

WINTER CAMPAIGN BRINGS IMPRESSIVE RESULTS

The UCDA and Carpages.ca are shining brightly above the Gardiner Expressway!

This photo was taken during the first week of the UCDA/Carpages digital billboard campaign which started January 27. For four weeks these messages are being displayed to drivers traveling into and out of downtown Toronto on the Gardiner Expressway.

The messages will appear on a different sign in each of the four weeks ... sometimes facing west and sometimes facing east.

Each view lasts for about 8 seconds ... plenty of time for drivers and passengers crawling along in Toronto traffic to read it. The ads will scroll through with other ads, appearing several times a minute.

The signs, in conjunction with the current joint sponsorship of 680 news traffic reports by the UCDA and Carpages, and Carpages' province-wide Facebook and internet campaign have yielded some impressive results in what is usually a slow time of year.

Here are a few highlights:

- email leads from Carpages vehicle listings increased by 44% in January 2014 compared to January 2013
- vehicle views on Carpages.ca increased by 24% in January 2014 compared to January 2013
- vehicleviews in January reached record highs

- 27 new members signed up with Carpages during the month of January

Did you know Carpages can also design and customize a great new web site for you?

Here's a recent dealer testimonial:

"I just wanted to let you know how happy I am with my new custom web site...

the team delivered everything on time as promised and met all of my needs. I have been in business for over 20 years and have gone through three different web sites, and I feel like now I finally have the online presence that I have been looking for."

Kevin Bavelaar, Auto Showplace

Visit www.carpages.ca or call Carpages directly at 1-866-56-PAGES (567-2437) to sign up or to find out more!



Administration and Other Fees

On the sale of a vehicle in Ontario, is it illegal for a dealer to charge an administration fee or other extra fee?

ALWAYS

NEVER

SOMETIMES

It **IS illegal**, when you have advertised a car for sale at a specific price, say \$10,000, and the buyer is willing to pay the asking price. That is the price you must charge without any added fees (administration, OMVIC or otherwise). You can't even charge extra for tax and licencing unless your all-in pricing ad states that tax and licencing are extra.

On the other hand, it is **NOT illegal** to charge an administration fee or other extra fee if that same buyer, coming in on your \$10,000 ad, wants to negotiate for a lower price and you agree to sell it for, say, \$9,500. Then you could charge an administration fee. As long as the final total comes in below the original \$10,000 advertised price, you are in compliance with Ontario law.

Easy to follow advertising guidelines can be found on our website at:

<http://www.ucda.org/DealerInfo/Advertising.aspx>

Minimum Wage

As most dealers know, whether they pay their staff, salespeople, etc. on salary or straight commission, Ontario law requires that **ALL employees be paid at least a minimum wage for the number of hours worked.**

Minimum wage is the lowest wage rate an employer can pay an employee. Most employees are entitled to be paid at least minimum wage, whether they are full-time, part-time or casual employees.

As you may have read or heard in the media, the Ontario government announced on January 30th that the minimum wage will rise to **\$11 an hour**, from the current \$10.25 an hour, on June 1, 2014.

In addition, the government says it plans to introduce legislation to tie future increases to the rate of inflation. If that law is passed, the new rate would be announced on April 1 each year and take effect October 1 of the same year.

Front Line will keep members aware of future changes to Ontario's minimum wage.

Rubber Checks

One thing about rubber, it can bounce. So it's no surprise that we call an uncertified cheque that doesn't clear a bank account a "rubber" cheque ... it bounces too!

Ontario courts have shown that the consequences of accepting an uncertified cheque for a vehicle can be severe.

In a case a few years ago, a dealer did just that, handing over several vehicles in exchange for an uncertified cheque from a wholesaler ... a typical transaction.

The wholesaler, in turn, immediately sold some of the vehicles to a third dealer. The wholesaler's cheque to the first dealer later bounced.

Somehow, the first dealer managed to get local police to "seize" the vehicles as part of a "fraud" investigation. The police then gave all the vehicles back to the first dealer who sold them off to other buyers!

The wholesaler was, by then, long gone, and the third dealer, from whom the vehicles were seized, was out thousands of dollars.

The third dealer sued the police and the first dealer who had taken the bad cheque ... and **WON!** The court awarded the dealer damages and court costs against both the police and the first dealer.

The judge ruled that by accepting the cheque as payment in full, and giving the wholesaler the vehicles and the bill of sale, the first dealer had transferred ownership.

The judge said the police were wrong to have returned the vehicles to the first dealer without seeking court direction on the crucial issue of ownership, ruling the police knew (or should have known) the dealer who they seized them from claimed ownership of the vehicles.

Unlike the case with a stolen vehicle, where the owner does not voluntarily release possession of the vehicle and in which ownership cannot pass, a vehicle obtained by fraud may be sold if the buyer is innocent and pays fair value for the vehicle.

Even if the selling dealer keeps possession of the original vehicle registration permit, legal ownership can still pass to an innocent buyer. If payment in full ... even with a bad cheque ... is accepted, a bill of sale is created and possession of the vehicle is given to an innocent buyer ... the buyer has a rightful claim to the vehicle.

If you don't want to take the risk ... demand a certified cheque as payment.

Sales To Minors

John Tonelli is now a retired pro hockey player. He was a four-time Stanley Cup champion with the New York Islanders, and also played with the Calgary Flames, Los Angeles Kings, Chicago Blackhawks, and the Quebec Nordiques of the National Hockey League.

But before that, he was a 17 year old kid with a hockey dream who signed a contract with the Toronto Marlboros to play exclusively for them. He made legal waves when he turned 18 and successfully challenged the contract. How did he win?

A contract with a 17 year old is "voidable" at his or her option.

Dealers must keep this in mind when approached by someone under 18 years of age who wants to buy a car.

In Ontario, it is perfectly legal to sell a vehicle to a minor. A minor is defined in the *Ontario Age of Majority and Accountability Act* as a person not yet having reached the age of 18 years.

However, as the name of *the Act* implies, because minors cannot be held legally "accountable" for the contracts they sign, if they decide not to complete a purchase, or come back the next day for a refund, you can't hold them to the legal obligations they have entered into. In fact, a minor can demand a refund at any time before his or her 18th birthday.

And don't forget about mom and dad - don't assume they will be thrilled when their little boy or girl rolls up the driveway in their new ride!

Aside from the lack of legal protection you enjoy on a sale to a minor, no dealer wants or needs the fallout that can result when the whole family - mom, dad and (now) chastened teenager are having a full fledged domestic dispute in your usually calm and professional office.

Always ensure that a parent or guardian co-signs the bill of sale on the sale of a vehicle to a minor.

Notice of Meeting

A Meeting will be held on February 27, 2014 at 4:00 p.m at the UCDA office, 230 Norseman Street, Toronto to consider a Special Resolution of Members authorizing and directing the directors of the corporation to make an application to continue the Corporation under the provisions of the *Canada Not-for-Profit Corporations Act* and to consider and approve Articles of Continuance of the Corporation.

CRA Scam?

As tax time has come around, what better time for scammers to start sending fake emails that act like the Tax Man has a refund for you, or wants money from you?

From Peel Police:

Investigators from the Peel Regional Police Fraud Bureau would like to advise the public about an ongoing scam involving fraudulent communications from the CRA. Police have received numerous reports from residents having received phone, mail or emails appearing to be from the Canada Revenue Agency.

These communications indicate to the receiver that either the CRA owes them a refund or that they owe the CRA in back taxes, which is to be paid immediately.

The communications will go on to instruct the receiver to provide personal information in order to either receive the benefit or pay the outstanding bill.

As per the Canada Revenue Agency Website, the CRA will not request personal information of any kind of a taxpayer by email.

Here are some tips to remember when you are in receipt of any communication (phone, mail or e-mail) appearing to be from the CRA:

Do not take immediate action. Verify that what you are being told is the truth.

Ask yourself why the CRA would be asking for personal information over the phone or e-mail that they likely already have on file for you as a taxpayer.

Contact the CRA to confirm that you in fact owe back taxes, or are entitled to a refund, before providing any personal or banking information.

For more information about Fraud Scams involving the CRA visit the Canada Revenue Web page at <http://www.cra-arc.gc.ca/ntcs/bwr-eng.html>

To learn more about this type of scam and other fraud scams currently affecting Canadians. Please visit the Canadian Anti-fraud centre website at www.antifraudcentre.ca

Anyone with information in relation to this type of scam, or feel they have been victimized, is asked to contact Fraud Investigators at (905) 453-2121, ext. 3335. Information can also be left anonymously by calling Peel Crime Stoppers at 1-800-222-TIPS (8477), or by visiting their website at www.peelcrimestoppers.ca, or by sending a text message to CRIMES (274637) with the word "Peel" and then your tip.

Who Is The Seller?

There has always been a strong demand for affordable used vehicles, but some people are hard to finance, because of poor credit, bankruptcy history, low income or a combination of factors. These customers are often referred to as "subprime" in describing their financing needs.

They are not "bad" customers by any means and for many dealers they are their "bread and butter" business.

In many cases, these customers will approach a dealer to buy or lease a vehicle and the dealer cannot "get them financed", but knows another dealer (finance dealer) who can. Often because the finance dealer has set themselves up with lenders who are prepared to accept high risk customers.

In these situations the dealer, with whom the customer has dealt throughout, will wholesale the vehicle to the finance dealer.

The problem for the finance dealer is they often consider their involvement with the customer to be merely for the purpose of financing. **In reality the buyer has become their customer ...** they have bought the vehicle and entered into a contract (sale or lease) directly with the customer.

Why does this matter? Well, it often doesn't matter ... even the customer might believe he obtained the vehicle from the first dealer and the financing was just "details". Though as with most things involving legal issues, it's not until a problem arises that the parties have to think about the legal relationships that have been created!

Recently, the UCDA mediated a complaint from a consumer who had bought a used car from a finance dealer, but had really dealt with another dealer throughout. The engine in the vehicle failed after about 60 days and 4,600 kms of driving. Unfortunately, the extended warranty the customer had purchased only covered \$700.00 of a repair that finally tallied up to \$5,600.00.

When the customer called the UCDA he said he bought the vehicle from the first dealer, but, in fact, his bill of sale was with the financing dealer. When we called them, their first reaction was "but I was only financing this customer!"

This complaint was finally resolved through UCDA mediation, with a cash payment from the financing dealer to the customer to offset his repair expenses.

Dealers should remember that a contract is a contract. Once a dealer sells or leases a vehicle, for whatever reason, to a customer any problems become that dealer's responsibility, not the responsibility of the dealer that "brought you the deal".

UCDA Lane at Manheim Toronto ... and the Winner is!

After one of the coldest Januarys in recent memory, the weather finally started to co-operate and the temperature warmed up just a little bit helping to make the UCDA Lane at Manheim Toronto a success on January 30. Members enjoyed warm snacks and hot coffee to help keep the chill away.

Members that entered vehicles for sale also took advantage of the UCDA-sponsored half price pre-sale inspection. 40% of the vehicles that went through the lane were entered with a pre-sale inspection.

After the sale, UCDA Executive Director Warren Barnard, announced the winner of a 3500 watt generator. The lucky winner was 10 year UCDA member **Xtreme Motors Ltd.**, of Kitchener. When the next "xtreme" storm hits, Xtreme Motors can rest a little easier when the lights start to flicker!

The UCDA lane will continue to run at each Thursday evening sale at Manheim with free gifts and snacks at selected sales. From time to time, draws will be held for prizes that can help make running the dealership just a little easier.

Members are encouraged to continue to buy from and sell to other members at the UCDA Lane. Help support your fellow members as well as yourself and enjoy the camaraderie that only attending an auction in person can bring.

One or more members of the UCDA staff will be at each Thursday night sale to answer any questions you may have or just to chat. Be sure to say "Hi!"

