

THE DEALER STANDARD

Consumer Protection • Registrant Professionalism • Consumer Support

Trends in vehicle sales

OMVIC has identified trends in the automotive sector due to consumer complaints related to the increasingly high costs of motor vehicles in Ontario and the addition of mandatory fees and services.

This practice is having an increasingly negative impact on consumers who are already faced with intense economic pressures due to rising interest rates, the high cost of living, and increasingly long wait times due to vehicle inventory shortages. It is also impacting the reputation of all those working in the automotive industry.



OMVIC would like to remind dealers and salespersons that they are required to adhere to a [Code of Ethics](#). Certain actions can put dealers and salespersons at risk of breaching the Code of Ethics **by engaging in unprofessional, dishonest, or other improper behaviour** and this could result in enforcement action.

Dealers are also reminded that the advertised vehicle price **must include all fees and charges the dealer intends to collect from the consumer with the exception of HST and Licensing**. Charging consumers mandatory fees and charges above the advertised price is a violation of the [MVDA](#).

Questions?

The dealer support team is available to assist dealers in achieving and maintaining compliance with the [MVDA](#). Please contact dealer support at dealers@omvic.on.ca or by calling 1-800-943-6002 and leave a message if you have any questions or concerns. Messages are returned in a priority sequence.



OMVIC's front desk is open!

Two and a half years ago, OMVIC made the decision to close the front desk in response to the COVID-19 pandemic.

As a result, all of OMVIC's front-line services moved online. The groups we serve were pushed to complete transactions and submit their inquiries through our website, via email, or by phone. This has worked well, but it is time to consider whether OMVIC should re-open the front desk full-time, make it available on a limited basis or close it permanently now that pandemic concerns have subsided.

As such, OMVIC implemented a three-month pilot project to re-open the front desk, every Thursday morning from 9:30 a.m. to 11:30 a.m. The pilot will end on Thursday, Jan. 19, 2023. This is an important tool to help us determine which customer service channels are in-demand from each of our audiences.

At the end of the pilot, the level of interest will be reviewed, and a decision will be made about the future of the front desk.

IN THIS ISSUE

- Trends in vehicle sales
- OMVIC's enforcement approach to action – four part series
- LAT decision
- OMVIC's front desk is open!
- Maintain compliance with dealer guidelines
- New online services portal launching in early 2023!
- Answering registrant questions

OMVIC's enforcement approach to action – four part series

Part two: notice of proposal/ Licence Appeal Tribunal

This is part two of a four-part series to explain OMVIC's approach to enforcement action with a focus on the notice of proposal/ [Licence Appeal Tribunal \(LAT\)](#).

LAT is an independent agency and is one of the 13 tribunals in Tribunals Ontario. It adjudicates applications and resolves disputes concerning compensation claims and licensing activities regulated by the provincial government, including activities of delegated administrative authorities. [Read more here.](#)

Part three: notice of complaint and the discipline committee

This is part three of a four-part series that details OMVIC's approach to enforcement action with a focus on registered dealers and salespersons who have violated the Code of Ethics – otherwise known as a notice of complaint.

[The Code of Ethics](#) are laws governing the professional conduct of dealers and salespeople within the automotive sales industry in Ontario. [Read more here.](#)

Part four: provincial offences act proceedings

This is part four, the final piece of a series that details OMVIC's approach to enforcement action with a focus on the provincial offences act proceedings.

In some cases, a violation of the [MVDA](#), [CPA](#), or certain other laws will result in a salesperson or dealer being formally charged with an offence and prosecuted under the Provincial Offences Act (POA). [Read more here.](#)



Maintain compliance with dealer guidelines

OMVIC has been releasing guidelines to provide greater clarity to registrants on the current legislation, regulations, and up-to-date information on how to remain compliant with new standards. The release of each guideline is combined with a webinar to provide an overview and an opportunity for registrants to ask any questions they may have. For each guideline, OMVIC worked with registrants to assess the guidance they need to ensure they understand the resources and tools available to them. The guidelines reflect the input received.

Dealer inquiries guideline

This guideline outlines when registrants should contact either dealer support or registration, depending on their issue, and how to do so. To read the official guideline, [click here](#).

Non-traditional business models guideline

This guideline provides registrants greater clarity around what constitutes a non-traditional business model and how to comply with the required legislation. To read the official guideline, [click here](#).

Online sales guideline

This guideline outlines how best to ensure a fair operating environment that meets business needs and protects consumers' interests through an online selling platform, rather than physical premises. To read the official guideline, [click here](#).



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

Instagram: [@OMVIC_Official](#)

Twitter: [@OMVIC_Official](#)

LinkedIn: [Ontario Motor Vehicle Industry Council \(OMVIC\)](#)

Facebook: [OntarioMotorVehicleIndustryCouncil](#)

THE ENFORCEMENT FILES

Motor vehicle salesperson and dealership have registration revoked due to sexual assault and extortion of a customer

In a written decision released on October 24th, the License Appeal Tribunal (LAT) directed OMVIC to carry out its proposal to revoke the registrations of 2300147 Ontario Inc. o/a Certified Preowned Cars (CPC), a dealership in Etobicoke, and Yaqob Yaqobi, a registered motor vehicle salesperson, under the [Motor Vehicle Dealers Act, 2002](#) (the Act).

The decision to revoke the registrations of Yaqob Yaqobi and Certified Preowned Cars (CPC) makes it illegal for either party to be in the business of trading and selling motor vehicles to consumers in Ontario. Operating as a used car dealership and a motor vehicle inspection station, under its sole director, Nadia Fariad; CPC has been registered as a dealer since its incorporation in 2012. Yaqobi was the only salesperson employed at the dealership and oversaw its day-to-day operations.

The LAT found that Yaqobi, Fariad, and CPC are interested persons under the Act. Furthermore, despite their appeal of the registrar's proposal to revoke their registrations, the LAT found their past conduct affords reasonable grounds for belief that neither Yaqobi, nor CPC, will conduct business in accordance with the law, and with honesty and integrity.

The grounds for revoking Yaqobi's licence include allegations that he sexually assaulted a customer on several occasions and that he did so through acts of extortion over a period of approximately four years. He also failed to provide a written contract and accurate bill of sale and failed to notify the registrar of his criminal charges, even though he was under an obligation to do so. Though the Tribunal's records are open to the public, the complainant's

identity was kept confidential in this case to protect the witness. According to the complainant, she first attended CPC in 2015 for a repair and did not return until 2017, when she was in the market to purchase. The salesperson she dealt with at CPC was Yaqobi.

After taking possession of that vehicle in 2017, another in 2019, and one more in 2021, the complainant alleges that Yaqobi insisted she come to the dealership on a regular basis, to make monthly car payments so he could "inspect" her vehicles. On many occasions, Yaqobi would make unwanted sexual comments, advances, and eventually assaults. The complainant said the sexual activity was unwanted by her, but that Yaqobi made it clear that, if she did not comply, he would repossess her vehicle.

The complainant said she felt she had to comply because she needed a vehicle to transport herself and her son with special needs.

By October 2021, the complainant was no longer willing to tolerate Yaqobi's behaviour and reported it to the police. The police charged Yaqobi with four counts of sexual assault and three counts of extortion. Though Yaqobi denies all the complainant's allegations of sexual misconduct, the LAT found the complainant's evidence to be credible, consistent, and reasonable. Both Yaqobi and Fariad deny these claims; however, the LAT did not find their evidence or version of events to be credible, reasonable, or believable.



In addition to these charges, the LAT found failure to provide a written contract and an inaccurate bill of sale for the vehicles the complainant purchased in 2019 and 2021. According to Yaqobi and Fariad, the complainant requested that the price be misrepresented. The obligation to provide an accurate bill of sale under the Act is that of the dealer and salesperson.

On October 16, 2021, Yaqobi applied for a renewal of his registration as a salesperson under the Act. In his renewal application form, Yaqobi answered "no" when asked whether there were any criminal charges pending against him, and at no time did he advise the registrar that there were charges against him.

It was also found that Fariad's past conduct affords reasonable grounds that CPC will not carry out business in accordance with the law and with integrity and honesty. She falsified documents by approving an inaccurate bill of sale and made false statements in renewal applications from 2015 to 2021. Fariad also sent a series of abusive and offensive texts to the complainant upon learning that her employee, Yaqobi, had been charged with sexual assault and extortion.

In summary, the Tribunal concluded that neither Yaqob Yaqobi, nor CPC, under Fariad's directorship, would carry on business in accordance with the law and with honesty and integrity. Despite their appeal, the LAT found no basis for this to be an appropriate case for licensure with conditions. The LAT found revoking registration was necessary to protect the public given they accept no responsibility for their actions, and their actions reflect a disregard for the law, and an absence of honesty and integrity.

The [full decision](#) can be found on OMVIC's website.

New online services portal launching in early 2023!

OMVIC's new online services portal will radically improve internal operations as well as the registrant experience by modernizing the core operating system and upgrading our digital capabilities.

This online services platform is a modern and secure cloud-based system with new integrations, features, and improved functionality. For your convenience, it will also include a new, user-friendly dealer portal for registrants.

What does this mean for registrants?

The new portal will have a fresh, easy-to-navigate design, which offers registrants 24/7 self-serve functions to easily submit and access files and information.

Registrant action is required.

Please sign into your [online services account](#) and ensure that your contact information and email addresses are up to date. Dealer administrators— please remind your staff to do this as well.

To review and update your member portal, log in with the above link, click the "update your contact information link" and proceed to review and update the information.

Once the new online services portal is ready to launch, instructions will be provided to help you log in and explore. Keep your eye out on your inbox or join us on [LinkedIn](#) for further updates!



Answering registrant questions

1) I've been seeing a lot of stories regarding dealers falling victim to fraud. How can we protect ourselves and what advice can OMVIC offer/recommend?

With the rise in automobile fraud across the GTA, OMVIC has partnered with the OPP to host a free webinar intended to provide tips and best practices to help dealers combat fraudsters. This fraud prevention webinar will occur in the spring of 2023, and we will promote this on our platforms closer to the date. If this is of interest to you, or if you would like to learn more about fraud prevention, please reach out to education@omvic.on.ca to book an individual session for your dealership(s).

2) Does OMVIC provide assistance to dealers in Ontario who require mediation with another Ontario dealer?

As a matter of practice, OMVIC does not settle disputes among dealers. OMVIC is not an arbitration service and additionally, has no authority under the [MVDA](#) to force or compel a dealer into a specific resolution. However, if we receive a complaint that a dealer has not complied with the MVDA or [Code of Ethics](#), we will investigate as required.

3) How do I itemize the new luxury sales tax on a bill of sale?

Dealers who have questions about the luxury tax are encouraged to contact the [Government of Canada](#) at 1-866-330-3304 or seek advice through their accountants, legal counsel or member organizations (e.g., UCDA, TADA etc.). A [dealer bulletin](#) related to the luxury sales tax can be found on our website.

CONTACTING OMVIC

THE DEALER STANDARD
is published by the

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Toll-Free: 1-800-943-6002

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

- **DEALER SUPPORT**
dealers@omvic.on.ca
- **REPORT A CURBSIDER**
nocurbs@omvic.on.ca
- **REGISTRATION**
registration@omvic.on.ca

- **COMMUNICATIONS AND
MEDIA INQUIRIES**
communications@omvic.on.ca
- **EDUCATION**
education@omvic.on.ca