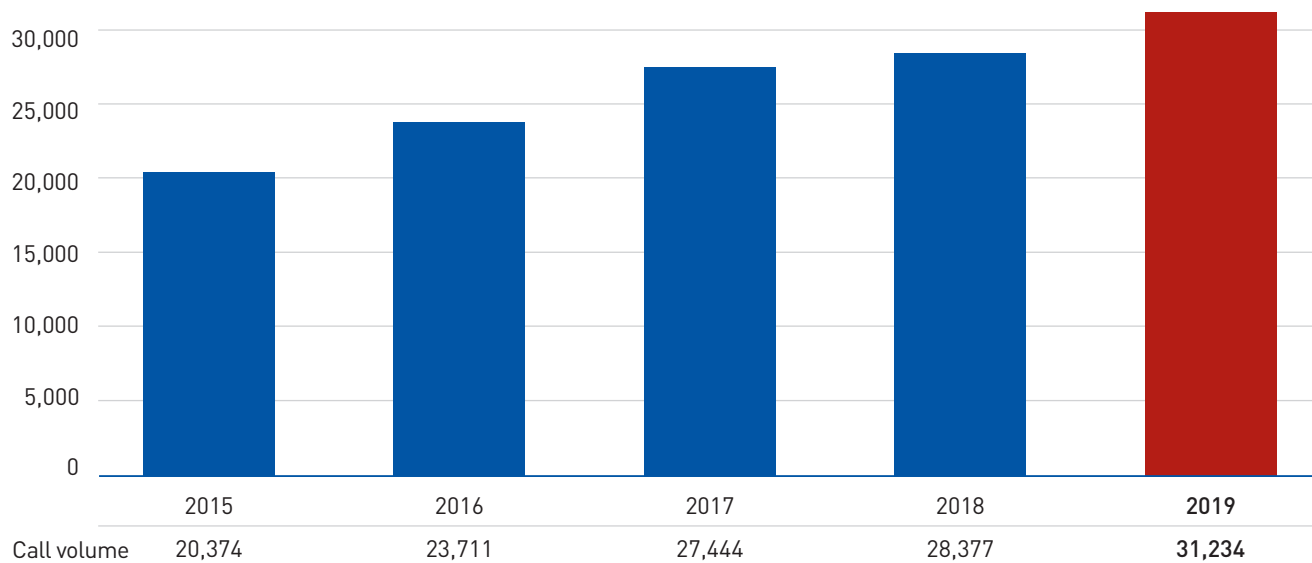
### Translation Service Initiative

To help consumers, particularly New Canadians, navigate the car-buying process or access OMVIC's complaints conciliation service, OMVIC provides a free on-demand translation service. Translation services are available in more than 150 languages. Since implementation, services have been provided in Arabic, Cantonese, Farsi, French, Haka, Hindi, Italian, Korean, Macedonian, Mandarin, Persian, Polish, Portuguese, Punjabi, Romanian, Russian, Somali, Spanish, Tagalog, Tamil, Tigrinya, Turkish and Vietnamese. In 2019, 101 consumers used this service.

# PERFORMANCE OVERVIEW

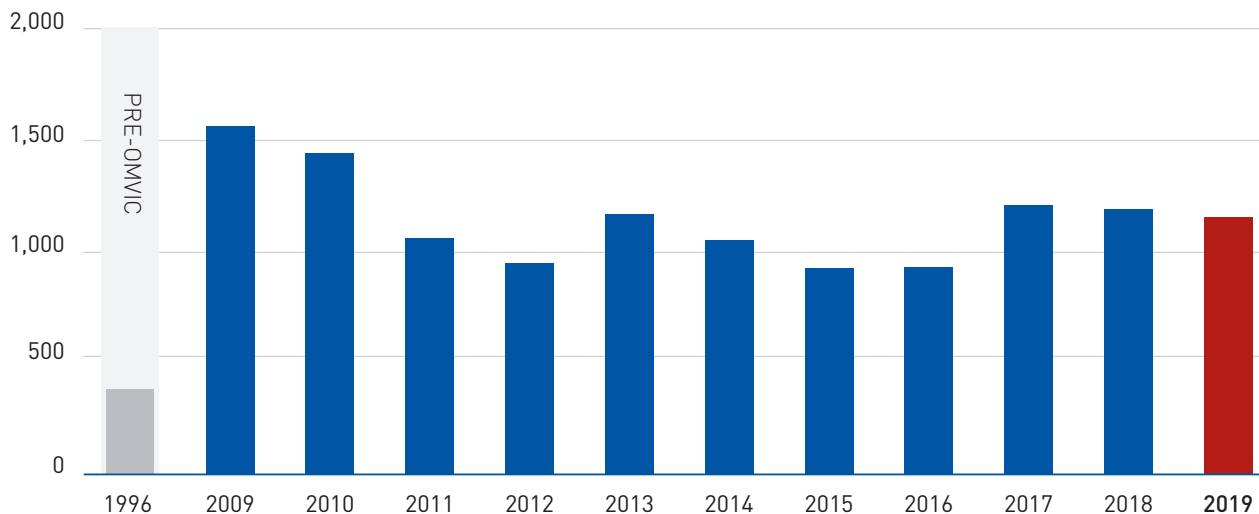
## COMPLAINTS AND INQUIRIES

### AUTOMATED CALL DISTRIBUTION CENTRE CALLS – COMPLAINTS 2019



ACD calls into the Complaints and Inquiries Department has increased more than 30 per cent in the past three years.

### COMPLAINT HANDLING 2019

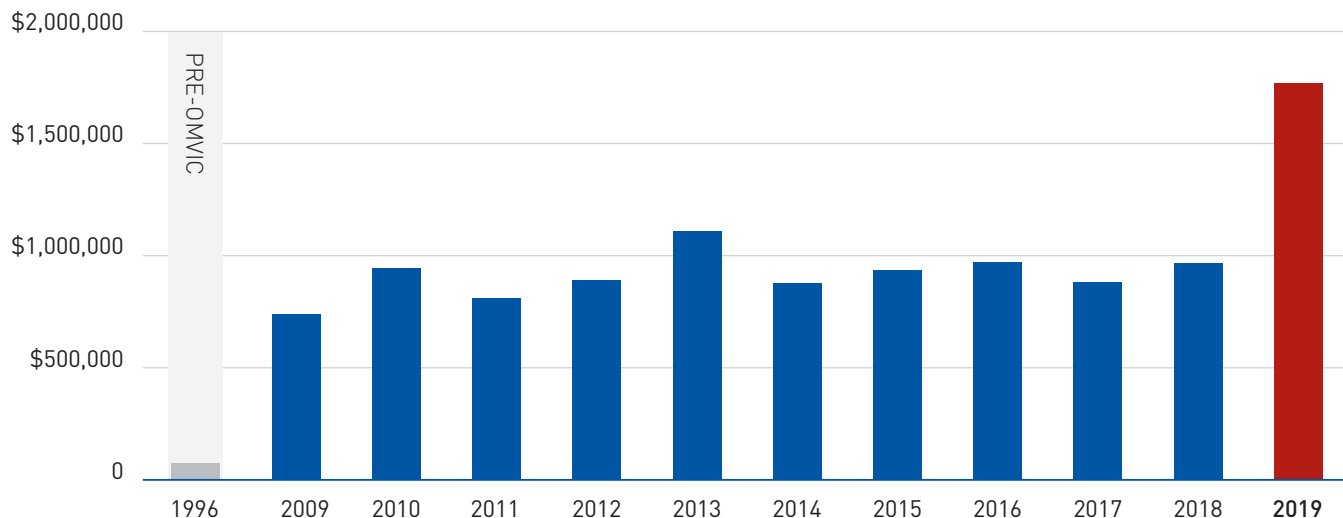


The Complaints and Inquiries Team handled 1,149 formal complaints in 2019.

# PERFORMANCE OVERVIEW

## COMPLAINTS AND INQUIRIES

### CONCILIATION – MONEY RETURNED TO CONSUMERS 2019



As a result of the Complaints and Inquiries Team's efforts, \$1,769,754 was returned to consumers by dealers in 2019. This amount does not include the value of repairs or vehicle exchanges negotiated, nor does it include Compensation Fund payouts.

# BUSINESS ACCOMPLISHMENTS

## COMMUNICATIONS, MEDIA RELATIONS AND EDUCATION

### OVERVIEW

The Communications, Media Relations and Education (CME) Team is the face and voice of OMVIC.

Responsible for external communications to the car-buying public and registrants, the CME Team launched four significant new educational resources in 2019:

- The *OMVIC Academy*
- ServiceOntario educational videos
- *Help for Dealers* Resources
- The Key Elements Course

In addition to these initiatives and conducting its annual Ontario-wide Consumer Awareness Campaign, the CME Team produced news releases, *Dealer Bulletins*, *The Dealer Standard* newsletters, *Consumer Line* newsletters, blogs, pamphlets, infographics, stories and advertorials for paid advertising, and social media posts.

This team of five is also responsible for

- managing news media enquiries
- acting as spokespersons for media enquiries
- managing relationships with marketing suppliers that deliver advertising campaigns and produce videos
- coordinating media-related sponsorships
- coordinating/providing engagement with consumers at tradeshows/events
- creating/editing website content
- providing oversight of the OMVIC Certification Course in partnership with Georgian College
- managing the development of new educational courses/resources
- managing the relationship with providers for delivery of the in-class Certification Course
- developing and delivering educational resources, seminars, webinars and presentations for registrants
- developing and delivering educational resources and seminars for consumers

### CONSUMER AWARENESS

OMVIC develops and provides messaging to inform consumers and provide them with information necessary to make safe and educated car-buying decisions. OMVIC's 2019 consumer awareness messaging promoted awareness of:

- the right to all-in price advertising (necessitated by significant dealer non-compliance identified through mystery shopping initiatives)
- the dangers posed by curbsiders (illegal, unlicensed dealers)
- the potential effects of extended-term auto loans (ETLs) and negative equity
- the protections afforded consumers when buying from a registered dealer
- general car-buying tips
- OMVIC's role and mandate

This messaging was delivered in part via a formal advertising campaign, targeted sponsorships, earned media, ad hoc advertising, social media and direct outreach, including

- an annual consumer awareness campaign using multiple advertising media
- the *OMVIC Academy* educational videos and supporting resources
- feature stories in print and online publications
- engagement with mainstream media
- direct outreach to consumers via blogs, newsletters, seminars and participation in tradeshows and other events
- partnership and sponsorship opportunities
- social media



Consumer seminar

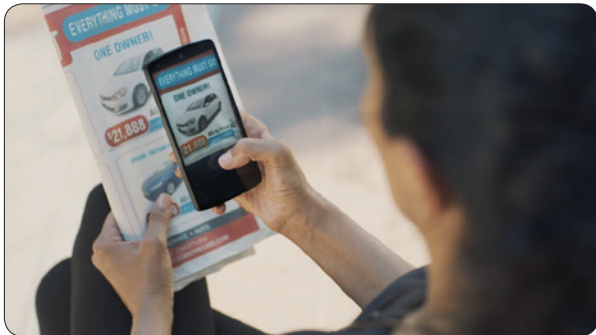
# BUSINESS ACCOMPLISHMENTS

## COMMUNICATIONS, MEDIA RELATIONS AND EDUCATION

### Annual Consumer Awareness Campaign

Ontario car buyers have a right to all-in price advertising, meaning a dealer's advertised price for a new or used vehicle must include all fees and charges the dealer intends to collect, with the exception of HST and licensing. Unfortunately, research conducted by OMVIC still finds unacceptable levels of non-compliance with the all-in pricing regulations by some dealers.

To help ensure consumers are educated, OMVIC continued its *Take a Picture* awareness campaign in 2019. The campaign instructs car buyers to "take a picture of the dealer's advertisement and take it with you to your dealer; because the dealer should not charge more than the advertised price."



Still from 30-second TV commercial "Take a Picture"

The messaging is designed to empower consumers and help protect them should they encounter non-compliant advertising.

The campaign used TV, radio, online and social media advertising. To help reach New Canadians, many of whom are unfamiliar with Ontario's consumer protection laws, radio advertisements were also broadcast in Mandarin and Cantonese and Google search ads appeared in French, Hindi, Urdu, Arabic, Portuguese, Spanish, Mandarin and Russian.

In addition to maintaining awareness of all-in price advertising, the campaign helped generate 243,618 views of the all-in price advertising webpage. The average time on the page was two minutes and 36 seconds.

### OMVIC Academy

The *OMVIC Academy* is a unique educational resource designed primarily for first-time car buyers and New Canadians. Taking style cues from sitcoms of the 80s and 90s, each two-to-three-minute *OMVIC Academy* video features a recurring cast of likeable and relatable characters and provides important car-buying lessons. Viewers follow Ling, Ellen, Justin and Timmy on their journey to becoming confident car buyers as they are guided by the knowledgeable "Professor OMVIC."

The five *OMVIC Academy* videos provide "students" with fun and engaging (and free) resources, that will help ensure they understand:

1. Dealer advertising
2. Vehicle financing and the potential pitfalls of extended-term loans (negative equity)
3. Curbsiders, the illegal, unlicensed dealers who often sell rebuilt wrecks or vehicles with rolled-back odometers
4. The legal protections consumers are granted when purchasing from a registered dealer
5. How to protect themselves if buying a vehicle privately

*Note: Each video is available with French, Punjabi and Simplified Chinese subtitles.*

In addition to the videos, OMVIC created a downloadable *OMVIC Academy Car-Buying Guide* and a *Teachers Manual* so that the resources could be used in driving schools and high schools.

A custom URL, [omvicacademy.ca](http://omvicacademy.ca), was created and received 16,039 pageviews.

### ServiceOntario

OMVIC produced four 20-second videos for display on digital screens in 20 ServiceOntario locations. The videos are intended to educate viewers about their right to all-in price advertising, the dangers posed by curbsiders, questions to ask when buying a vehicle privately and OMVIC's role as regulator.

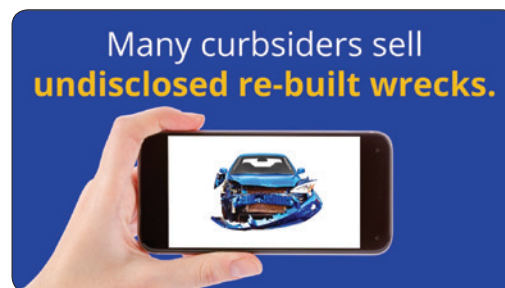
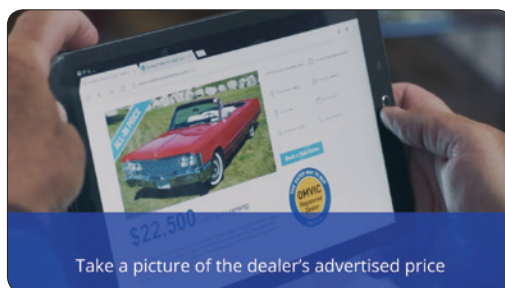
OMVIC is grateful to ServiceOntario and the Ministry of Government and Consumer Services for making this channel available and helping educate Ontario's vehicle buyers.

# BUSINESS ACCOMPLISHMENTS

## COMMUNICATIONS, MEDIA RELATIONS AND EDUCATION



OMVIC Academy Car-Buying Guide and stills from OMVIC Academy videos which are available with French, Punjabi and Simplified Chinese subtitles.



Stills from four 20-second videos displayed on digital screens in ServiceOntario locations. Produced in English and French.

# BUSINESS ACCOMPLISHMENTS

## COMMUNICATIONS, MEDIA RELATIONS AND EDUCATION

### Direct Outreach

In 2019, OMVIC delivered 35 Car-Buying Seminars to consumer and community groups and engaged thousands of consumers at eight tradeshows and other events, including the Canadian International AutoShow, the Ottawa and Georgian College Auto Shows, the Student Life Expo, the National Women's Show and the Zoomer (seniors') show.

OMVIC's Car-Buying Seminar is delivered free to community groups, libraries, schools and newcomer centres across Ontario. The seminar provides car-buying tips and information related to consumer rights, including:

- resources to help conduct vehicle research
- considerations when choosing a vehicle, including financing, ETLs and negative equity
- required disclosures
- all-in price advertising
- curbsiders, the danger they pose and how to spot them
- what to do if problems arise
- OMVIC's role and services
- the Motor Vehicle Dealers Compensation Fund

OMVIC maintained a strong social media presence, including 374 Facebook posts, 708 tweets, 50 blogs, 11 Instagram posts and 100 LinkedIn posts.



### Partnership, Sponsorship and Advertising Opportunities

OMVIC's advertising and partnership outreach in 2019 included

- sponsoring the Automobile Protection Association's *Lemon Aid Car Show*
- sponsoring Car Help Canada's *Car Help Podcast*
- sponsoring *Dave's Corner Garage* (SiriusXM Canada and AM740), a program targeting consumers seeking vehicle information

These initiatives enabled OMVIC to raise awareness of its role as a regulator, to inform and educate and thereby protect consumers, and to support vital initiatives conducted by stakeholders.



In continued partnership with the Ministry of Government and Consumer Services, OMVIC

promoted the Consumer Protection Ontario (CPO) brand. This branding included the prominent display of the CPO logo on OMVIC's website and brochures, maps, infographics, etc.



ImportFest



National Women's Show

## CONSUMER AWARENESS

### MEASURE

### GOAL

### 2019

Percentage of consumers surveyed who are aware that motor vehicle dealers must be registered

>43%

75%

Percentage of consumers surveyed who do not know what a "curbsider" is

<49%

45%

# BUSINESS ACCOMPLISHMENTS

## COMMUNICATIONS, MEDIA RELATIONS AND EDUCATION

### EDUCATION AND DEALER PROFESSIONALISM

#### Automotive Certification Course

The OMVIC Certification Course is mandatory for anyone seeking registration as a dealer or salesperson in Ontario. In 2019, a record 7,478 students enrolled in the course. The program is administered by the Automotive Business School of Canada (Georgian College). Successful students who become registered with OMVIC earn the C.A.L.E. designation (Certified in Automotive Law and Ethics).

The Certification Course is available in class or online for home study.

#### Help For Dealers Campaign

Working with the feedback provided by a survey of more than 3,000 registrants regarding possible alternative information delivery methods, the CME Team developed and launched the *Help for Dealers* resources and webpages in early 2019.

Hosted by Vic, five animated *Help for Dealers* videos and the accompanying toolkit promote professionalism and compliance by helping dealers and salespeople understand the MVDA. Topics covered include

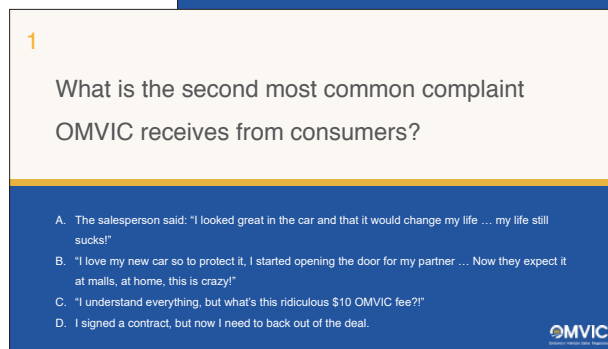
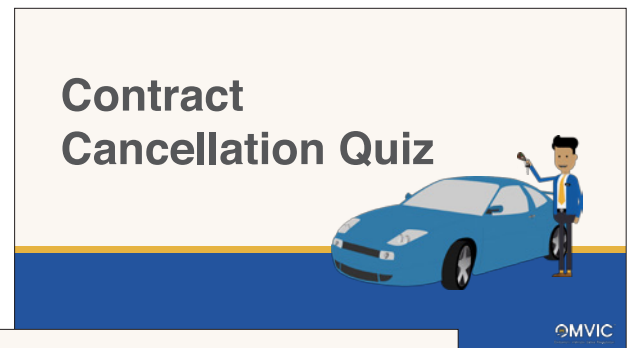
- all-in price advertising
- handling contract cancellations
- disclosing collision repairs
- disclosing vehicle condition and needed repairs
- disclosing negative equity on bills of sale



The toolkit provides registrants with

- quizzes
- fact sheets
- all-in price calculator
- negative equity calculator
- advertising templates
- educational posters
- inspection checklist

To promote use of these resources, a campaign was launched targeting all registrants via email, bulletins, newsletter and online advertising, resulting in 12,107 pageviews.



Sample pages from MVDA Quizzes found in the *Help for Dealers* Resource Toolkit.



# BUSINESS ACCOMPLISHMENTS

## COMMUNICATIONS, MEDIA RELATIONS AND EDUCATION

### Key Elements Course

The KEC was developed by OMVIC and The Automotive Business School of Canada (Georgian College), with the invaluable assistance of the Used Car Dealers Association. The course was specifically designed for currently registered dealers, managers and salespeople who have not previously taken the OMVIC Certification Course (i.e., those registered before 1999) and for those who took the Certification Course prior to 2010, when the “new” MVDA was introduced.



Presented in six chapters (Premises and Records, Contract Requirements, Disclosure Requirements, Advertising, CPA and CoE Regulations), the KEC helps dealers and salespeople ensure compliance with the current regulations and legislation governing the retail automotive industry, including the MVDA, the CPA and the *Sale of Goods Act*.

Individuals who successfully pass the MVDA KEC and maintain registration with OMVIC earn the C.A.L.E. designation (Certified in Automotive Law and Ethics).

The KEC provides registrants, particularly the 10,500 who are grandfathered or who passed the Certification Course prior to significant regulation changes in 2010, with a relatively short educational experience to ensure they understand and can comply with the current regulations. Unfortunately, voluntary uptake of the KEC was disappointing, with only 36 registrants enrolling despite significant marketing of the course.

*The Dealer Standard*, OMVIC’s registrant newsletter

### The Dealer Standard

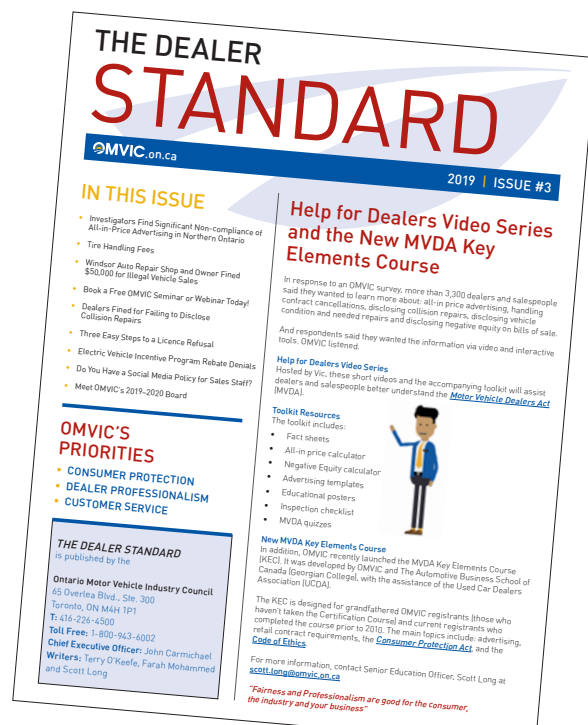
OMVIC’s registrant newsletter, *The Dealer Standard*, provides ongoing communication with the dealer/salesperson community. Features promote professionalism, education and awareness by reporting on OMVIC activities and industry news, trends and events and by providing information about compliance assistance. Four issues were published in 2019.

### Dealer Bulletins

*Dealer Bulletins* are issued on an ad hoc basis to make dealers and salespeople aware of current topics or issues. Often these bulletins are meant as reminders—or warnings—to stem identified or trending non-compliance. In 2019, 14 *Dealer Bulletins* were distributed.

### Seminars and Webinars

The Communications and Education Team delivered 20 educational seminars and webinars to dealers and dealer groups in 2019. These presentations, designed to maintain or improve compliance, are provided at no cost to interested registrants.



# BUSINESS ACCOMPLISHMENTS

## COMPLIANCE

### INSPECTIONS – COMPLIANCE AND EDUCATION

OMVIC's Inspection Team consists of an experienced group of professionals with an average tenure of nine years of field experience. A new position of Manager of Inspections was filled in 2019, ensuring the Team is equipped and able to answer questions and deliver feedback and advice to registrants, identify issues of non-compliance and assist dealers at every opportunity.

In 2019, Inspectors conducted 2,363 compliance audits and provided information and assistance to registrants with issues related to registration, regulations in general, advertising and the CoE.

The majority of inspections are initiated using risk-based criteria. The process for identifying risk was reviewed and refreshed again in 2019, emphasizing expedited inspections of dealers about which there are lien non-payout concerns or other issues of serious consumer harm related to misrepresentation of vehicle past-use, history or condition. The issue most often identified as non-compliant with the regulations and CoE continues to be related to non-disclosure of previous accidents/incidents.

As a result of expedited inspections, OMVIC issued three Immediate Suspension Orders.

In anonymous registrant surveys, OMVIC inspectors again received high scores (4.9 out of 5) in the areas of courtesy, knowledge and efficiency. These scores reflect the Team's values and the importance placed by registrants on a respectful interaction.

By their nature, inspections deter non-compliance, but, just as importantly, they provide valuable insight into industry trends and practices, provide opportunities to answer registrant questions and allow for face-to-face dealer education.

#### New Dealer Inspections

Newly registered dealers are usually inspected within the first 60 days of operation to ensure OMVIC's expectations are understood and financial reporting systems are in place, to build rapport with registrants, and to identify and correct compliance concerns early.

### STANDARDS OF BUSINESS PRACTICE

Standards of Business Practice staff provide advice to registrants and advertisers (and OMVIC field staff) about the MVDA, CoE, SoBP and CPA advertising requirements to ensure compliance. In 2019, the SoBP Team

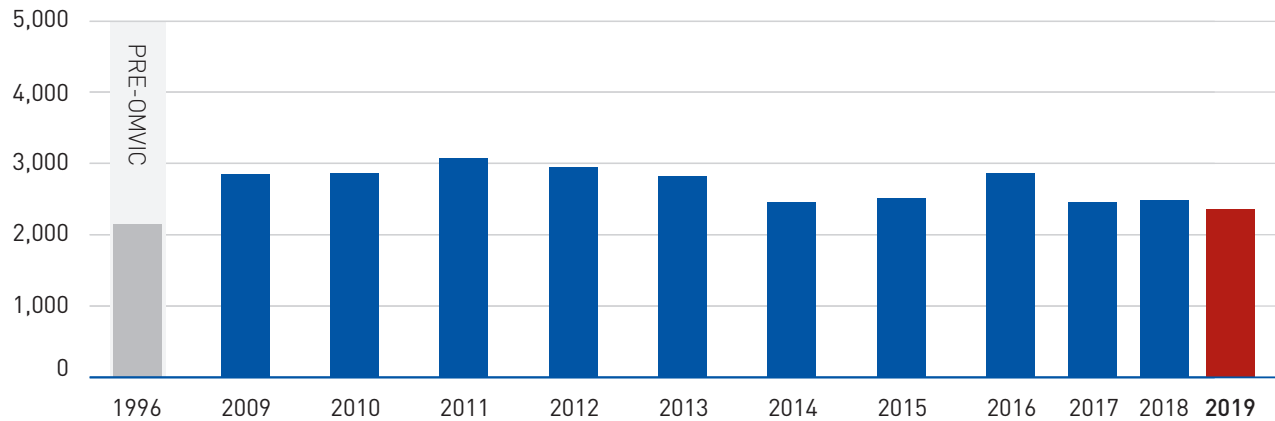
- communicated with dealers on 318 occasions to advise of the need for corrective measures with advertising; in some instances, the ads in question were discovered by the SoBP Team as part of their advertising monitoring role, while others were brought to their attention by dealers, members of the public or OMVIC staff
- answered 365 inquiries from dealers and advertising agencies requesting advice about advertising and CoE matters
- participated in educational presentations to dealers
- conducted undercover shopping with Investigators to expose non-compliance with all-in price advertising regulations

Additionally, SoBP staff issued 71 formal caution letters related to conduct or advertising concerns and initiated 46 Notices of Discipline (for alleged breaches of the CoE) from various departments, including Inspections, Complaints and Investigations. SoBP staff were able to negotiate agreements and undertakings that resulted in restitution to consumers stemming from non-compliance with the CoE.

# PERFORMANCE OVERVIEW

## COMPLIANCE

### INSPECTIONS 2019



During 2019, Inspectors completed 2,363 inspections, including dealerships visited more than once because of unavailability of records or scheduling difficulties.

# BUSINESS ACCOMPLISHMENTS

## MOTOR VEHICLE DEALERS COMPENSATION FUND

### OVERVIEW

The Compensation Fund, a dealer-funded trust, provides financial assistance to consumers who have a valid claim against an OMVIC-Registered Dealer. The Compensation Fund is intended as a last resort for consumers. Eligible claimants may qualify for up to \$45,000 per vehicle transaction. The Compensation Fund is the oldest and largest fund of its kind in Canada.

The volume of claims, while still significant, was down from the historic highs of 2017. In 2019, 44 claims were received: 20 were approved or partially approved, resulting in total payments of \$235,192 to consumers; four were deferred while awaiting additional information; one was denied; and one claimant received restitution from the dealer they transacted with. As a result of significant staff efforts from multiple

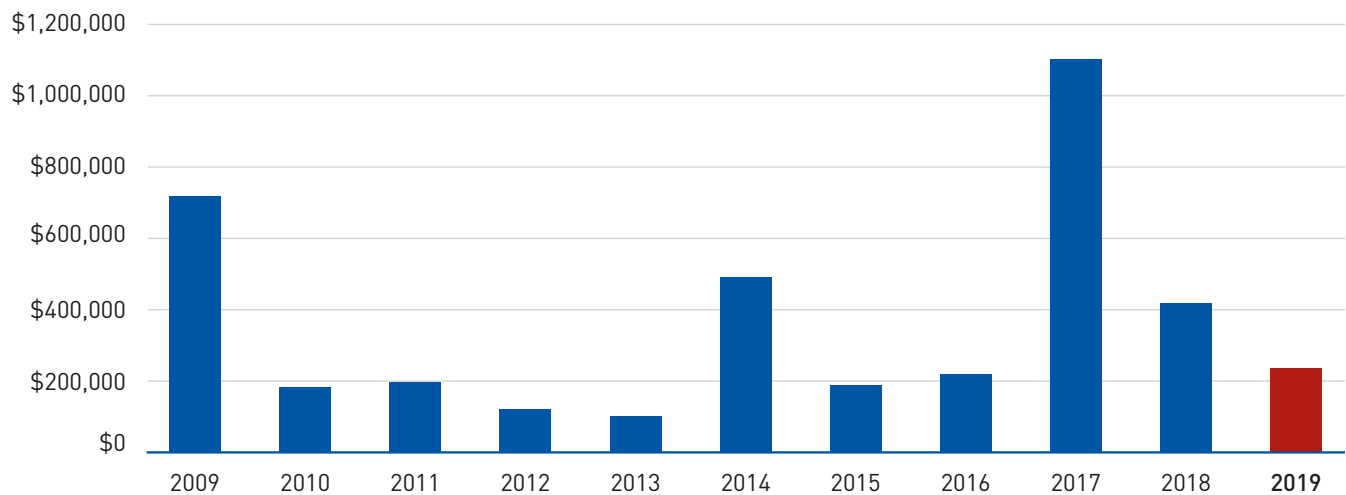
departments, the settlement of 19 claims, most related to material misrepresentation of Electric Vehicle rebate eligibility, were negotiated, resulting in consumer restitution prior to presentation of the claims to the Board.

The average claim payout was \$11,750.

### MAJOR CLAIM EVENTS IN 2019

The Compensation Fund continued to pay claims related to dealers whose registration was immediately suspended and revoked due to lien non-payments, warranty non-submittals and deposits on undelivered motor vehicles. In the case of **Marcel Motors Ltd., o/a Eastside Better Used Cars**, the Compensation Fund was able to offset some of the claim payouts against a \$30,000 letter of credit on file.

### COMPENSATION FUND – ANNUAL CLAIMS 2019



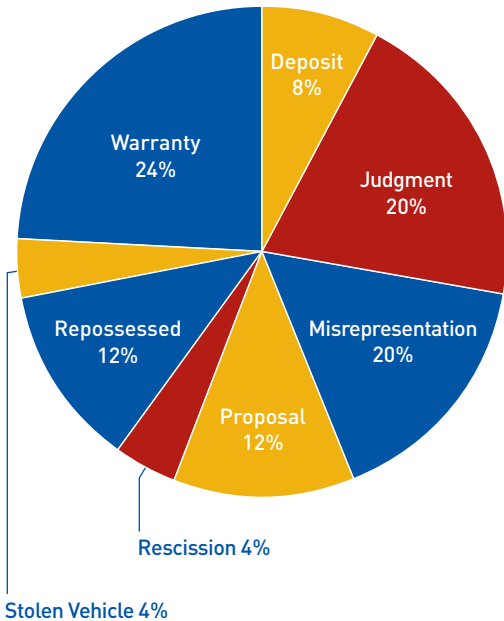
In 2019, the Compensation Fund reimbursed \$235,191.98 to 20 consumer claimants.

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Average Claim	\$4,068	\$4,125	\$6,301	\$4,303	\$5,015	\$16,411	\$8,363	\$5,944	\$16,111	\$10,308	\$11,750
Number	176	44	31	29	20	30	22	37	69	40	20
Paid	\$716,044	\$181,485	\$195,342	\$124,792	\$100,307	\$492,334	\$183,976	\$219,920	\$1,111,673	\$402,000	\$235,192

# BUSINESS ACCOMPLISHMENTS

## MOTOR VEHICLE DEALERS COMPENSATION FUND

### ELIGIBILITY CRITERIA FOR CLAIMS RECEIVED IN 2019



The criteria for filing a claim to the Compensation Fund are set out in the MVDA (details at right).

### ELIGIBILITY CRITERIA FOR CLAIMS

**Rescission:** The dealer seriously misrepresented the vehicle and the consumer would be eligible for cancellation of the contract under Section 50 of the MVDA.

**Conviction:** The dealer has been convicted of an offence related to the trade in the motor vehicle.

**Deposit:** The dealer failed to return a deposit to a consumer on an undelivered motor vehicle.

**Warranty:** The dealer failed to remit payment on an extended warranty contract or has not paid for a repair that would have been covered by the dealer's warranty.

**Judgment:** The dealer failed to satisfy a court judgment.

**Misrepresentation:** The dealer made a material misrepresentation about the motor vehicle.

**Proposal:** The dealer's registration was revoked by the Registrar for issues related to the consumer's transaction.

**Repossessed:** The vehicle was repossessed by a creditor due to an unsatisfied lien.

**Stolen Vehicle:** The vehicle was seized by police as stolen.

### MEMBERS OF THE COMPENSATION FUND BOARD OF TRUSTEES

**Cliff Pilon, Secretary-Treasurer and Interim Chair**  
Dealer Representative

**Matt Rispin, Interim Vice Chair**  
Dealer Representative

**Mohamed Bouchama, Past Chair**  
Consumer Representative and Ministerial Appointee

**Paul Tinney**  
Dealer Representative

**Jawaad Khurshid**  
Dealer Representative

**Nazreen Ali**  
Consumer Representative

# BUSINESS ACCOMPLISHMENTS

## INVESTIGATIONS AND ENFORCEMENT

### OVERVIEW

OMVIC's Investigations Team consists of one Director, one Manager, one Team Coordinator, and 16 Investigators. Most members of the Team have previous police experience and/or extensive police training. Investigators are appointed as Provincial Offences Officers under the POA.

Investigators are deployed across Ontario and empowered to conduct investigations, execute search warrants and lay charges under relevant provincial legislation, including the MVDA and the CPA, on behalf of OMVIC.

Investigations are initiated as a result of information received from various sources, including referrals from OMVIC staff, consumers, police/law enforcement agencies, registrants and trade associations. If substantiated, complaints against a registrant can result in referral to the Discipline Committee, prosecution in the Ontario Court of Justice and/or issuance of a Proposal to Revoke or Suspend Registration. Curbsider enforcement is conducted through POA prosecution.

2019 was a significant year for the Investigations Team, with steps taken to build additional investigative capacity and capability by recruiting new members to the Team. A new Director of Investigations was hired in June, bringing new leadership and experience to the Team. In the fall, four Investigators retired from OMVIC and four new Investigators were hired as replacements. Additional hiring is expected in 2020 to add new experience, skills and abilities to the Team.

### INVESTIGATIONS

Investigations fall into three broad categories: industry misconduct, unregistered dealers (curbsiders) and assistance to other law enforcement agencies. The MVDA requires dealers and salespeople to cooperate with an investigation.

Investigators conducted 330 investigations in 2019, 162 related to industry conduct and 168 related to illegal sales (curbsiding). The Investigations Team laid a total of 778 charges against 63 entities, specifically, 350 charges

against 24 registrants and 428 charges against 39 alleged curbsiders. The Team assisted law enforcement agencies with 29 separate police investigations.

### INDUSTRY MISCONDUCT

Industry misconduct typically involves allegations of non-compliant advertising, failure to disclose required information, falsification of records or unfair business practices, including false, misleading, deceptive or unconscionable representations. Industry misconduct investigations are typically initiated from consumers complaints.

To determine if a dealer or salesperson has been charged or convicted of an offence under the MVDA or CPA, a member of the public can visit OMVIC's website at (<http://bit.ly/OMVICip>).

### CURBSIDERS

Curbsiders are illegal, unlicensed vehicle dealers. They often pose as private sellers, though some operate from small automotive businesses (e.g., repair shops and rental companies). Curbsiders not only misrepresent themselves, they often misrepresent the vehicles they sell, many of which are previous write-offs with undisclosed accident repairs or are odometer tampered.

Curbsiding investigations are most often initiated from consumer tips or dealer/trade association complaints.

Curbsiding can be reported anonymously to OMVIC's Investigations Team through a toll-free number (1 888 NO-CURBS) or via email ([nocurbs@omvic.on.ca](mailto:nocurbs@omvic.on.ca)).

# BUSINESS ACCOMPLISHMENTS

## INVESTIGATIONS AND ENFORCEMENT

### ASSISTANCE TO OTHER LAW ENFORCEMENT AGENCIES

OMVIC's Investigations Team has developed strong relationships with police services across Ontario. In 2019, OMVIC responded to 29 requests for assistance from various law enforcement and government agencies. Assistance included providing industry- or dealer-specific information, joint operations and search warrants, vehicle thefts, and information and criminal intelligence.

OMVIC's Investigations Team is a member of the Criminal Intelligence Service of Ontario. CISO is a partnership between the Ontario government and the law enforcement community. CISO links organizations responsible for intelligence gathering, criminal investigations and enforcing various provincial and/or federal statutes. These connections make it possible for police and government to work together effectively to fight organized crime.

Since 2014, in association with the Canadian Police College in Ottawa, OMVIC has delivered the Specialized Vehicle Theft Investigative Techniques course to police officers from across Canada. OMVIC's Investigations Team is responsible for delivering this specialized training, which is offered annually. OMVIC Investigators are uniquely positioned to provide this training to combat automotive crime because of their specialized knowledge and expertise. In 2019, the course curriculum was updated to reflect the latest trends and developments in this evolving field of criminal activity. During the year, 24 police officers attended this OMVIC-instructed course. In addition, OMVIC Investigators are members of the International Association of Auto Theft Investigators and the Provincial Auto Theft Network.

### MYSTERY SHOP PROGRAM – ALL-IN PRICING

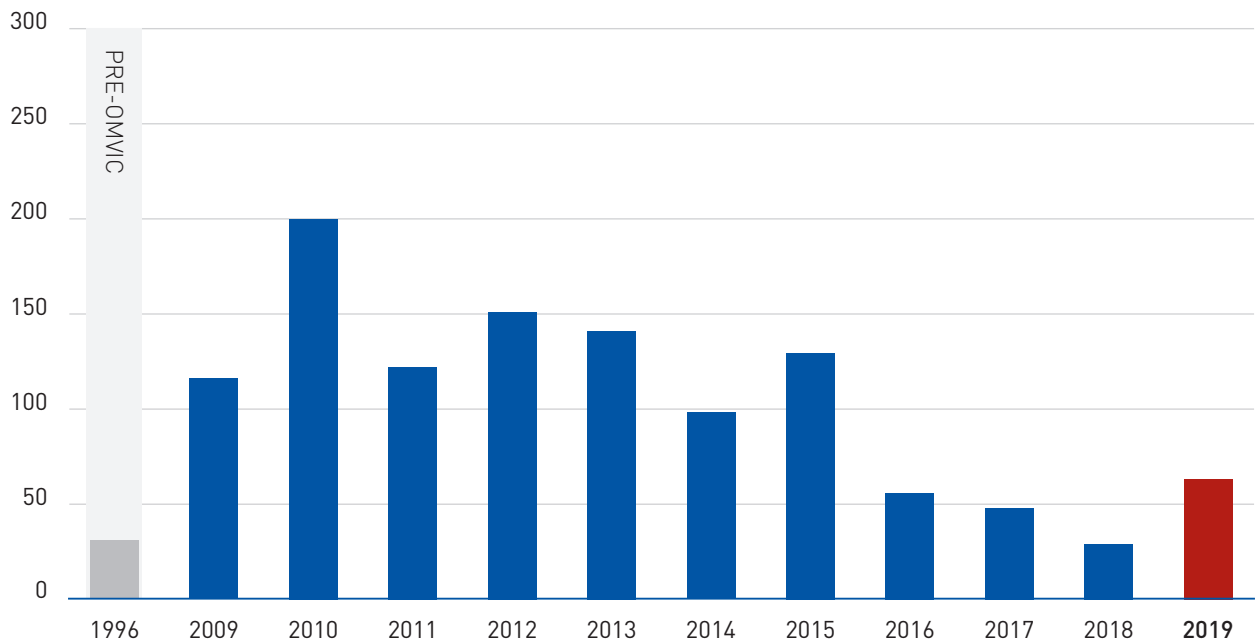
In 2019, the Investigations Team conducted two Mystery Shop Projects, one in Sudbury, the other in Sault Ste. Marie. Both Sudbury and Sault Ste. Marie are considered "closed" markets, with limited options to shop for a vehicle from a registered dealer without driving for several hours to other large communities. The primary goal of the Mystery Shops was to determine the level of compliance with all-in pricing requirements by dealers in the identified municipalities.

A total of 28 dealerships were randomly selected in the two communities, and then secret-shopped by trained OMVIC staff using then-current advertisements to determine if all-in pricing requirements were being followed. Of the 28 dealerships shopped, 14 were found to be non-compliant with the MVDA all-in price advertising regulation, resulting in enforcement (charges) or administrative action (discipline or formal cautions). The results of these Mystery Shops were disappointing to OMVIC and the level of compliance with all-in price advertising by dealers continues to be a concern. The Investigations Team, in addition to ongoing compliance, communications and education initiatives, is examining ways to increase the overall level of compliance for all-in price advertising requirements in 2020.

# PERFORMANCE OVERVIEW

## INVESTIGATIONS AND ENFORCEMENT

### ENTITIES CHARGED 2019



In 2019, 63 entities were charged and 20 went through the Discipline Process in lieu of facing charges.



# BUSINESS ACCOMPLISHMENTS

## INVESTIGATIONS AND ENFORCEMENT

### PROVINCIAL OFFENCES INVESTIGATIONS/ PROSECUTIONS

OMVIC enforces the MVDA and certain provisions of the CPA on behalf of the Ministry of Government and Consumer Services. Should an OMVIC Investigator believe a dealership or salesperson has breached the MVDA, the Investigator can charge the individual or corporation. Once the accused has been served a summons, a trial will take place in the Ontario Court of Justice.

OMVIC Legal Staff act as prosecutors; the accused normally appears with their own legal representation.

If convicted, the maximum penalties under the MVDA are as follows:

- for an individual: \$50,000 fine and/or two years less a day in provincial jail
- for a corporation: \$250,000 fine

In 2019, a total of 778 charges were laid by the Investigations Team:

- 168 against non-registrants (curbsiders)
- 162 against registrants

### NOTABLE PROVINCIAL OFFENCES INVESTIGATIONS/PROSECUTIONS

#### Mississauga Curbsider Received 30-Day Jail Sentence

Illegal vehicle sales and odometer tampering resulted in a 30-day jail sentence for a Mississauga man.

**Szymon Kozlowski** was found guilty of curbsiding—acting as a dealer without registration—contrary to the MVDA and of committing an unfair business practice—making a false, misleading or deceptive representation—in contravention of the CPA.

Evidence gathered by OMVIC Investigators showed that Kozlowski bought vehicles from private citizens between 2016 and 2017. Kozlowski then advertised the vehicles on Kijiji and resold them; some had had their odometers rolled back. In one case, Kozlowski sold an unsuspecting consumer a 2008 Toyota with an odometer that read 56,753 kilometres when in reality the car had more than 309,800 kilometres on it. At his sentencing hearing in Mississauga Provincial Offences Court, Kozlowski was convicted on four counts of curbsiding and four counts of committing an unfair business practice. He was taken into custody to begin serving a 30-day jail sentence. Kozlowski was also placed on probation for two years.

#### Windsor Auto Repair Shop and Owner Fined \$50,000 for Illegal Vehicle Sales

As a result of charges laid by OMVIC, a Windsor auto repair business and its owner received significant fines for illegal vehicle sales.

2207113 Ontario Inc., operating as **Downtown Auto Center**, located at 663 Glengarry Ave., Windsor, and company owner, **Mohsen Farahat**, pleaded guilty to a total of 20 charges of curbsiding and received fines totalling \$50,000.

This was not a case where the accused was unaware he was breaking the law.

In 2012, Farahat, a licensed mechanic, applied for OMVIC Registration. His application was denied when it was determined he failed to provide accurate information in his application. Specifically, he did not provide information about a conviction under the *Highway Traffic Act* for issuing a Safety Standards Certificate to a vehicle found not to be in compliance with the vehicle standards. Farahat unsuccessfully appealed the decision. In its final notice on the matter, OMVIC cautioned Farahat against trading in motor vehicles. However, at the guilty plea, the court heard evidence Farahat and Downtown Auto Center had sold a large number of vehicles, most purchased from an auction that disposes of insurance company write-offs.

Downtown Auto Center pleaded guilty to 15 counts of curbsiding and Farahat pleaded guilty to five. They were fined \$2,500 for each count plus the mandatory Victim Fine Surcharge.

# BUSINESS ACCOMPLISHMENTS

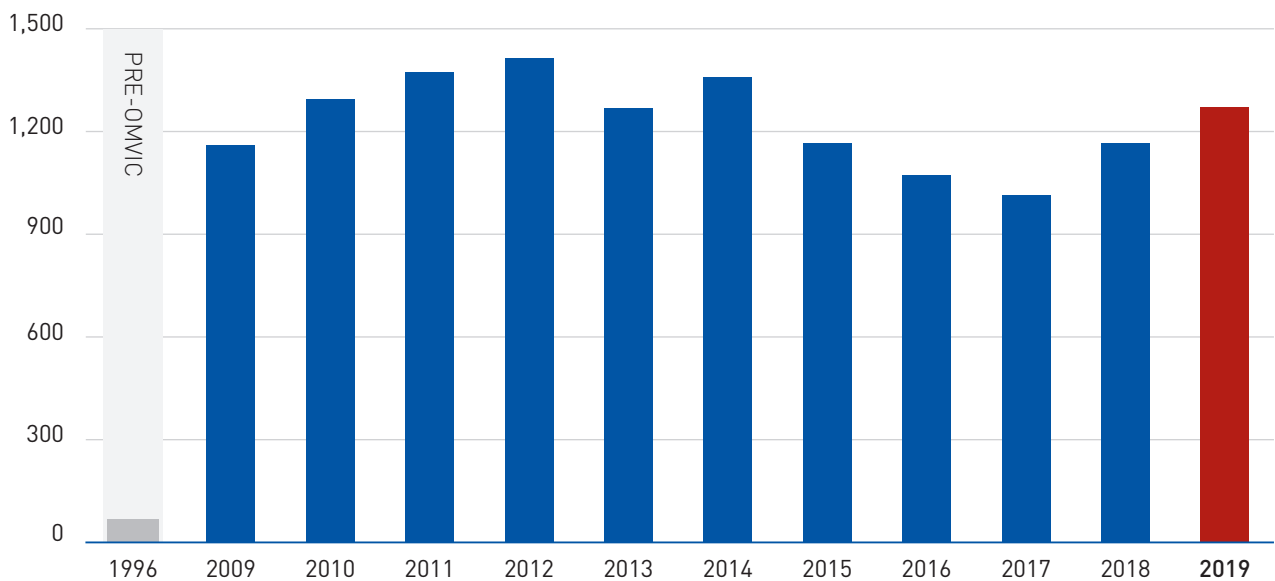
## LEGAL AND PROSECUTIONS

### OVERVIEW

Ensuring compliance with laws for vehicle trade requires a multifaceted approach to enforcement. The Registrar's authority to issue a Proposal to Refuse, Suspend, Revoke or Refuse to Renew Registration is a primary component of OMVIC's enforcement activities. These Proposals are reserved for the most serious compliance and enforcement concerns. OMVIC's Legal Department litigates before the Licence Appeal Tribunal,

OMVIC's Discipline and Appeals Committees and all levels of court. The department issued 55 Proposals in 2019. The department also provides legal and strategic advice to the Board, Registrar, Chief Executive Officer, Compensation Fund, senior management and staff.

### REGISTRAR'S ACTIONS 2019



Registrar actions include issuing Proposals to Suspend, Refuse or Revoke Registration and to impose terms and conditions of registration. In 2019, there were 1,267 Registrar actions.

# PERFORMANCE OVERVIEW

## LEGAL AND PROSECUTIONS

### LICENCE APPEAL TRIBUNAL (LAT)

Dealers or salespeople may appeal Proposals to Refuse, Revoke, Suspend or apply terms and conditions to their registration to LAT, an independent adjudicative agency that hears appeals of licensing and administrative matters. In 2019, there were 72.5 days of LAT hearings related to OMVIC matters.

For more information on LAT, visit: [www.slsto-tsapno.gov.on.ca/en/](http://www.slsto-tsapno.gov.on.ca/en/)

### NOTABLE LICENCE APPEAL TRIBUNAL CASES

#### **Marcel Motors Ltd. o/a Eastside Better Used Cars and Nitin Chopra**

LAT upheld OMVIC's Proposal to Revoke the Registration of **Eastside Better Used Cars** as a motor vehicle dealer and **Nitin Chopra** as a salesperson. The Registrar had also ordered an immediate temporary suspension of registration as a matter of public interest against both Chopra and Eastside.

In ordering the revocation, the Tribunal found that Chopra and Eastside failed to comply with conditions on their registration. The Tribunal also found that they failed to pay out liens on trade-ins in a timely manner and failed to pay to warranty companies the funds purchasers paid for extended warranties.

These findings afforded reasonable grounds for belief that Chopra and Eastside would not carry on business in accordance with the law or with integrity and honesty. Chopra was an officer and director of Eastside.

#### **Linton Philip Scott and Christine Kadian Latoya Scott o/a L.C.S. Auto Traders, Linton Philip Scott and Garth Martin**

LAT dismissed **Linton Scott's** request for reconsideration of the Tribunal's decision to refuse a dealer registration for L.C.S. and to revoke Scott's registration as a salesperson. Scott had previously been charged with conspiracy to commit an indictable offence under the Criminal Code in connection with an odometer rollback. The charges were eventually dropped.

Scott admitted to saying he had plans to roll back the odometer on a vehicle and sell it through an auction but claims he ultimately never did so. The Tribunal still ordered L.C.S.'s registration refused and Scott's registration revoked, finding that Scott's explanation was not credible, even though the conspiracy charge was dropped. The Tribunal found that Scott's conduct, including his intention to roll back the odometer, and his lack of remorse about it, rendered him ineligible for registration because these actions are indicative of a person who will not act in accordance with the law or with honesty and integrity.

Scott was the dealer principal of L.C.S., which had conditions on its registration requiring it to operate exclusively from the location approved by the Registrar. The Tribunal heard evidence that it was important to know from where L.C.S. operates because that is where its books and records are, where dissatisfied customers can find the dealer if they need to and where OMVIC can conduct inspections as necessary. The Tribunal found that L.C.S. did not comply with the conditions regarding its signage and location.

# BUSINESS ACCOMPLISHMENTS

## LEGAL AND PROSECUTIONS

### DISCIPLINARY PROCESS

The MVDA imposes an obligation on dealers and salespersons to conduct business with honesty, integrity and financial responsibility and in accordance with the law. The CoE under the MVDA applies to all registrants and imposes obligations of integrity, accountability, compliance and professionalism.

Conduct that does not comply with the CoE may result in the Registrar issuing a Notice of Discipline (NoD). If a NoD is issued, the chair of the Discipline Committee appoints an independent, impartial Panel to consider the allegations. The Panel consists of two dealer and salesperson peer representatives and one arm's length member of the public.

Hearings are held to determine whether there have been breaches of the CoE. Persons accused of breaching the CoE are given the opportunity to testify, submit documents and provide other evidence in support of their position on the allegations set out in the NoD. Parties before the Panel may be represented by a lawyer, paralegal or agent. A record is made of each hearing.

Following a hearing, and after due consideration, the Discipline Committee issues a formal decision stating the reasons that led the Committee to reach its conclusions.

If the Discipline Committee finds there has been a breach of the CoE, the Committee may order dealers and salespersons to take further educational courses, may require dealers to fund educational courses for their registered staff and may impose fines of up to \$25,000 per party. The Committee can also order recovery of costs.

Decisions of the Discipline Committee are published as a matter of public record and may be appealed to the Appeals Committee. Appeals must be requested by submitting the proper form within 30 days of a decision of the Discipline Committee. Appeals are limited to issues of law or mixed fact and are not a rehearing of the matter.

During 2019, 33 Discipline matters were completed, 17 education orders were issued and \$76,150 in fines was collected.

# PERFORMANCE OVERVIEW

## LEGAL AND PROSECUTIONS

### NOTABLE DISCIPLINE CASES

#### **2387798 Ontario Inc. o/a Barrhaven Honda and Vik Dilawri**

**Barrhaven Honda** and **Vik Dilawri** were ordered to pay a combined fine of \$5,000 for failing to comply with a previous discipline order requiring Dilawri to complete the Certification Course.

In an agreed statement of facts, Dilawri admitted that he did not complete the Certification Course before the deadline ordered by the Discipline Committee. He completed the course, but it was four months after the deadline.

Dilawri's failure to comply with the order constituted a breach of the accountability and professionalism sections of the CoE. Dilawri was a director and the person in charge of the dealer.

#### **GTA Rapid Cars Inc. and Firas Al-Sabti**

**GTA Rapid Cars Inc.** was fined \$4,500 and **Firas Al-Sabti** was ordered to complete the OMVIC KEC. In an agreed statement of facts, Al-Sabti admitted to selling vehicles to an unregistered dealer, Republica Ma Motors Export Inc.

Al-Sabti was the sole director and the person in charge of the day-to-day activities of GTA. GTA's sales to an unregistered dealer violated Section 4 of the MVDA, along with the accountability and professionalism sections of the CoE.

# BUSINESS ACCOMPLISHMENTS

## OPERATIONS

### OVERVIEW

The results of an efficiency study were delivered in 2018, making 18 recommendations related to registrations and renewals, inspections, investigations, complaints, the Compensation Fund, education, finance and performance management, technology and analytics, HR, and training and culture. Further to the 2018 assessment of staffing needs to implement the efficiency study, in 2019, needed staff were recruited and there was significant advancement in implementing the efficiency study recommendations.

In order to implement the digitization recommendations, the Operations Team invested tremendous amounts of time in a Business Process Re-engineering (BPR) Project. The BPR Project will be the foundation of OMVIC's new Customer Relationship Management System, which will be sourced, developed and implemented in 2020/21.

# BUSINESS ACCOMPLISHMENTS

## ADMINISTRATION

### OVERVIEW

The Administration Department acquires, manages and allocates resources to optimally enable OMVIC to meet its mandate. These resources include people (HR), money (Finance), technology (IT) and facilities (Administration). Administration also provides Board and Committee support and manages OMVIC's internal disciplinary process.

During 2019, the Administration

- collaborated with Operations to continue implementing the efficiency study project
- continuously refined Board and management reporting
- facilitated minor renovations at the head office with the formation of an ad hoc Office Space Committee
- continued recruitment and assessed ongoing staff training and development
- developed an IT Strategic Plan in collaboration with the newly formed IT Steering Committee
- extended the use of a Board Portal to members of the Motor Vehicle Dealers Compensation Fund Board of Trustees

# BUSINESS ACCOMPLISHMENTS

## INFORMATION TECHNOLOGY

### OVERVIEW

The Information Technology (IT) department facilitates the delivery of a secure and robust infrastructure that assists all areas of operations, providing the functionality required to meet organizational needs and priorities.

Ensuring the infrastructure is current, available and secure is a key function of IT:

- staff rely on OMVIC's infrastructure in the office and in the field to conduct the work required to administer and enforce the MVDA
- consumers rely on OMVIC's website to research their rights, submit complaints and review the registration status of dealers and salespersons
- registrants use online services to renew and manage their registrations and to receive notifications from OMVIC
- registrants rely on OMVIC's website to deliver information and educational resources to assist with compliance

### HIGHLIGHTS: PROCESS OPTIMIZATION

OMVIC's IT department delivered and deployed 74 enhancements to OMVIC's applications portfolio, including 49 enhancements to online services and 25 to OMVIC's operations/database system:

- individual applications enabled: salesperson applicants can sign up and submit individual applications online
- Sales Change Application processes simplified
- major improvements made to the database system to incorporate web apps used daily
- online form validation process optimized to improve user experience
- investments made to document and re-engineer all the internal business processes

### HIGHLIGHTS: DIGITAL MODERNIZATION

Migration of email systems to Office 365 completed.

### HIGHLIGHTS: AVAILABILITY OF INFORMATION TECHNOLOGY SYSTEMS

In 2019, scheduled uptime of OMVIC's internal and external-facing systems (website and online services) continued to be significantly better than 99.9 per cent on a 24/7 basis.

Server infrastructure upgraded and redundancy put in place to increase system availability.

Operating and application software regularly patched to current levels.

Security appliances and cyber-threat mitigation signatures continued to be updated daily to include most current signatures.



# BUSINESS ACCOMPLISHMENTS

## HUMAN RESOURCES

### OVERVIEW

The Human Resources department serves as a strategic partner with OMVIC's administration and staff. Supporting OMVIC's mission, HR plays a vital leadership role by providing services to all departments and, through responsible management of people, money and technology, provides the best possible employee experience.

In 2019, HR

- conducted an organization-wide workforce planning review
- conducted staff focus groups to help address areas of improvement revealed in an Employee Satisfaction Survey; action items were identified for 2020
- reviewed and updated all job descriptions, including developing job descriptions for newly created roles within the organization
- successfully launched four quarterly editions of the HR Blog to keep staff informed
- facilitated 20 recruitments in addition to ongoing staff training and development

# PERFORMANCE OVERVIEW

## CUSTOMER SERVICE

### PERFORMANCE MEASURES

OMVIC prides itself on delivering superior customer service to dealers and consumers alike. These initiatives are reflected in the following customer service survey and service delivery time results.

CUSTOMER SERVICE SURVEY RESULTS	Registration	Complaints (Dealers)	Complaints (Consumers)	Inspections
Number of responses	1,181	146	329	398
Courtesy*	4.7	4.7	4.3	4.9
Knowledge*	4.8	4.6	3.8	4.9
Efficiency*	4.7	4.6	3.6	4.9

\*On a scale of 1 (lowest) to 5 (highest)

### SERVICE DELIVERY TIMES

AVERAGE TURNAROUND TIME (DAYS)	Target	Actual
Complaints	35	28.0
New Salesperson Applications*	3	2.6
New Franchise Dealer Applications*	<10	6.6
New Non-Franchise Dealer Applications*	<35	23.0

\*Registration service volumes include only properly completed applications; incomplete applications are not included and may take much longer depending on responsiveness of applicant.

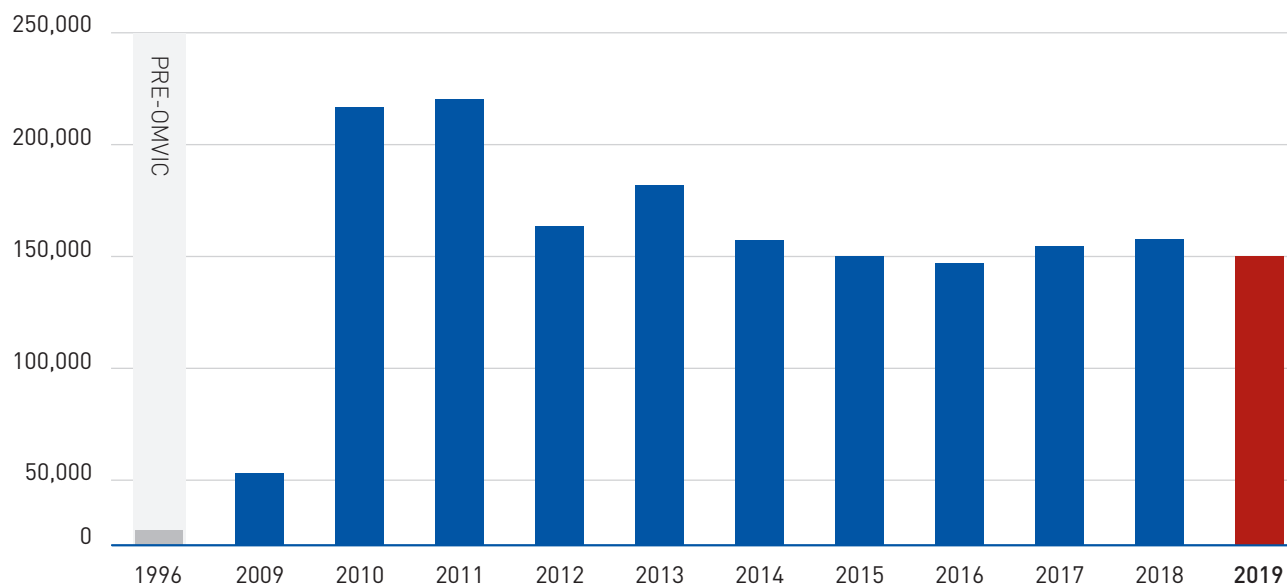
### CALL CENTRE: AUTOMATIC CALL DISTRIBUTOR (ACD) CALL RESPONSE

ACD CALLS	Target	Registration	Complaints
Average wait time in seconds	60	17	65

# PERFORMANCE OVERVIEW

## CUSTOMER SERVICE

### TOTAL TELEPHONE INQUIRIES 2019



OMVIC staff handled 150,578 calls (local and toll-free) in 2019.

### FRENCH-LANGUAGE SERVICES

In 2019, OMVIC received 44 telephone requests for service in French.

OMVIC responds to all French inquiries. Bilingual staff members are sought for key positions to ensure that French-language services are always available for dealers, consumers and the media. As well, all correspondence received in French receives a response in French.

An equivalent level of service is provided in both English and French for all constituents

OMVIC's consumer Car-Buying Seminar, *OMVIC Academy* videos and Automotive Certification Course are available in both official languages.

# 2019 FINANCIAL OVERVIEW

## OVERVIEW

The Finance Department manages financial resources by planning, budgeting and reporting financial results while implementing internal controls. It is responsible for keeping bills paid and properly recording various types of incoming payments. The Finance Department also prepares various other financial reports and analysis to assist in making informed business decisions, enabling OMVIC to optimally meet its mandate.

In 2019, Finance

- standardized the monthly financial close process along with a standardized monthly financial package and timeline
- introduced and/or refreshed various internal controls and accounting policies to strengthen controls
- assisted with completion of an RFP for external auditors and insurance brokers
- embarked on automation projects such as Electronic Funds Transfer (EFT) and Automated Clearing House (ACH) transfers, vendor payments and vendor management approval workflow
- prepared various ad hoc financial reports and projects to assist senior management and the Board of Directors in making financial decisions

# 2019 FINANCIAL OVERVIEW

## FINANCIAL OVERVIEW/AUDITED STATEMENTS

The following financial overview is based on the audited financial statements of the Ontario Motor Vehicle Industry Council for the year ended December 31, 2019, with comparative information for 2018.

OMVIC continued its strong financial result in 2019, with Excess of Revenues from Operations of \$3,621,167. However, with the one-time reimbursement to the Motor Vehicle Dealers Compensation Fund (MVDCF) of \$3,349,701, OMVIC's Excess of Revenues over Expenses was \$271,466. In the prior year it was \$5,191,987.

Overall revenues were \$21,701,063, which represents a 2.5 per cent increase from 2018 revenues of \$21,172,677. The increase is mainly due to higher investment income earned in 2019.

Registration fees earned in 2019 were \$19,687,406 compared to \$19,777,633 in 2018, or a decrease of \$90,227. Registration fees are driven by the number of registrants and the number of retail vehicle sales transactions.

Investment and other income increased to \$818,000 in 2019 from \$321,307 in 2018. Investment income is recorded on an accrual basis and includes interest, dividends, net realized gains (losses) on sale of investments and net unrealized gains (losses).

Discipline fines remained steady in 2019 at \$75,150.

Total expenses rose more than 11 per cent to \$18,079,896 in 2019 from \$15,980,690 in 2018. The main contributors to this increase were

- higher payroll costs resulting from staff additions during the year, mostly as a result of the Deloitte Efficiency Study, merit increases and the full-year effect of the prior year's staff additions
- higher professional service expenses related to increased staff development
- higher LAT fees
- higher consultant fees

At the end of fiscal 2019, net assets were \$20,704,723 compared with \$20,433,257 in 2018, reflecting a surplus of \$271,466 for the year.

The 2019 expenses by service areas were as follows:

Service Area	2019	2018
Investigation	\$2,626,161	\$ 2,401,075
Registration	2,974,544	2,542,428
Legal Services	2,919,080	2,505,960
Compliance	2,264,220	2,154,589
Communications	3,002,036	2,708,733
Information Technology	1,378,772	1,310,088
Inquiries and Complaint Handling	1,502,991	1,170,472
Governance	1,091,279	964,090
Compensation Fund	253,273	179,800
Discipline	67,540	43,455
	<b>\$18,079,896</b>	<b>\$ 15,980,690</b>

Cash available at the end of 2019 was \$8,496,787 and OMVIC held investments of \$14,421,612.

Based on cash flow provided by its operations and the current investment portfolio, OMVIC has sufficient liquidity to fund its short-term business plans and obligations.

# 2019 FINANCIAL STATEMENTS

ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL

**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL**

**Financial Statements**

**December 31, 2019**

**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL**  
**Index to Financial Statements**  
**Year Ended December 31, 2019**

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Statement of Changes in Net Assets	4
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Statement of Cash Flows	6
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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Ontario Motor Vehicle Industry Council

### *Opinion*

We have audited the financial statements of Ontario Motor Vehicle Industry Council (the "Council"), which comprise the statement of financial position as at December 31, 2019, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Matter*

The financial statements for the year ended December 31, 2018 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 23, 2019.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

*(continues)*

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Independent Auditor's Report to the Members of Ontario Motor Vehicle Industry Council *(continued)*

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Ontario  
April 15, 2020

*Hogg, Shain & Scheck PC*

Authorized to practise public accounting by the  
Chartered Professional Accountants of Ontario

**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL**  
**Statement of Financial Position**  
**As at December 31, 2019**

	2019	2018
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 8,496,787	\$ 14,218,258
Accounts receivable	16,075	18,910
Prepaid expenses	131,286	198,725
	<b>8,644,148</b>	14,435,893
<b>Investments (Note 3)</b>	<b>14,421,612</b>	8,810,542
<b>Capital assets (Note 4)</b>	<b>1,246,033</b>	941,875
	<b>\$ 24,311,793</b>	<b>\$ 24,188,310</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 1,152,073	\$ 1,246,503
Registration fees received in advance	1,741,949	1,716,275
	<b>2,894,022</b>	2,962,778
<b>Deferred contributions - capital assets (Note 5)</b>	<b>422,548</b>	501,775
<b>Deferred lease inducement</b>	<b>290,500</b>	290,500
	<b>3,607,070</b>	3,755,053
<b>NET ASSETS</b>		
Invested in capital assets (Note 6)	823,485	440,100
Internally restricted reserves (Note 7)	15,000,000	7,500,000
Unrestricted	4,881,238	12,493,157
	<b>20,704,723</b>	20,433,257
	<b>\$ 24,311,793</b>	<b>\$ 24,188,310</b>

**APPROVED ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See the accompanying notes to these financial statements

**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2019**

	Invested in capital assets	Internally restricted operating reserve	Internally restricted reserve for capital projects	Internally restricted reserve for contingencies	Unrestricted	2019	2018
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 440,100	\$ 7,500,000	\$ -	\$ -	\$ 12,493,157	\$ 20,433,257	\$ 15,241,270
Excess of revenues over expenses	-	-	-	-	271,466	271,466	5,191,987
Amortization of deferred contributions	79,227	-	-	-	(79,227)	-	-
Amortization of capital assets	(284,058)	-	-	-	284,058	-	-
Purchase of capital assets	588,216	-	-	-	(588,216)	-	-
Transfers from unrestricted net assets	-	1,500,000	3,000,000	3,000,000	(7,500,000)	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 823,485</b>	<b>\$ 9,000,000</b>	<b>\$ 3,000,000</b>	<b>\$ 3,000,000</b>	<b>\$ 4,881,238</b>	<b>\$ 20,704,723</b>	<b>\$ 20,433,257</b>

*See the accompanying notes to these financial statements*

**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL**  
**Statement of Operations**  
**Year Ended December 31, 2019**

	2019	2018
<b>REVENUES</b>		
Registration fees	\$ 19,687,406	\$ 19,777,633
Transfer fees	679,875	551,700
Certification course fees	361,405	374,960
Disciplinary fines	75,150	67,850
Amortization of deferred contributions	79,227	79,227
Investment and other income <i>(Note 8)</i>	818,000	321,307
	<u>21,701,063</u>	<u>21,172,677</u>
<b>EXPENSES</b>		
Salaries and benefits <i>(Note 9)</i>	11,313,609	9,615,010
Public awareness	1,962,086	1,929,187
Professional fees	1,137,694	950,811
Occupancy <i>(Note 9)</i>	821,542	832,918
General and administrative <i>(Note 9)</i>	777,742	694,587
Travel	572,182	574,872
Per diem allowances	500,772	477,233
Amortization of capital assets	284,058	258,763
Telecommunications	267,386	277,780
Industry awareness	244,118	170,822
Government oversight fees	198,707	198,707
	<u>18,079,896</u>	<u>15,980,690</u>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>3,621,167</b>	<b>5,191,987</b>
Reimbursement to the Motor Vehicle Dealers' Compensation Fund <i>(Note 9)</i>	<u>(3,349,701)</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 271,466</b>	<b>\$ 5,191,987</b>

*See the accompanying notes to these financial statements*

**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL**  
**Statement of Cash Flows**  
**Year Ended December 31, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 271,466	\$ 5,191,987
Items not affecting cash:		
Unrealized gains on investments	(468,787)	(109,412)
Realized losses (gains) on investments	(76,564)	27,819
Amortization of capital assets	284,058	258,763
Amortization of deferred contributions	(79,227)	(79,227)
	<u>(69,054)</u>	<u>5,289,930</u>
Changes in non-cash working capital:		
Accounts receivable	2,835	(1,090)
Prepaid expenses	67,439	(78,950)
Accounts payable and accrued liabilities	(94,430)	5,595
Registration fees received in advance	25,674	97,187
	<u>1,518</u>	<u>22,742</u>
Cash flows from (used by) operating activities	<u>(67,536)</u>	<u>5,312,672</u>
<b>INVESTING ACTIVITIES</b>		
Change in investments (net)	(5,065,719)	(90,717)
Purchase of capital assets	(588,216)	(214,546)
Cash flows used by investing activities	<u>(5,653,935)</u>	<u>(305,263)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(5,721,471)</b>	<b>5,007,409</b>
<b>CASH - BEGINNING OF YEAR</b>	<b><u>14,218,258</u></b>	<b><u>9,210,849</u></b>
<b>CASH - END OF YEAR</b>	<b><u>\$ 8,496,787</u></b>	<b><u>\$ 14,218,258</u></b>

*See the accompanying notes to these financial statements*

# ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL

## Notes to Financial Statements Year Ended December 31, 2019

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### 1. NATURE AND PURPOSE OF THE ORGANIZATION

Ontario Motor Vehicle Industry Council (the "Council") is Ontario's first administrative authority created pursuant to the Safety and Consumer Statutes Administration Act ("SCSAA"), with the mandate to administer the Ontario Motor Vehicle Dealers Act (the "MVDA"). This authority was delegated to the Council by the Minister of Consumer and Commercial Relations (the "Minister") on January 7, 1997 through an Administrative Agreement (the "Agreement") with the Minister. The Council is a not-for-profit organization incorporated without share capital under the laws of the Province of Ontario by letters patent dated October 8, 1996.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies.

#### Revenue recognition

##### *Registration fees*

Fees charged for registration as a salesperson are for a two-year period and are recognized evenly over two years. Unearned fees are recorded as registration fees received in advance.

Fees charged for registration as a dealer are paid annually and are recognized on a monthly basis as received. Dealers are also required to remit \$10 for every sale (excluding wholesale transactions), lease, fleet, or "as is" transactions for the prior twelve month period as a component of their registration renewal fee. Dealers are responsible for reporting sales accurately to the Council and to remit the amount due when renewing their registration. Transaction fees are included in registration fees and recorded as revenue when received.

##### *Transfer fees*

A transfer fee is charged when a registered salesperson moves from one dealership to another. Transfer fees are recognized upon written notice and when the Council receives payment.

##### *Certification course fees*

New applicants for registration must pass a certification course run by the Automotive Business School of Canada on behalf of the Council through Georgian College. Certification course fees are recognized when a new applicant registers for the course.

##### *Disciplinary fines*

Disciplinary fines are imposed on registrants through an internal Council disciplinary process. These fines are recognized as revenue when the Council receives payment.

##### *Investment and other income*

Investment and other income, which is recorded on an accrual basis, includes interest income, dividends, net realized gains (losses) on sale of investments, and net unrealized gains (losses).

*(continues)*

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## ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL

### Notes to Financial Statements Year Ended December 31, 2019

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

##### Financial instruments

The Council's financial instruments consist of cash, accounts receivable, investments, and accounts payable.

Financial instruments are initially measured at fair value, and subsequently, at amortized cost, except for investments that are quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in the statement of operations and transactions costs are expensed as incurred.

##### Investments

Investments in publicly-traded securities are valued based on the latest bid prices, and pooled funds are valued based on unit values reported by the investment managers. Transactions are recorded on a trade date basis and transaction costs, including investment management fees, are expensed as incurred.

##### Capital assets

Capital assets are stated at cost less accumulated amortization. Amortization is provided on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements	Term of lease
Computer software	3 years
Computer hardware	3 years
Furniture and fixtures	5 years
Office equipment	5 years

When a capital asset no longer contributes to the Council's ability to provide services, its carrying amount is written down to its fair value.

##### Deferred lease inducement

The Council moved into a new office in 2014 and the lease agreement included a free rent period from May 1, 2014 to April 30, 2015. The benefit of this rent inducement is recognized on a straight-line basis over the term of the lease. Total rent expense is based on the entire cash cost over the term of the lease amortized evenly over the term of the lease.

##### Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Such estimates are reviewed periodically and any adjustments are reported in the year in which they become known. Actual results could differ from these estimates.

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**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

**3. INVESTMENTS**

	2019	2018
Equities	\$ 6,961,990	\$ 4,122,542
Fixed income	5,246,018	2,681,436
Alternative asset classes	1,699,387	1,700,792
Cash and cash equivalents	514,217	305,772
	<b>\$ 14,421,612</b>	<b>\$ 8,810,542</b>

Fixed income investments yield interest between 0.75% and 7.1% (2018 - 0.75% and 7.1%) and have maturities ranging from October 2020 to December 2048 (2018 - October 2020 to December 2048). Alternative asset classes consist of investments in private placements in long-term health care funds.

**4. CAPITAL ASSETS**

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Leasehold improvements	\$ 1,572,931	\$ 703,200	\$ 869,731	\$ 769,969
Computer software	226,497	15,820	210,677	5,859
Computer hardware	364,415	240,026	124,389	129,130
Furniture and fixtures	210,707	172,899	37,808	34,733
Office equipment	62,634	59,206	3,428	2,184
	<b>\$ 2,437,184</b>	<b>\$ 1,191,151</b>	<b>\$ 1,246,033</b>	<b>\$ 941,875</b>

Computer software includes \$210,677 of software under development which was not in use at year-end, and was not amortized.

**5. DEFERRED CONTRIBUTIONS - CAPITAL ASSETS**

	2019	2018
Balance, beginning of year	\$ 501,775	\$ 581,002
Amortization of deferred contributions	(79,227)	(79,227)
Balance, end of year	<b>\$ 422,548</b>	<b>\$ 501,775</b>

In 2014, the Council received contributions under the terms of the lease of the new premises to pay for leasehold improvements. The contributions are amortized into revenues on the same basis as the related leasehold improvements, which is the term of the lease.



**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

**6. INVESTED IN CAPITAL ASSETS**

Net assets invested in capital assets, which represents internally financed capital assets, are calculated as follows:

	2019	2018
Capital assets, net	\$ 1,246,033	\$ 941,875
Less: Unamortized deferred contributions - capital assets	(422,548)	(501,775)
	<b>\$ 823,485</b>	<b>\$ 440,100</b>

**7. INTERNALLY RESTRICTED RESERVES**

Internally restricted reserves have been established by the Council's Board of Directors (the "Board") for specific purposes, as follows:

	2019	2018
Operating reserve (a)	\$ 9,000,000	\$ 7,500,000
Capital projects (b)	3,000,000	-
Contingencies (c)	3,000,000	-
	<b>\$ 15,000,000</b>	<b>\$ 7,500,000</b>

(a) During fiscal 2010, the Council created an operating reserve equivalent to six months of annual operating expenses, excluding amortization of capital assets, for the purposes of maintaining funds for winding down operations in the event the Council's designation as a Delegated Administrative Authority under the SCSAA is revoked, and for accumulating funds that are available when needed due to unforeseen operating shortfalls.

During 2019, the Board approved the reserve to be increased to \$9,000,000 from \$7,500,000 in recognition of Council's expanded budget.

(b) During 2019, the Council established an internally restricted reserve for capital projects which is comprised of funds restricted for information technology capital improvements expected to take place within the next three years. The Board approved a contribution of \$3,000,000 into the reserve out of unrestricted net assets.

(c) During 2019, the Council established an internally restricted reserve for contingencies or other specific purposes as designated by the Board. The Board approved a contribution of \$3,000,000 into the reserve out of unrestricted net assets.

**8. INVESTMENT AND OTHER INCOME**

	2019	2018
Unrealized gains	\$ 468,787	\$ 109,412
Interest income	249,567	228,940
Realized capital gains (losses)	76,564	(27,819)
Dividend income	32,874	34,697
Other	(9,792)	(23,923)
	<b>\$ 818,000</b>	<b>\$ 321,307</b>

**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

**9. MOTOR VEHICLE DEALERS COMPENSATION FUND**

The Motor Vehicle Dealers Compensation Fund (the "Fund") was established on July 1, 1986 under the MVDA, to stand in place of registered motor vehicle dealers (the "Participants") where a Participant has refused, failed, or been unable to pay a claim registered against that Participant. Claims are submitted by consumers and approved by the Board of Trustees. The Fund pays claims to consumers up to a maximum of \$45,000 per claim. In accordance with the MVDA, it is compulsory for motor vehicle dealers to pay an initial payment to the Fund in order to obtain registration in Ontario.

The Council has the ability to appoint six of the nine seats on the Board of Trustees of the Fund, and the Council provides office space and administrative services to it. The financial statements of the Fund have not been consolidated in these financial statements.

Summary financial information for the Fund's fiscal year ended October 31, 2019 are as follows:

	<b>2019</b>	<b>2018</b>
<b>Financial position:</b>		
Assets	\$ 6,216,276	\$ 6,169,168
Liabilities	(19,292)	(26,681)
Unrestricted net assets	<b>\$ 6,196,984</b>	<b>\$ 6,142,487</b>
<b>Results of operations:</b>		
Revenues	\$ 757,256	\$ 615,098
Expenses	(702,759)	(801,973)
Excess (deficiency) of revenues over expenses	<b>\$ 54,497</b>	<b>\$ (186,875)</b>
<b>Cash flows:</b>		
Cash flows used in operating activities	\$ (206,577)	\$ (306,305)
Cash flows from investing activities	252,786	405,693
Net increase (decrease) in cash	<b>\$ 46,209</b>	<b>\$ 99,388</b>

In December 2019, a one-time reimbursement in the amount of \$3,349,701 was made by the Council to the Fund, for the Fund's share of salaries and benefits, occupancy, and general and administrative expenses that were invoiced by the Council from 1998 to September 2017.

As of September 2019, the Council committed to pay all operating expenses of the Fund until August 31, 2024, with the exception of claims and trustee fees which the Fund continues to pay as per sections 71 and 72 of the MVDA. Included in the Council's statement of operations are \$237,956 (2018 - \$Nil) related to salaries and benefits allocated to the Fund based on an estimate of the Council's staff time to administer the Fund, and \$15,317 (2018 - \$Nil) related to general and administrative expenses.

Transactions with the Fund are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to between the parties.

**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

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**10. COMMITMENTS**

The Council is committed under premises and equipment lease agreements until April 2025. Future minimum lease payments for the next five fiscal years are as follows:

2020	\$	888,033
2021		918,790
2022		935,263
2023		952,230
2024		965,068

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**11. CONTINGENCIES**

Claims have been made against the Council in the normal course of operations. The Council believes these claims are without merit. The outcome of these actions is not presently determinable and, accordingly, no provision for these claims has been made in these financial statements.

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**12. FINANCIAL RISKS**

The Council is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate, and manage these risks. The following analysis provides information about the Council's risk exposure and concentration as of December 31, 2019, which is consistent with the prior year.

Credit risk

Credit risk arises from the potential that a counter-party will fail to perform its obligations. The Council is exposed to credit risk on its investments in alternative asset classes.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Council is subject to market risk on its investments.

The Council manages its investment portfolio to earn investment income and invests according to a Statement of Investment Policy approved by the Board. The Council is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.

Currency risk

Currency risk is the risk to the Council that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Council is exposed to foreign currency exchange risk on a portion of its investments in global equities and fixed-income investments.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the market interest rates. The Council is exposed to interest rate risk on its fixed-income investments.

*(continues)*

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**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

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**12. FINANCIAL RISKS** *(continued)*

*Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency and interest rate risks), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Council is exposed to other price risk on its investment in equities.

It is management's opinion that the Council is not exposed to significant liquidity risk.

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**13. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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# 2019 FINANCIAL STATEMENTS

MOTOR VEHICLE DEALERS COMPENSATION FUND

**MOTOR VEHICLE DEALERS  
COMPENSATION FUND**

**FINANCIAL STATEMENTS**

**OCTOBER 31, 2019**

**MOTOR VEHICLE DEALERS  
COMPENSATION FUND  
FINANCIAL STATEMENTS  
OCTOBER 31, 2019**

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*Audit, Tax, Advisory.*

## Independent Auditor's Report

To the Board of Trustees and Participants in the  
**Motor Vehicle Dealers Compensation Fund**

### Opinion

We have audited the financial statements of the Motor Vehicle Dealers Compensation Fund (the "Fund"), which comprise the statement of financial position as at October 31, 2019 and the statement of changes in unrestricted net assets, statement of operations and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at October 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**McGovern Hurley LLP**



**Chartered Professional Accountants  
Licensed Public Accountants**

Toronto, Ontario  
April 2, 2020

MOTOR VEHICLE DEALERS COMPENSATION FUND  
**STATEMENT OF FINANCIAL POSITION**  
AS AT OCTOBER 31, 2019

	October 31, 2019 \$	October 31, 2018 \$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash - operating	351,518	292,780
- investment	517	13,046
Accounts receivable	16,496	9,979
Accrued interest receivable	5,109	5,655
Prepaid expenses	<u>6,019</u>	<u>6,397</u>
<b>TOTAL CURRENT ASSETS</b>	379,659	327,857
<b>INVESTMENTS</b> (Note 8)	<u>5,836,617</u>	<u>5,841,311</u>
<b>TOTAL ASSETS</b>	<u><u>6,216,276</u></u>	<u><u>6,169,168</u></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	<u>19,292</u>	<u>26,681</u>
<b>TOTAL LIABILITIES</b>	<u>19,292</u>	<u>26,681</u>
<b>NET ASSETS</b>		
<b>UNRESTRICTED NET ASSETS</b> (Note 2)	<u>6,196,984</u>	<u>6,142,487</u>
<b>TOTAL NET ASSETS AND LIABILITIES</b>	<u><u>6,216,276</u></u>	<u><u>6,169,168</u></u>

Contingencies (Note 3)

APPROVED ON BEHALF OF THE BOARD OF TRUSTEES:

\_\_\_\_\_, Chair

\_\_\_\_\_, Vice Chair

MOTOR VEHICLE DEALERS COMPENSATION FUND  
**STATEMENT OF CHANGES IN UNRESTRICTED NET ASSETS**  
 FOR THE YEAR ENDED OCTOBER 31, 2019

	2019 \$	2018 \$
<b>Balance, beginning of the year</b>	6,142,487	6,329,362
Excess (deficiency) of revenues over expenses	<u>54,497</u>	<u>(186,875)</u>
<b>Balance, end of the year</b>	<u>6,196,984</u>	<u>6,142,487</u>

See accompanying notes to the financial statements

Page 5

MOTOR VEHICLE DEALERS COMPENSATION FUND  
**STATEMENT OF OPERATIONS**  
 FOR THE YEAR ENDED OCTOBER 31, 2019

	2019 \$	2018 \$
<b>REVENUES</b>		
Participant fees	153,000	140,400
Recoveries	66,752	143,099
Other contributions (Note 4)	<u>243,835</u>	<u>175,466</u>
<b>TOTAL REVENUES</b>	<u>463,587</u>	<u>458,965</u>
<b>EXPENSES</b>		
Claims	258,152	401,746
Salaries and benefits (Note 4)	238,430	124,799
Governance	120,862	90,787
Investment management fees	33,201	34,402
Professional fees (Note 4)	23,048	51,276
Occupancy (Note 4)	12,251	10,722
Statutory trustee fees	9,453	10,185
Insurance	5,833	5,778
Office and general	1,529	2,421
Legal fees	-	67,145
Consumer awareness	<u>-</u>	<u>2,712</u>
<b>TOTAL EXPENSES</b>	<u>702,759</u>	<u>801,973</u>
(Deficiency) of revenues over expenses	<u>(239,172)</u>	<u>(343,008)</u>
<b>OTHER INCOME</b>		
Investment and other income	371,642	232,925
Fair value change in investments	<u>(77,973)</u>	<u>(76,792)</u>
<b>TOTAL OTHER INCOME</b>	<u>293,669</u>	<u>156,133</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>54,497</u>	<u>(186,875)</u>

See accompanying notes to the financial statements

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MOTOR VEHICLE DEALERS COMPENSATION FUND  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED OCTOBER 31, 2019

	2019 \$	2018 \$
<b>CASH PROVIDED BY:</b>		
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses, for the year	54,497	(186,875)
<b>Non-cash items</b>		
Change in fair value of investments	(248,092)	(104,897)
<b>Changes in non-cash working capital</b>		
Accounts receivable	(6,517)	(9,979)
Accrued interest receivable	546	19
Prepaid expenses	378	(54)
Accounts payable and accrued liabilities	<u>(7,389)</u>	<u>(4,519)</u>
Cash used in operating activities	<u>(206,577)</u>	<u>(306,305)</u>
<b>INVESTING ACTIVITIES</b>		
Cash provided by investing activities (net)	<u>252,786</u>	<u>405,693</u>
<b>CHANGE IN CASH DURING THE YEAR</b>	46,209	99,388
<b>CASH, beginning of year</b>	<u>305,826</u>	<u>206,438</u>
<b>CASH, end of year</b>	<u><u>352,035</u></u>	<u><u>305,826</u></u>
<b>CASH consists of:</b>		
Operating	351,518	292,780
Investment	<u>517</u>	<u>13,046</u>
	<u><u>352,035</u></u>	<u><u>305,826</u></u>

See accompanying notes to the financial statements

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MOTOR VEHICLE DEALERS COMPENSATION FUND  
**NOTES TO THE FINANCIAL STATEMENTS**  
OCTOBER 31, 2019

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The Motor Vehicle Dealers Compensation Fund (the "Fund") was established July 1, 1986 under the Motor Vehicle Dealers Act (the "Act"), which was replaced by the Motor Vehicle Dealers Act 2002. The Fund was established to stand in place of registered motor vehicle dealers in Ontario (the "Participants") where a Participant has refused, failed or been unable to pay a claim registered against that Participant. Claims are submitted by consumers and approved by the Board of Trustees (the "Board"). The Fund pays claims to consumers up to a maximum of \$45,000 per claim.

The affairs of the Fund are overseen by the Board and the Fund is managed by a trust corporation appointed by the Board to act as the Trustee (the "Trustee").

In accordance with the Act, it is compulsory for motor vehicle dealers to pay an initial payment to the Fund in order to obtain registration in Ontario.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation:**

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Outlined below are those accounting policies considered particularly significant.

**Claims:**

Claims are recognized in the accounts at the time of approval by the Board. Amounts recoverable to offset claims paid are recorded when received.

**Revenue Recognition:**

The Fund follows the deferral method of accounting for contributions. Restricted contributions, if any, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Other Contributions represent the fair value of shared services and occupancy costs received from a related entity whereby the Fund has not been requested to pay for such services. Fair value has been determined based on an allocation of cost as incurred by the related entity. See Note 4.

Investment income is recognized on an accrual basis.

**Use of Estimates:**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those reported. The Fund's estimates and judgments subject to the most uncertainty are related to the estimated fair value of certain pooled fund investments, and contingent liabilities (Note 3).

**Financial Instruments:**

The Fund has designated its cash and accrued interest receivable as loans and receivables recorded at amortized cost. Investments are classified as held-for-trading financial instruments and are measured at their estimated fair value, with changes in fair value recognized in excess (deficiency) of revenues over expenses for the year. Accounts payable and accrued liabilities and claims payable are classified as other financial liabilities and are recorded at amortized cost.

Continued...

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**2. UNRESTRICTED NET ASSETS**

The capital of the Fund is comprised of contributions by Participants and income earned on investments. Where at any time the net assets of the Fund are less, or are anticipated to be less than \$3,000,000 due to payments or proposed payments to claimants, the board may require each Participant to pay such additional amounts as is considered necessary to bring the net assets of the Fund up to at least \$3,000,000.

**3. CONTINGENCIES**

Several motor vehicle dealers declare bankruptcy, become insolvent, or otherwise end their operations each year. The Fund's liability related to such bankruptcies, if any, cannot be reasonably estimated and no related provision has been made in the financial statements.

**Novel Coronavirus ("COVID-19")**

The Fund's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of a respiratory illness caused by COVID-19. The Fund cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Fund, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Fund's operations and ability to finance its operations.

**4. RELATED PARTY TRANSACTIONS**

The Fund shares office space and administrative services with the Ontario Motor Vehicle Industry Council (the "Council"). The Fund and the Council are related parties as the Council has representation on the Fund's Board. Included in the Fund's expenses are shared expenses with the Council of \$238,430 (2018 - \$124,799) relating to salaries and benefits and \$12,251 (2018 - \$10,722) relating to occupancy expenses.

Effective September 1, 2017, the Council suspended billings of shared expenses to the Fund. The suspension of billings to the Fund will remain effective until further notice from the Council. Effective September 1, 2019 the Council has agreed to pay all operating expenses (including administrative, board and public awareness costs) of the Fund for a five year period ending August 31, 2024.

During 2019, shared expenses with an estimated fair value of \$243,835 (2018 - \$175,466), \$231,585 relating to salaries and benefits (2018 - \$124,799), \$nil (2018 - \$39,945) relating to professional fees and \$12,250 (2018 - \$10,722) relating to occupancy have been included in the Fund's expenses at their estimated fair values and recorded as "Other contributions" within revenue.

All transactions with related parties have occurred in the normal course of operations and were measured at the exchange amount, unless otherwise noted, which was the amount of consideration established and agreed to by the related parties.

See Note 9.

Continued...  
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**5. DONATED PROPERTY AND SERVICES**

On an annual basis, the Fund receives donated services. As similar services are not normally purchased by the Fund and due to the difficulty in determining their fair value, donated services are not recognized in these statements.

**6. INCOME TAXES**

The Fund is a trust within the meaning of Section 149(1)(w) of the Income Tax Act (Canada) and as such, is exempt from income taxes.

**7. FINANCIAL INSTRUMENTS**

**Financial Risk Factors**

The Fund is exposed to various risks through its financial instruments.

(a) Interest rate risk

The Fund has cash balances, investments and non interest-bearing debt. The Fund's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its financial institutions in accordance with its policy. The Fund periodically monitors the investments it makes and is satisfied with the credit-worthiness of its financial institutions. Included in investments are fixed income securities with interest rates ranging from 0.75% to 7.35% with maturity dates ranging from 2021 to 2048.

(b) Price risk

Market price risk arises as a result of investing in equity securities and fixed income securities. Fluctuations in market prices expose the Fund to a risk of loss. The Fund manages market price risk by substantially investing in equities and fixed income pooled mutual funds that meet specific investment criteria established and approved by the Board of Directors and designed to adequately diversify the Fund's investments to reduce exposure to market price risk. Professional investment managers invest and manage the investment portfolio in accordance with the Fund's investment policy statement. Investments are recorded at estimated fair value or quoted market value, as applicable. Fair value estimates are made at a specific point in time and may not be reflective of future value. See Note 8.

The Fund's investments are subject to fair value fluctuations. As at October 31, 2019, if the fair value of the investments had decreased/increased by 10% with all other variables held constant, excess of revenue over expenses for the year ended October 31, 2019 would have been approximately \$583,662 higher/lower. Similarly, as at October 31, 2019, reported unrestricted net assets would have been approximately \$583,662 lower/higher as a result of a 10% decrease /increase in the fair value of investments.

(c) Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. The Fund manages its liquidity risk by monitoring forecasted and actual cash flows and by holding financial assets that can be readily converted into cash. All the Funds' investments are expected to be readily realizable as they can be quickly liquidated at amounts close to their fair value. There has been no significant change to risk exposure during 2019 and 2018.

(d) Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Fund is exposed to credit risk with respect to the financial institutions with which it transacts. The Fund believes its credit risk is minimal.

Continued...

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MOTOR VEHICLE DEALERS COMPENSATION FUND  
**NOTES TO THE FINANCIAL STATEMENTS**  
 OCTOBER 31, 2019

**8. INVESTMENTS**

Investments, recorded at their estimated fair value, are comprised of the following:

	2019		2018	
	Cost \$	Estimated Fair Value \$	Cost \$	Estimated Fair Value \$
Mutual Funds	3,648,737	5,195,803	3,084,876	4,579,736
Other Funds	-	-	434,867	615,044
Fixed Income	519,313	541,007	531,086	502,809
Other	<u>99,640</u>	<u>99,807</u>	<u>143,578</u>	<u>143,722</u>
<b>Total</b>	<b><u>4,267,690</u></b>	<b><u>5,836,617</u></b>	<b><u>4,194,407</u></b>	<b><u>5,841,311</u></b>

Fixed income investments bear interest at rates ranging from 0.75% to 7.35%.

The cumulative unrealized gain on investments at October 31, 2019 is \$1,568,931 (2018 - \$1,646,904).

Other funds represent amounts invested in the Yorkville Long Term Healthcare fund (the Fund). The Fund invests in Southbridge Healthcare LP which focuses on the operation, acquisition and re-development of long-term care facilities in Ontario. This is a private pooled investment (not publicly traded) and the fair market value of the Fund is estimated by the fund's management (Southbridge Group). Since the Fund trades on a monthly basis there is a timeline for the redemption of units; a 30-day notice period for redemption is required, the trade is submitted in the following month, and funds are remitted within 4-6 weeks of the trade date. The Fund has disposed of its investments in other funds during 2019.

Mutual funds represent public mutual funds which are traded on a daily basis. The fair market value of these funds are estimated based on their book value per share.

**9. SUBSEQUENT EVENTS**

On December 4, 2019, The Board of Trustees has agreed to accept the Council's voluntary offer to reimburse the Fund in the amount of \$3,349,701, representing amounts which the Council billed to the Fund from 1998 to 2017. These amounts relate to the Fund's share of salaries and benefits, occupancy and general office expenses. As this transaction took place subsequent to October 31, 2019, it has not been recorded in the financial statements, and will be recorded during the year ending October 31, 2020.

Promoting a Fair, Safe and Informed Vehicle Sales Marketplace in Ontario



Ontario's Vehicle Sales Regulator

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# 2020-22 BUSINESS PLAN

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CONSUMER PROTECTION | DEALER PROFESSIONALISM | CUSTOMER SERVICE

# 2020–22 BUSINESS PLAN

## OMVIC's 2020–22 draft Strategic Plan sets four broad goals:

1. Increase consumer protection and awareness
2. Increase registrant professionalism and accountability
3. Be a trusted and respected partner by engaging stakeholders
4. Increase organizational efficiency and effectiveness

Based on these goals, OMVIC's 2020–22 Business Plan outlines its strategic directions for the next one to three years and highlights the strategies that will be used to achieve those objectives.

*Please note: OMVIC's Business Plan priorities have been impacted by the COVID-19 pandemic and the strategies and performance measures have been adjusted.*

## GOAL 1: INCREASE CONSUMER PROTECTION AND AWARENESS

**Strategic Direction: Provide consumers with information, tools and education to better prepare them on how to enter a vehicle purchase agreement, avoid problems and resolve disputes at point-of-sale**

STRATEGY	2020–22 Performance Measures
Offer information and advice to consumers engaged in motor vehicle transactions	<p>Provide free translation services to consumers</p> <p>Provide free information and, where appropriate, conciliation services to consumers engaged in disputes with registered dealers</p> <p>Provide conciliation services to consumers and track number of complaints handled (2020 Anticipated Outcome: 950 complaints)</p> <p>Provide assistance to claimants to the Compensation Fund</p>
STRATEGY	2020–22 Performance Measures
Identify and monitor the impact of new and emerging business models on consumers	<p>Engage stakeholders, other jurisdictions and experts in discussions regarding the impact of various online or non-traditional dealer business models</p> <p>Report to the Ministry on possible needed changes to legislation</p>

# 2020-22 BUSINESS PLAN

## GOAL 1: INCREASE CONSUMER PROTECTION AND AWARENESS (CONT'D)

**Strategic Direction: Build awareness that consumer rights and protections exist for motor vehicle purchases**

STRATEGY	2020-22 Performance Measures
Provide consumers with information, tools and educational resources	<ul style="list-style-type: none"> <li>Conduct annual consumer awareness campaign</li> <li>Promote awareness of all-in pricing (2020 Target/Anticipated Outcome: 36 per cent)</li> <li>Access ad hoc advertising opportunities</li> <li>Conduct direct outreach via seminars and tradeshow/event participation</li> <li>Provide consumer education/awareness seminars and events (e.g., at newcomer centres, libraries and schools) (2020 Target/Anticipated Outcome: 20)</li> <li>Engage with mainstream media</li> <li>Maintain interviews with mainstream media (2020 Target/Anticipated Outcome: 35)</li> <li>Engage consumers via social media, blogs and e-newsletters</li> <li>Produce consumer-focused publications (<i>Consumer Line</i> and blogs) (2020 Target/Anticipated Outcome: 20)</li> </ul>

## GOAL 1: INCREASE CONSUMER PROTECTION AND AWARENESS (CONT'D)

**Strategic Direction: Provide consumers with prompt response and ensure value at every point of contact**

STRATEGY	2020-22 Performance Measures
Survey consumers and dealers involved in dispute resolution	<ul style="list-style-type: none"> <li>Monitor consumer satisfaction that complaint handler is knowledgeable, courteous and efficient based on average survey score (2020 Target/Anticipated Outcome: 70 per cent)</li> <li>Monitor registrant satisfaction with complaint services (based on knowledge, courtesy and efficiency scores) (2020 Target/Anticipated Outcome: 70 per cent)</li> </ul>

# 2020-22 BUSINESS PLAN

## GOAL 1: INCREASE CONSUMER PROTECTION AND AWARENESS (CONT'D)

Strategic Direction: Mitigate consumer harm by prioritizing compliance/enforcement activities to issues with the most consumer risk

STRATEGY	2020-22 Performance Measures
Revise and expand complaint intake data at initial point of contact with consumer	Review and revise complaint forms and intake outlines
STRATEGY	2020-22 Performance Measures
Refresh risk-based inspection list with specific focus on risk of consumer harm posed by disclosure and financial concerns	Identify dealers with disproportionate number of complaints related to non-disclosures, vehicle condition and financial stability concerns relative to volume of sales  Inspect dealers and make recommendations regarding next steps to mitigate risk  Conduct compliance inspections and track number of inspections (2020 Target/Anticipated Outcome: 2,000)

## GOAL 1: INCREASE CONSUMER PROTECTION AND AWARENESS (CONT'D)

Strategic Direction: Analyze complaint data to identify and address problematic issues/trends

STRATEGY	2020-22 Performance Measures
Identify and monitor indicators of consumer harm to provide early detection of possible compliance issues	Review opportunities to make complaints information available to the public

# 2020-22 BUSINESS PLAN

## GOAL 2: INCREASE REGISTRANT PROFESSIONALISM AND ACCOUNTABILITY

### Strategic Direction: Ensure a fair marketplace

STRATEGY	2020-22 Performance Measures
Accommodate or facilitate registration of new business models in compliance with the MVDA	<p>Consult with applicants and current registrants with new or unique business plans and exercise discretion where afforded in the MVDA to facilitate new business models while ensuring consumer interests are protected</p> <p>Monitor the number of non-traditional business model applications tracked by OMOVIC (2020 Target/Anticipated Outcome: 9)</p>
STRATEGY	2020-22 Performance Measures
Ensure persons who have (or may have) put the public at risk do not get or maintain registration as dealers or salespersons	<p>Continue to process applications in accordance with the Registrar's authority under the MVDA</p> <p>Implement terms and conditions or other risk mitigation strategies as appropriate</p>
STRATEGY	2020-22 Performance Measures
Review and update processes and resources to encourage registrant financial responsibility	<p>Continue to update and publish the <i>Financial Management Best Practices</i> document</p> <p>Exercise discretion afforded by the regulations and require financial statements where appropriate</p> <p>Update required forms and procedures</p> <p>Identify appropriate financial management educational courses and opportunities for dealers</p>

# 2020-22 BUSINESS PLAN

## GOAL 2: INCREASE REGISTRANT PROFESSIONALISM AND ACCOUNTABILITY (CONT'D)

### Strategic Direction: Ensure a fair marketplace (cont'd)

STRATEGY	2020-22 Performance Measures
<p><b>Monitor dealer advertising and address dealer non-compliance</b></p>	<p>Review advertisements, including all-in price advertising compliance, during all books and records inspections for retail dealers</p> <p>Review dealer advertising on websites, Google reviews, online marketplaces and social media to help monitor all-in price advertising, unregistered sales and other compliance issues</p> <p>Respond to inquiries about advertising and CoE from dealers and ad agencies (2020 Target/Anticipated Outcome: 900)</p> <p>Conduct mystery shopping research to help monitor all-in price advertising compliance</p> <p>Track the number of mystery shops conducted by external parties (2020 Target/Anticipated Outcome: 2)</p> <p>Conduct undercover shopping to enforce the MVDA and CoE and deter non-compliance</p> <p>Conduct mystery shops by Investigations (entities visited) (2020 Target/Anticipated Outcome: 50)</p>
STRATEGY	2020-22 Performance Measures
<p><b>Identify and monitor indicators of consumer harm to provide early detection of possible compliance issues</b></p>	<p>Encourage new dealer registrants to monitor finances with professional assistance as required</p> <p>Review and revise current complaints processes and tracking data</p> <p>Regularly monitor reports based on complaints information collected; escalate and take appropriate action where consumer risk is identified</p> <p>Monitor the number of complaints escalated to Intake (2020 Target/Anticipated Outcome: 50)</p>

# 2020-22 BUSINESS PLAN

## GOAL 2: INCREASE REGISTRANT PROFESSIONALISM AND ACCOUNTABILITY (CONT'D)

Strategic Direction: Provide effective (and assistive) compliance audits

STRATEGY	2020-22 Performance Measures
Use risk-based inspection program to mitigate risk to the public, Compensation Fund and marketplace	<p>Review risk-based inspection criteria as required</p> <p>Conduct the majority of compliance inspections from Risk-Based Inspection Lists (2020 Target/Anticipated Outcome: 55 per cent)</p> <p>Analyze inspection staff resource requirements to ensure adequate coverage based on risk criteria, complaints data and geographic limits</p>



# 2020-22 BUSINESS PLAN

## GOAL 2: INCREASE REGISTRANT PROFESSIONALISM AND ACCOUNTABILITY (CONT'D)

Strategic Direction: Provide educational opportunities for registrants to promote understanding of the MVDA and improve professionalism

STRATEGY	2020-22 Performance Measures
Monitor success of OMVIC Certification Course	Conduct periodic review of Certification Course outcomes
STRATEGY	2020-22 Performance Measures
Assist registrants in complying with the MVDA	<p>Provide educational resources to help registrants comply with the MVDA</p> <p>Provide registrant education and awareness seminars and events (2020 Target/Anticipated Outcome: 12)</p> <p>Enhance registrant Best Practices resources</p>
STRATEGY	2020-22 Performance Measures
Review registrant education	<p>Explore opportunities to increase registrant professionalism, including continuing education for registrants</p> <p>Conduct evaluation of current Certification Course curriculum and/or requirements</p>
STRATEGY	2020-22 Performance Measures
Provide learning opportunities using video and/or electronic messaging	<p>Review alternative message delivery mediums</p> <p>Produce dealer-focused publications (<i>The Dealer Standard</i> and <i>Dealer Bulletins</i>) (2020 Target/Anticipated Outcome: 24)</p>

# 2020-22 BUSINESS PLAN

## GOAL 2: INCREASE REGISTRANT PROFESSIONALISM AND ACCOUNTABILITY (CONT'D)

Strategic Direction: Apply appropriate level of enforcement or administrative action

STRATEGY	2020-22 Performance Measures
Ensure responsible and measured enforcement of the MVDA and other consumer protection legislation and optimize investigative processes	<p>Implement priority-setting processes</p> <p>Monitor total number of curbsider charges (2020 Target/Anticipated Outcome: 300). Where appropriate, use the Registrar's administrative authority/discretion to address non-compliance, minimize consumer harm and discourage recidivism</p> <p>Strike appropriate balance between proactive/reactive enforcement posture, increase use of analytics and risk mitigation strategies to ensure the correct balance of enforcement</p> <p>Review and enhance policies for risk-based investigation actions and procedures</p> <p>Enhance Investigation Team's resources to ensure sufficient capacity and capability to address a broad range of investigative needs</p> <p>Develop improved analytical capability to better inform investigative decision-making, addressing industry misconduct and curbsiders more systematically</p> <p>Monitor number of Registrar actions (2020 Target/Anticipated Outcome: 900)</p>

## GOAL 2: INCREASE REGISTRANT PROFESSIONALISM AND ACCOUNTABILITY (CONT'D)

Strategic Direction: Communicate with registrants and respond to their inquiries promptly, clearly and efficiently

STRATEGY	2020-22 Performance Measures
Provide dedicated resource(s) to assist/support registrants with inquiries	Introduce Registrant Advisory Services Officer to provide additional support, assistance and communication with registrants

# 2020-22 BUSINESS PLAN

## GOAL 2: INCREASE REGISTRANT PROFESSIONALISM AND ACCOUNTABILITY (CONT'D)

### Strategic Direction: Increase electronic service delivery

STRATEGY	2020-22 Performance Measures
Continue adding registrant self-serve functions and capabilities to online services	Implement system-guided online registration form
STRATEGY	2020-22 Performance Measures
Optimize registrations and renewals processes	<p>Automate components of the registration process</p> <p>Track online services usage by Dealers (renewals) (2020 Target/Anticipated Outcome: 80 per cent)</p> <p>Track online services usage by Salespeople (renewals) (2020 Target/Anticipated Outcome: 70 per cent)</p> <p>Track percentage of salesperson transfers/changes online vs. paper based (2020 Target/Anticipated Outcome: 50 per cent)</p> <p>Track percentage of salesperson applications (new and reapply) online vs. paper based (2020 Target/Anticipated Outcome: 50 per cent)</p> <p>Review application information requirements for efficiencies</p> <p>Increase applicants' awareness of registration requirements</p>
STRATEGY	2020-22 Performance Measures
Optimize digital inspection reporting	<p>Review and enhance digital tools for Inspectors</p> <p>Develop digital inspection findings service</p>

# 2020-22 BUSINESS PLAN

## GOAL 3: BE A TRUSTED AND RESPECTED PARTNER BY ENGAGING STAKEHOLDERS

Strategic Direction: Explore technology to further engage registrants

STRATEGY	2020-22 Performance Measure
Use data visualization tools such as dashboards to provide real-time measurement of OMVIC's business processes	Create live dashboard for Key Operational Indicators; implementation to coincide with new Customer Service Management (CRM) system
STRATEGY	2020-22 Performance Measures
Report POA and Discipline decisions to publicly available case law databases	Continue to make OMVIC POA and Discipline decisions available to the public through case law reporting services and on OMVIC's website

## GOAL 3: BE A TRUSTED AND RESPECTED PARTNER BY ENGAGING STAKEHOLDERS (CONT'D)

Strategic Direction: Undertake strategic collaboration, where appropriate, that furthers OMVIC's mandate

STRATEGY	2020-22 Performance Measure
Increase awareness of OMVIC and the MVDA among stakeholders, including law enforcement and industry personnel	<p>Engage frontline officers</p> <p>Deliver Auto Theft program at the Canadian Police College</p> <p>Publish content in law enforcement publications and participate in law enforcement events aimed at frontline officers</p> <p>Monitor awareness of the OMVIC brand (2020 Target/Anticipated Outcome: 22 per cent)</p>
STRATEGY	2020-22 Performance Measure
Engage law enforcement partners to assist engagement	Report on engagement and assistance provided to law enforcement partners

# 2020-22 BUSINESS PLAN

## GOAL 4: INCREASE ORGANIZATIONAL EFFICIENCY AND EFFECTIVENESS

**Strategic Direction: Optimize services and processes and their delivery using technology and digital solutions**

STRATEGY	2020-22 Performance Measures
<b>Implement IT Strategic Plan</b>	Ensure all IT investments are reviewed against the guiding principles of the IT Strategic Plan  Track number of IT Steering Committee meetings (2020 Target/ Anticipated Outcome: 6)
STRATEGY	2020-22 Performance Measures
<b>Identify opportunities to better use OMVIC's online registration services</b>	Improve collaboration between online users (registrants/applicants) and OMVIC through ongoing incremental improvements to the existing registrant database in 2020 and enhance collaboration opportunities through the implementation of a new Customer Relationship Management system in 2021
STRATEGY	2020-22 Performance Measures
<b>Identify additional online services for registrants/applicants/consumers</b>	Introduce new countdown visual aid to allow registrants to easily see how many days remain until their renewal

# 2020-22 BUSINESS PLAN

## GOAL 4: INCREASE ORGANIZATIONAL EFFICIENCY AND EFFECTIVENESS (CONT'D)

Strategic Direction: Build strong internal communication, information and knowledge sharing

STRATEGY	2020-22 Performance Measures
Review and revise formalized KPIs and outcome strategies	Review and enhance KPIs to support strategic objectives and inform data-driven decisions

## GOAL 4: INCREASE ORGANIZATIONAL EFFICIENCY AND EFFECTIVENESS (CONT'D)

Strategic Direction: Measure individual, departmental and management progress in terms of the Strategic Plan and corresponding operational plans

STRATEGY	2020-22 Performance Measure
Optimize investigative processes	Review and enhance Investigation Team performance and outcomes
STRATEGY	2020-22 Performance Measure
Review and revise formalized KPIs and outcome strategies	Explore opportunity to include KPIs in performance reviews (where applicable)  Track average of staff performance review scores (2020 Target/ Anticipated Outcome: ensure that on average all staff meet expectations)

# 2020-22 BUSINESS PLAN

## GOAL 4: INCREASE ORGANIZATIONAL EFFICIENCY AND EFFECTIVENESS (CONT'D)

Strategic Direction: Ensure fiscal prudence

STRATEGY	2020-22 Performance Measure
Review sustainability of the Motor Vehicle Dealers Compensation Fund	Monitor sustainability by reviewing the quarterly financial statements and forecasting cash flow
STRATEGY	2020-22 Performance Measure
Implement remaining Efficiency Study recommendations	<p>Develop plan to implement remaining recommendations:</p> <ul style="list-style-type: none"><li>▪ Review applicant experience</li><li>▪ Review inspections scheduling</li><li>▪ Review Complaints and Inquiries processes, roles and responsibilities, and optimization</li><li>▪ Digitally integrate claims paid by the Compensation Fund (2020-22 Target: create fillable online PDF of Compensation Fund claims to be processed digitally)</li><li>▪ Enhance finance and performance management audit function</li><li>▪ Enhance organization-wide analytics</li><li>▪ Enhance contract and career planning</li><li>▪ Review training procedures</li><li>▪ Review culture objectives and activities to achieve them</li></ul>

## GOAL 4: INCREASE ORGANIZATIONAL EFFICIENCY AND EFFECTIVENESS (CONT'D)

Strategic Direction: Align HR strategies, policies and processes to support the Strategic Plan

STRATEGY	2020-22 Performance Measure
Review organization-wide staff complement	<p>Review staffing requirements to ensure effective delivery of regulatory responsibilities</p> <p>Track percentage of staff turnover (annually) (2020 Target/Anticipated Outcome: 7 per cent)</p>

# THREE-YEAR FINANCIAL FORECAST

FISCAL YEARS 2020 TO 2022

Please note: OMVIC's financial forecast has been impacted by the COVID-19 pandemic and the revenue and expense projections have been adjusted. Significant forecast assumptions include a projected 4 per cent gain on the value of investments under management for 2020, with a more conservative projection beyond 2020 given present long-term global economic uncertainty. Transaction fees are projected to decline 40 per cent in 2020, reducing revenues in 2020 and 2021; transaction fees are projected to return to pre-COVID levels by 2022.

(\$ THOUSANDS)

Revenues	2020	2021	2022
Registration and transaction fees	17,648	14,947	19,685
Transfer fees	379	381	612
Certification fees	183	386	387
Amortization of deferred contribution	79	79	79
Interest and other	143	160	160
<b>Total Revenue</b>	<b>18,432</b>	<b>15,953</b>	<b>20,923</b>

(\$ THOUSANDS)

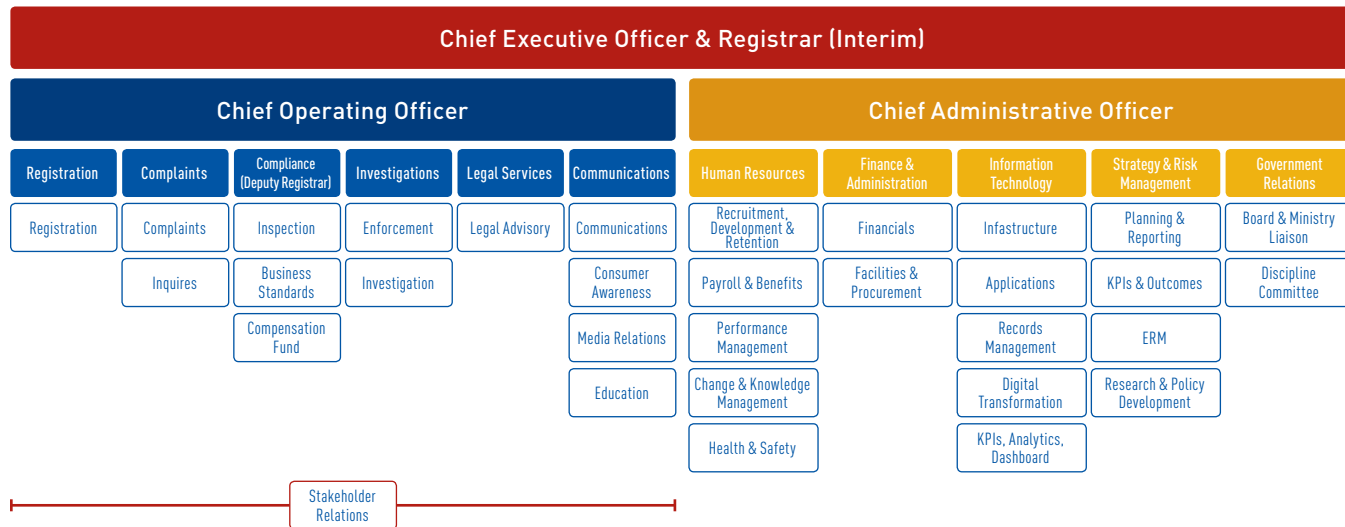
Expenses	2020	2021	2022
Salaries and benefits	12,298	13,260	14,111
Public awareness	1,000	500	2,000
Professional services	827	950	981
Travel	274	543	559
General and administrative	416	680	702
Occupancy	885	913	922
Amortization of capital assets	355	358	360
Telecommunications	267	283	288
Per diems	465	492	497
Government oversight fees	228	235	260
Industry awareness	120	120	320
<b>Total expenses</b>	<b>17,135</b>	<b>18,334</b>	<b>21,000</b>
Excess of revenues over expenses before other income	1,297	(2,381)	(77)
Investment income	580	100	280
OMVIC support to MVDCF	175	175	175
<b>Net</b>	<b>1,702</b>	<b>(2,456)</b>	<b>28</b>

Note: Excluding Digital Transformation Costs, which are to be considered separately.



# ORGANIZATIONAL STRUCTURE

## BOARD OF DIRECTORS



## BOARD OF DIRECTORS

The Board comprises nine dealers from different segments of the industry, including large and small dealerships in both the new and used market sectors, elected by dealers across the province. These industry representatives are joined by three public representatives appointed by the Minister of Government and Consumer Services.

The Chief Executive Officer leads the overall management and administration of OMVIC and reports to the Board of Directors. The CEO's key accountabilities are

- strategic and organizational leadership
- stakeholder relations
- Board relations
- fiscal planning and risk management

The 2019 Board of Directors and Officers are listed on the following pages.

# ORGANIZATIONAL STRUCTURE

## BOARD OF DIRECTORS

### 2019 BOARD MEMBERS

#### Kevin Bavelaar

##### President and Chair

*Auto Showplace, Vaughan*  
Term expires 2022 AGM

Kevin started in the used car business in 1989 as a salesperson in a medium-sized independent dealership. He was promoted to general manager in 1990. In 1993, Kevin started Auto Showplace and has since been involved in all aspects of automotive remarketing. As owner of Auto Showplace, he is familiar with the challenges of running a medium-sized independent car dealership, including marketing, strategic planning, risk management and financial responsibility.

During his first term on OMVIC's Board of Directors (1999–2004), Kevin chaired several committees, including Ethics and Discipline, and Industry Professionalism. His current term began in May 2007 and he has served as Secretary-Treasurer, Vice President and President, as well as Chair of the Board. Kevin was President and Chair of OMVIC's Board of Directors in 2015 and is the current President and Chair of the Board. He also served a term as a member of the Motor Vehicle Dealers Compensation Fund's Board of Trustees.

#### Cliff Pilon

##### Vice Chair

*Gold Fleet Subaru/Suzuki, North Bay*  
Term expires 2021 AGM

Cliff entered the automotive industry in 1981. He has been the Dealer Principal of Gold Fleet Subaru in North Bay for more than 31 years.

Cliff's hands-on approach, coupled with daily interaction with his businesses, and learning and adapting to technology, social and environmental changes, helps keep him in tune with the ever-changing landscape. Combined with his strong automotive, mechanical and financial knowledge, Cliff's experience makes him a valuable asset to OMVIC's Board of Directors.

Cliff's goal is to give back to the community by mentoring young people in the automotive field to be successful, not only in the workplace but also in the world we live in.

Cliff has proudly served on the OMVIC Board since May 2006.

#### Matt Rispin

##### Secretary-Treasurer

*North Toronto Auction, Innisfil*  
Term expires 2021 AGM

The automotive remarketing business has helped satisfy Matt's entrepreneurial passion for the past 20 years. In 2003, Matt and his partners opened North Toronto Auction (NTA) and have succeeded in developing it into the largest independent auction in Canada. NTA is recognized as a pioneer of the hybrid auction model, specializing in both wholesale and public auctions. Matt and his partners have enjoyed the journey as NTA has grown from a small business with seven employees to an operation supported by over 100 valued personnel. The growth of NTA was substantiated when *Canadian Business Magazine* recognized it as one of Canada's Fastest Growing Companies for three consecutive years.

In 2017, Matt and his partners launched TireKicker Inspections, an innovative vehicle inspection company and application as they continually look to complement their existing business portfolios.

Matt is a proud Varsity Blue alumnus and gives back to the automotive industry by serving dealer members on the OMVIC Board of Directors. Matt was President and Chair of the OMVIC Board from 2010 to 2012.

# ORGANIZATIONAL STRUCTURE

## BOARD OF DIRECTORS

### **Nazreen Ali**

#### **Past Chair**

*Ministerial Appointee*

*Term expired December 2019*

Nazreen earned a Master of Business Administration degree from Queen's University and is executive vice president of Riavera Corporation, a mobile e-commerce technology incubator. She has assisted several Canadian firms in developing socially responsible international initiatives. Previously, Nazreen served in a business development capacity at Trimark Investment Management (International) and at the Canadian Soccer Association, with overall responsibility for financial administration. She led the development of the successful first-ever Canadian Businesswomen's Trade Mission to the United Arab Emirates, Egypt and Jordan, led by the former Ontario Minister of Small Business and Entrepreneurship.

Nazreen has served on many boards, including the United Way of Ottawa, and has been honoured by business and community groups. She served as OMVIC's Secretary-Treasurer from 2011 to 2013 and as OMVIC's President and Chair of the Board in 2014 and 2017.

### **Meredith Morris**

*Sudbury Hyundai, Sudbury*

*Term expires 2020 AGM*

Meredith was born into an automotive family in Sudbury, Ontario. Growing up, she worked in all aspects of her family's automotive dealerships, starting in the wash bay. She is a graduate of the Automotive Marketing and Business Administration Program at both the Canadian Automotive Institute (now the Automotive Business School of Canada) and Northwood University.

Following her studies, Meredith began working as the general manager of Sudbury Hyundai in 2002. In 2009, she purchased Sudbury Hyundai, which completed a massive expansion and renovation in 2018. She has grown her dealership from a staff of four to a team of 40. She has been a Board member of OMVIC since 2004 and has been on the executive four times, serving two terms as the President and Chair.

Meredith has also served on the Board of Directors of the Sudbury Community Foundation, Sudbury Chamber of Commerce and Canadian Red Cross Sudbury branch and was the President of the Ladies of Harley.

When Meredith is not working, she is an avid downhill skier and loves spending time at her cottage on Manitoulin Island.

### **Hugh Sisley**

*Sisley Honda, Toronto*

*Term expires 2020 AGM*

Sisley Honda was started by Hugh's grandfather, M.M. Sisley in 1946, following his return from World War II. Three years later, Hugh's father joined the dealership at the age of 19. Hugh began working at the dealership when he was a young boy, doing odd jobs such as sweeping the shop and jockeying cars on the lot. At age 16, he spent school breaks and summer vacations driving the parts delivery truck.

In 1983, Hugh started working at the dealership full time as a used vehicle salesperson. In 1984, he moved to the new vehicle sales department as a salesperson and became the dealership's first Finance and Insurance Manager in 1985. Hugh was promoted to general manager in 1986 and, in 1987, he attended the National Auto Dealers Association Dealer Academy. In 1993, he purchased the dealership from his father and became the Dealer Principal.

In 2007, Hugh expanded the business with the purchase of a Hyundai dealership in Ajax. He successfully operated and grew that business until it was sold in 2015.

Hugh has served the industry in several capacities, including as the president of both the Trillium Auto Dealers Association and the Canadian International AutoShow and as a board and committee member of the Canadian Auto Dealers Association.

Hugh is married with three grown children and enjoys downhill skiing and golf.

# ORGANIZATIONAL STRUCTURE

## BOARD OF DIRECTORS

### **Paul Tinney**

*Paul Tinney Auto Sales, Peterborough*

*Term expires 2021 AGM*

Paul's father started a used vehicle dealership in 1950. As a teenager, Paul worked at the dealership jockeying cars and performing odd jobs. This experience generated Paul's interest in the automotive industry.

In 1993, Paul established a wholesale and retail dealership, Paul Tinney Auto Sales, which he still operates today.

### **Mohamed Bouchama**

*Ministerial Appointee*

*Term expires February 2022*

Mohamed Bouchama, executive director of Car Help Canada, has been helping Canadians with purchasing and repairing cars for over 20 years. He began his career in consumer advocacy with the Automobile Protection Association, where he helped thousands of Canadians resolve automotive issues. In 2001, Mr. Bouchama launched his own organization, Car Help Canada, where he continues his work as a consumer advocate in the automotive area. Every day, members take advantage of his knowledge and experience in trouble-shooting their repair problems and purchasing or leasing a new vehicle. He also provides insight into industry trends, insurance, safety and legal concerns and has done research into important topics such as automotive financing and lemon laws.

Mr. Bouchama has worked with government at all levels to advise on consumer and industry issues for the automotive industry. He has been quoted extensively in media, including the CBC, *Globe and Mail*, *Toronto Star* and many others. Additionally, he extends his expertise to industry organizations such as the Ontario Motor Vehicle Industry Council (OMVIC) to further assist consumers with their automotive issues. Many people watch his show, *Auto Shop*, on CP24 every Sunday at 8:00 p.m., and call in with various vehicle repair and purchase questions. He has a high profile as an expert in the field of consumer advocacy and is sought after for his opinion by consumers, the industry and media.

### **Rodney Jackson**

*Ministerial Appointee*

*Term expires February 2022*

Rod was a Member of Provincial Parliament from 2011 to 2014 and was appointed to the provincial shadow cabinet as Official Opposition Critic for Community and Social Services, the third largest ministry in the province. He served as the watchdog for the 2015 Pan-Am Games and is the recipient of the Queen's Diamond Jubilee Medal in honour of significant contributions and achievements as a Canadian.

Prior to his time in the legislature, Rod ran Redline Strategies, a national automotive focused Human Resources consultancy.

Currently Rod is a Senior Partner at Jackson, Sulima & Romeo LLP, practising Employment Law, Landlord Tenant and Litigation. He also serves on the provincial board of directors for The Ontario Trillium Foundation.

### **Mohammed Sohail Ahmed**

*Momo Cars Inc., St. Catharines*

*Term expires 2020 AGM*

At 18 years old, after selling his first startup, Mohammed Sohail Ahmed registered with OMVIC to start his next venture, a car dealership in Niagara. While learning the industry from the ground up from the dealers around him, he grew the business over the next decade into a large dealership, collision centre and full-service centre. He was named one of Auto Remarketing's 40 under 40 in 2015 for his unique vision of the automotive industry.

Sohail has also served actively on the Brock University Board of Trustees for three years, on the Administrative Council for four years and served as the VP and president of the University Students Union. His impactful work with the provincial and federal government for policy reform in the education sector brought out his passion for serving the community through public policy. His entrepreneurial history and passion to inspire others has made him a regular keynote speaker to young entrepreneurs both at home and abroad.

# ORGANIZATIONAL STRUCTURE

## BOARD OF DIRECTORS

### **Robert McMillan**

*Volvo of Mississauga*

*Term expires 2022 AGM*

Robert McMillan is an award-winning automotive industry expert with over 35 years of experience owning and operating dealerships and leading and serving on multiple boards of directors, including as President of the Canadian International AutoShow.

He is President and Owner of Volvo of Mississauga, a dealership he has owned since 1985. A graduate of Northwood Institute (Automotive University), he has served on several boards and committees. He is a Past President of Trillium Automobile Dealers Association (2007) and the Canadian International Auto Show (2008).

# SENIOR MANAGEMENT

**John Carmichael**

*Chief Executive Officer and Registrar (Interim)*

**Maureen Harquail**

*Chief Operating Officer*

**Joanne Beaton**

*Chief Administrative Officer*

**Tim Hines**

*Director, Complaints and Inquiries*

**Thaya Gengatharan**

*Director, Registration*

**Terry O’Keefe**

*Director, Communications, Media Relations and Education*

**Brian Osler**

*Director, Legal Services*

**Lesley Goldthorpe**

*Director, Human Resources*

**Andrew Khuu**

*Director, Finance*

**Steven Byrd**

*Director, Investigations and Compliance*

**Paul Athaide**

*Director, Information Technology*

**Laura Halbert**

*Director, Compliance and Deputy Registrar*

# COMMITTEES

## APPEALS COMMITTEE

**Members:** Rod Jackson (Chair), Mohamed Bouchama, Paul Tinney and Hugh Sisley

The Appeals Committee provides a forum to review complaints from consumers regarding OMVIC's handling of consumer complaints about dealers and, if appropriate, makes recommendations to staff to ensure that subsequent complaints are handled as effectively and expeditiously as possible. The Committee met in 2019 to discuss one matter.

## AUDIT, FINANCE AND RISK COMMITTEE

**Members:** Matt Rispin (Chair), Nazreen Ali, Kevin Bavelaar and Cliff Pilon

The Audit, Finance and Risk Committee assists management in ensuring appropriate financial and operational controls are in place, requests and reviews reports from management regarding select financial and operational controls, reviews and presents quarterly and annual financial statements to the Board, manages the annual budget development process and presents the annual budget to the Board for approval, reviews terms of reference of the annual audit with the external auditors, and reviews annual audited financial statements and audit findings with the external auditors. The Committee reviews the performance of the auditors and recommends appointment of auditors for the coming year.

The Committee also reviews OMVIC's enterprise risk management processes, including insurance policies.

The Committee met 20 times in 2019. The main focus of the Committee in 2019 was ensuring financial stability of the Compensation Fund. It reviewed the Actuarial Study Report and recommended financial assistance from OMVIC to ensure the Fund's continued viability. The Committee also recommended segregation of OMVIC's net assets into internally restricted reserve funds with defined purposes for better representation in the financial statements.

## COMMUNICATIONS COMMITTEE

**Members:** All Board members with Meredith Morris as Chair

Working with staff, the Communications Committee provides guidance in developing strategies to communicate and market OMVIC's goals, accomplishments, services and values to key stakeholder groups: consumers, dealers, salespeople, government, media, interested associations and related industries.

The Committee held three meetings in 2019.

## CONSUMER PROTECTION ADVISORY COMMITTEE

**Members:** Three Non-Dealer OMVIC Directors (Mohamed Bouchama [Chair], Nazreen Ali and Rodney Jackson), OMVIC Dealer Directors (Kevin Bavelaar and Paul Tinney), Automobile Protection Association Representatives (max 2), Automobile Consumer Coalition Representatives (max 2), Consumer Council of Canada Representative, Motor Vehicle Dealers Compensation Fund Representative

The Consumer Protection Advisory Committee was established to provide both the Ministry of Government and Consumer Services and the OMVIC Board with expert advice on consumer issues.

The full Committee held three meetings in 2019 and three additional meetings with a focus group of consumer members. In 2019, the Committee revised its terms of reference and membership to include more consumer representatives. The Committee focused its attention on identifying the top three issues related to consumer protection and explored the pros /cons of a cooling-off period for some consumer transactions.

# COMMITTEES

## EXECUTIVE COMMITTEE

**Members: Kevin Bavelaar (Chair), Nazreen Ali, Cliff Pilon and Matt Rispin**

The Executive Committee assists the Board of Directors in fulfilling its governance role. Responsibilities include providing guidance and direction to the Chief Executive Officer and the Chief Administrative Officer as needed; liaising with the provincial government, trade associations and consumer groups on industry matters; reviewing management reports regarding statutory and ethical compliance; managing performance and remuneration of the Chief Executive Officer; making recommendations to the Board on OMVIC's HR and compensation policies; through the chair, periodically briefing the Minister of Government and Consumer Services on OMVIC's activities; and reviewing the annual report and business plan.

The Committee held 13 meetings in 2019.

## NOMINATING COMMITTEE

**Rodney Jackson (Chair), Kevin Bavelaar, Cliff Pilon, Matt Rispin, Hugh Sisley and Paul Tinney**

The Nominating Committee carries out duties assigned in the OMVIC by-laws and by the Board of Directors. Responsibilities include developing and recommending selection criteria for new Board members, seeking nominees for vacancies on the Board and recommending nominees for appointment to the Motor Vehicle Dealers Compensation Fund Board of Trustees. The Committee also regularly reviews Board governance, including reviewing the effectiveness of Board committees and their chairs. It also arranges an annual governance refresher for the Board and manages a regular Board performance evaluation process.

The Committee held 10 meetings in 2019 during which it recommended revisions to the Board's Nominations Package and the nominations process.

## REGULATORY AFFAIRS COMMITTEE

**Members: All Board members, with Cliff Pilon as Chair**

From time to time, the Regulatory Affairs Committee develops recommendations concerning potential changes to the MVDA and its regulations, as well as to other relevant legislation. The Committee ensures that, whenever possible, those recommendations provide a Regulatory Impact Assessment and appropriately documented consultation.

The Committee did not meet in 2019.



# CONTACTING OMVIC

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**Website:** [omvic.on.ca](http://omvic.on.ca)

**Email:** [omvic@omvic.on.ca](mailto:omvic@omvic.on.ca)

**Registration Services**

Email: [registration@omvic.on.ca](mailto:registration@omvic.on.ca)

Telephone: 416-226-4500 ext. 3941

**Complaints and Inquiries**

Email: [consumers@omvic.on.ca](mailto:consumers@omvic.on.ca)

Telephone: 416-226-4500 ext. 3942

Complaints may also be submitted online at [omvic.ca](http://omvic.ca)

**Complaints Officer** (for complaints against OMVIC)

Brian Osler

Email: [brian.osler@omvic.on.ca](mailto:brian.osler@omvic.on.ca)

Telephone: 416-512-3166

OMVIC's complaint policy is available at [omvic.on.ca](http://omvic.on.ca)

**Reporting Curbsider Activity**

Email: [nocurbs@omvic.on.ca](mailto:nocurbs@omvic.on.ca)

Telephone: 1-888-NO-CURBS (662-8727)

**Motor Vehicle Dealers Compensation Fund**

Email: [compfund@omvic.on.ca](mailto:compfund@omvic.on.ca)

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Terry O'Keefe

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**Privacy Officer**

Brian Osler

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OMVIC's privacy policy is available at [omvic.on.ca](http://omvic.on.ca)

# APPENDICES

## APPENDIX A

### SELECTION CRITERIA

#### A. Definitions

As used in these Selection Criteria, the following terms have the meanings specified or referred to below:

- (a) **“Act”** means the *Motor Vehicle Dealers Act, 2002*, S.O. 2002, c. 30, Sched. B, including any regulations made thereunder, as amended from time to time;
- (b) **“Dealer Principal”** means, in respect of a registered motor vehicle dealer, either (1) a registered salesperson who has an Ownership Interest in such registered motor vehicle dealer, or (2) a sole proprietor who is a registered motor vehicle dealer;
- (c) **“motor vehicle dealer”** shall have the meaning ascribed thereto pursuant to the Act;
- (d) **“application”** means application from an individual as a candidate for election as a Director of the Ontario Motor Vehicle Industry Council (OMVIC);
- (e) **“Ownership Interest”** means, in respect of a registered motor vehicle dealer, the beneficial ownership, held directly or indirectly (including through any holding company), of at least 15 per cent of the share capital or at least 15 per cent of any other equity interest in such registered motor vehicle dealer, as determined by the Nominating Committee, acting reasonably;
- (f) **“Proposal of the Registrar”** means a proposal by the Registrar to suspend, revoke, apply conditions to, or refuse to renew a registration; or an order of the Registrar under the Act in respect of false, misleading, or deceptive statements by registrants;
- (g) **“registered motor vehicle dealer”** means a person who is registered as a motor vehicle dealer under the Act and whose registration is not suspended;
- (h) **“registered salesperson”** means a person who is registered as a salesperson under the Act and whose registration is not suspended;
- (i) **“regulated industry”** means the industry regulated by the Act;

- (j) **“salesperson”** shall have the meaning ascribed thereto pursuant to the Act; and
- (k) **“trade”** shall have the meaning ascribed thereto pursuant to the Act.

#### B. Criteria

In order to be considered by the Nominating Committee to be a candidate for election to the OMVIC Board of Directors, an individual shall:

1. be a Dealer Principal of a registered motor vehicle dealer and meet the following additional criteria:
  - 1.1 neither the candidate’s registration as a salesperson (if applicable), nor that of the registered motor vehicle dealer of which he or she is a Dealer Principal, has been the subject of an order from the Licence Appeal Tribunal regarding conditions of registration within the two-year period prior to the deadline for submitting applications;
  - 1.2 neither the candidate’s registration as a salesperson (if applicable), nor that of the registered motor vehicle dealer of which he or she is a Dealer Principal, is currently the subject of a proposal of the Registrar under the Act or subject to conditions applied by the Registrar under s. 9 of the Act;
  - 1.3 the candidate has been the Dealer Principal of a registered motor vehicle dealer that has been registered continuously under the Act for at least two years prior to the deadline for submitting applications;
  - 1.4 the candidate has participated actively in the management of such registered motor vehicle dealer for at least two years prior to the deadline for submitting applications;
  - 1.5 the candidate has participated actively in the trading in motor vehicles on behalf of such registered motor vehicle dealer for at least two years prior to the deadline for submitting applications; and

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- 1.6 if the candidate is a Dealer Principal who is a registered salesperson (and is not a sole proprietor), he or she has been continuously registered as a salesperson under the Act for at least two years prior to the deadline for submitting applications
2. sign and commit to abiding by the attached agreements entitled “*Responsibilities of a Director of OMVIC*” and “*Director Confidentiality*”;
3. agree to completion of any background checks, site visit/inspection if required, inquiries, and/or a Canada-wide criminal record check, as required at the sole discretion of the Nominating Committee and permit OMVIC to share results with the members of the Nominating Committee;
4. be at least eighteen (18) years of age at the time of application close;
5. not be a person who has the status of bankrupt;
6. not be a person who has been found to be incapable by any court in Canada or elsewhere or who has been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act* to be incapable of managing property;
7. be a Director member of OMVIC or agree to become a Director member of OMVIC within ten (10) days of his or her election as a Director;
8. not be an employee of a trade association representing the interests of the regulated industry;
9. be a current member of the group or trade association designated under paragraph 13(b) of OMVIC’s General By-Law;
10. if required, attend an information exchange session with the Nominating Committee; and
11. satisfy such other qualifications or criteria that are established by the Nominating Committee from time to time.

## APPENDIX B

### BOARD OF DIRECTORS SKILLS PROFILE

#### Board Skills and Experience

With the purpose of protecting the public interest, OMVIC’s mandate is to maintain a fair, safe and informed motor vehicle sales marketplace by administering and enforcing the MVDA, its regulations and other applicable consumer protection statutes. OMVIC’s Board of Directors must therefore comprise a range of members whose collective experience and skills are best suited to accomplish this mandate. Each member of the Board brings unique skills and experience to the task. This document sets out some of these skills and experiences and serves as a guide to OMVIC in developing its Board application and election process. Through the establishment of formal Selection Criteria and a Board Member Skills Profile, the Nominating Committee attempts to ensure that OMVIC’s Board of Directors is composed of respected members of the community with a high level of integrity, and who collectively possess a mix of skills and experience that add strategic value to OMVIC.

Board members should:

- demonstrate a positive attitude towards the public interest
- actively participate in discussions and support OMVIC’s mandate and vision
- listen to other points of view and support consensus-building and consider diverse perspectives
- promote consumer protection and registrant professionalism
- be strategic thinkers
- understand the governance role of a Board member, its responsibilities and its limitations
- be sensitive to shifting consumer needs and expectations and registrants adapting to disruption

The Board will seek to achieve diversity in its membership.

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## Individual Knowledge and Experience

To enable it to provide strategic direction and fulfill its oversight responsibilities, the Board should include members with a mix of following skills, knowledge and experience:

- knowledge of retail automotive sector: new, used, leasing
- membership on boards, including not-for-profit boards
- public policy and regulatory environments, especially pertaining to consumer law
- customer service delivery
- financial literacy
- marketing, public relations and communications
- executive management and compensation
- technical training and public education
- risk management and analysis
- strategic planning
- IT governance

The Nominating Committee of the Board reviews and updates this profile periodically to ensure that it reflects the current needs of the Board consistent with the achievement of OMVIC's mandate and vision.

## APPENDIX C

### RESPONSIBILITIES OF A DIRECTOR OF OMVIC

(Updated May 13, 2020)

By accepting my election to the Board of Directors of the Ontario Motor Vehicle Industry Council (OMVIC), I agree to adhere to all applicable policies and procedures and to standards outlined below. I understand it is my responsibility to:

- Remain well informed about the work of OMVIC and its stated objectives.
- Understand the role of OMVIC, its goals, and its services.
- Be thoughtful and objective, in all deliberations.

- Make decisions in the best interest of OMVIC and its stated objectives.
- Comply with the Code of Conduct, including its Conflict of Interest Guidelines, as they exist from time to time.

#### As a Board Member I Hereby Agree To:

- Place regulation of the motor vehicle industry and protection of the public above any special interest, geographic or personal constituency.
- Be prepared to accept at least one Board Committee assignment and actively participate in the Committee meetings.
- Attend and participate in, at minimum, three-quarters of the Board meetings, Committee meetings and subcommittees (if applicable). I understand that failure to meet this requirement may result in a request for my resignation.
- Complete tasks and projects assigned and accepted.
- Inform the Board of the needs and concerns of stakeholders.
- Self-evaluate my performance as a Director each year.
- Recognize the roles of the CEO, Registrar, and OMVIC staff and refrain from involving myself in administrative decision-making or program implementation.

#### As a Board Member I Hereby Agree NOT To:

- Authorize the use of or use for the benefit or advantage of any person, the name, logo, endorsement, services, or property of OMVIC except in conformance with OMVIC policy.
- Accept, or seek on behalf of myself or any related parties, any financial advantage or gain of other than nominal value offered as a result of my OMVIC affiliation.
- Utilize any OMVIC affiliation in connection with the promotion of partisan politics, religious matters, or positions on any issue not in conformity with the position of OMVIC.

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- Disclose any information available to me solely because of my Board membership to any person not authorized by law or the by-laws of OMVIC to receive such information.
- Knowingly take any action or make any statement intended to influence the conduct of OMVIC in such a way as to confer any financial benefit on myself or any corporation or entity in which I have a significant interest or affiliation.
- Make public statements about OMVIC and its policies, the Board or other Board members or about OMVIC or Board administrative matters, without the express authorization of OMVIC.

## **I furthermore understand and agree to:**

- Maintain and perpetuate OMVIC as a viable, relevant, effective and legal entity by working with other Directors in overseeing and reviewing the conduct and operation of OMVIC.
- Act as a trustee of stakeholder interests and recognize my fiduciary duty to OMVIC.
- Review and approve plans and financial objectives for OMVIC's future role and scope of activities.
- Ensure the integrity of internal controls of financial management.
- Measure progress towards stated goals (consumer protection and education; industry regulation; and customer service) and review management input on resource allocation.
- Assess the performance and results of management and OMVIC, including the Board of Directors.
- Exercise due diligence.
- Along with other Directors, act as steward of the OMVIC's assets.

## **APPENDIX D**

### **BOARD OF DIRECTORS – CODE OF CONDUCT**

(Updated May 13, 2020)

Board members agree that in order to exercise their fiduciary responsibilities as an OMVIC board member, they must:

1. Review materials provided for Board and Committee meetings in advance of all meetings.
2. Be prepared to participate in meetings of the Board and its committees and subcommittees through informed and reasoned discussion and questions.
3. Consult stakeholders as necessary without violating confidentiality
4. Encourage fellow Board members to participate in meetings.
5. Respect views of fellow Board members even if those views vary significantly from their own.
6. Make decisions that serve the best interests of OMVIC's objects and priorities
7. Demonstrate respect, courtesy and professionalism in the course of fulfilling his or her duties and responsibilities as a Board member, including interactions with other Board members, officers and staff of the corporation, and external stakeholders.
8. Make decisions which serve the best interests of OMVIC rather than their own or any particular group or association
9. Avoid or declare real or perceived conflicts of interest
10. Conduct themselves in accordance with applicable law, this Code of Conduct, and the Confidentiality policy.
11. Conduct their businesses in accordance with the Motor Vehicle Dealers Act, 2002, and other laws which apply to their business
12. Ensure sound fiscal management of OMVIC

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## APPENDIX E

### BOARD OF DIRECTORS – CONFLICT OF INTEREST GUIDELINES

(Updated May 13, 2020)

Each director must act scrupulously to avoid actual, perceived and potential conflict of interest. Conflicts may arise where a director's personal, professional or business interests' conflict with that of the corporation.

An actual conflict of interest arises when the director derives or is in a position to derive a personal, professional or business benefit from his/her position as a director.

A perceived conflict arises when there is the perception that the director could derive a benefit from his/her position.

If a director believes that an actual or perceived conflict of interest may exist, the director must immediately disclose the conflict and the nature of the conflict to the Board.

Following the disclosure of the conflict of interest, the director with the declared conflict shall not be involved in any Board discussion regarding the circumstances giving rise to the conflict and the director with the declared conflict must abstain from any vote of the directors on the issue. In the director's best interests, as well as those of OMVIC, the director with the declared conflict should excuse himself or herself from the board meeting during any discussion of the issue giving rise to the conflict.

If following the disclosure by the director of a conflict, the Board believes that it is in the best interests of OMVIC for the director with the declared conflict to leave the board meeting during any discussion of the issue giving rise to the conflict, the director with the declared conflict shall leave the meeting.

If a director is unsure of whether he or she has a conflict of interest on an issue, he/she may wish to obtain an independent legal advice on the matter, or he or she may wish to put the matter before the Board for its consideration. If the Board believes that the director has an actual or perceived conflict of interest, the board will request that the director declare a conflict of interest.

A director should be mindful of the need to treat as confidential all information which comes to his/her attention as a result of his/her appointment as a board member, particularly if such information would be of personal, professional or business benefit to the individual.

## APPENDIX F

### BOARD OF DIRECTORS – DIRECTOR CONFIDENTIALITY

I, the undersigned, agree and confirm that I will not use or disclose to any person, any confidential information or materials relating to OMVIC or any of its members unless legally compelled to do so. If the Board determines after due consideration, acting reasonably, that I have breached this agreement, in addition to any other remedies available to OMVIC, I agree to voluntarily resign from the Board.

Dated this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Director

#### Definition of Confidentiality

1. Any and all information that is obtained by virtue of the individual's position as a Board member shall be deemed to be confidential and shall remain confidential until such time as it is made publicly available by OMVIC.
2. Without limiting the generality of the foregoing, all deliberations of the Board of Directors or its Committees are confidential. Any disclosure of such deliberations shall be made only by reference to the written approved minutes of a meeting.
3. The foregoing shall not preclude the Board of Directors from authorizing the disclosure of information as it, in its discretion, may deem appropriate.





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