

NEW SAFETY CHECK RULES

The first large scale changes in over 40 years to the *Highway Traffic Act* regulations governing Safety Standards Inspections have now been completed.

After extensive consultations with interested parties, stakeholders, including representatives of the UCDA, and many with expertise on the technical aspects of Safety Inspections, the amendments are set to come into effect on July 1.

The first and biggest change members will notice is the look of the Safety report itself. As members know, the current safety standards certificate gives very little information to the dealer or their customer about what is actually checked on any given vehicle. The new "inspection report" will contain:

- "Tell-Tales" indicating a fault
- Fuel Tank Level
- Tire Tread Depth
- Tire Inflation Pressure (initial and final) if corrected by more than 5psi
- Disc Brakes - Rotor Thickness - Pad (Friction) Thickness of Inner and Outer Brake Pad
- Brake Drum System - Brake Shoe Lining Thickness - Brake Drum Diameter

Airbags will now be included in safeties for light duty vehicles (under 4536 kg). While ABS will not need to be functional in light duty vehicles, it will need to be checked for "tell-tales" and rejected if braking is negatively affected.

Other Highlights

NEW Electronic Stability Control systems must work on vehicles made after Sept. 1, 2011;

NEW Equipment, latches, handles, door openers, hinges and other devices must be operating properly;

NEW Specific requirements relating to structural integrity;

NEW The entire area of the windshield that is swept by both wipers, must be free of cracks and chips; and

NEW Road test at minimum speed of 40km/h to test brakes, steering, speedometer, odometer and more

We will remind dealers again as the implementation date approaches. Meanwhile, the new safety reference handbook can be viewed [here](#).

Already, we've heard from a few members who are concerned about the effect this will have on dealers. There's no question that an inspection will take longer, meaning the cost to "safety" many vehicles will increase. The retail asking price for older, lower-cost vehicles will likely go up, due to the need to repair more items. Some vehicles may simply not be worth fixing.

Perhaps most importantly, the trade-in appraisal process will require even more attention than it already does, to avoid getting stuck with a vehicle that may cost thousands to bring up to standards.

When we told these members about the requirements of the new inspection process, many of them responded, "we do that anyway" after hearing each one. The new process will take some getting used to ... like everything does.

But members can and should turn it into a positive to customers to promote the added confidence they will have in knowing that the vehicle they're purchasing from a UCDA member is safe and reliable. These new standards will enhance the benefits of buying from a UCDA member vs. the risks of buying privately or from curbsiders.

Another reason for consumers to look for the UCDA sign when buying a used vehicle!

Salesman's OMVIC Application Goes Up In Flames

In a somewhat shocking decision in 2014, the Ontario Licence Appeal Tribunal (LAT) overturned OMVIC's decision to deny an applicant a salesperson registration under the *Motor Vehicle Dealers Act, 2002* (MVDA).

The applicant had recently been released from prison in the U.S. for hiring an arsonist to firebomb the office of a New York State Department of Motor Vehicle (DMV) office and the car of a DMV inspector.

Robert Vernon had operated two dealerships in Buffalo at the time. In his application to OMVIC, Vernon made false statements about his past and tried to absolve himself of wrongdoing in relation to the arson. He claimed the man who'd been hired and paid by him, misunderstood his intentions.

OMVIC denied Vernon's application.

However, at his appeal hearing LAT said:

The Tribunal is also satisfied that the Appellant's past behaviour is such that no concerns are raised about the honesty and integrity of his dealings with consumers. All of the evidence strongly supports the proposition that he has dealt honestly with the buying public throughout his career. Having found that he did not mislead OMVIC about his criminal conviction, the Tribunal can find no grounds to determine that he will be less than forthcoming with the Registrar in the future.

Not surprisingly, OMVIC appealed this decision to Divisional Court and on January 14th the court overruled LAT, finding that Vernon did indeed supply "inaccurate and misleading disclosure of the details of that conviction in the course of the application process for registration."

The Appeal Court went on to give details:

The respondent's letter of June 2, 2014, sent to the Registrar during the application process, contains a misleading description of significant details underlying his criminal conviction. He stated in the letter to the Registrar that he had expressed discontent about the regulator to two clients.

Subsequently, the clients told some "unknown hoodlums", who set the fire on their own, in the hope that they could extort money from him. In a telephone call to the Registrar's office in July 2014, the respondent stated that the information in the American court file would be no different from what he had already said, as he was telling the truth.

The version of events given to the Registrar was highly misleading. Documents obtained by the Registrar from the American court file show that the respondent paid an individual \$1,000 to set fire to the DMV office, showed him the window of the office where the fire should be set, and indicated when he wanted the fire set.

As a result the Appeal court ruled as follows:

[T]he only reasonable conclusion on this record is that the false information provided by the respondent disentitles him from registration under s. 6(1)(a)(iii) and, taking into account the criminal conviction as well, disentitles him under s. 6(1)(a)(ii).

Therefore, the Registrar is directed to carry out the proposal to refuse the respondent's registration.

Costs to the Registrar are fixed at \$3,000.00 ...

UCDA Trade-In Appraisal Form A Cautionary Tale

You've read many times in Front Line about the importance of the proper use of the UCDA Customer Information, Appraisal & Disclosure form.

Few things are more frustrating to hear than to find that staff are not filling the form out correctly. The form would be better lining the bottom of a bird cage in that case!

A dealer took a trade-in. The customer signed the Appraisal Form, but it was not fully completed. The "Vehicle Requires Repair to" section was left blank ... no "Yes", or "No" boxes were checked at all. The dealer quickly sold the trade in and the new buyer, coincidentally, took the vehicle for a check-over to a mechanic who had seen the same vehicle two weeks earlier when the previous consumer still owned it!

Guess what?

The mechanic said he had earlier diagnosed a serious transmission problem and told the fellow two weeks ago that the transmission needed to be replaced or rebuilt.

So now the dealer has an unhappy customer and when he goes back to the first customer who traded-in this mess without mentioning the existing tranny problem, what is that customer likely to say? Well, probably something like ... "I told your salesman the transmission was gone"?

The appraisal form is of no help at all if it's not filled out. The dealer is left with a potential "he said, she said" hassle.

If the dealer takes the reluctant customer to court, guess which side of this judges usually come down on?

Had the salesperson taken the few minutes needed to properly complete the appraisal form, it would have saved the dealer literally thousands of dollars.

Beware Old Decals on Vehicles

The February issue of *Canadian Auto World* reported a bizarre story, but one that Ontario dealers should take note of before selling commercial vehicles with the company name or logo of the previous owner on it.

Seems a dealer in Texas took a pick-up on trade from a plumbing company more than three years ago. As with most trades like this, the dealer likely wholesaled it, and the truck was long forgotten.

Until, years later, a photo of it showed up online. The photo didn't show the truck in a lot somewhere for sale. It showed the truck, name, logo and all, firing an anti-aircraft gun mounted in the truck bed!

The photo had been tweeted by a jihadist group fighting in the Syrian civil war.

It seems the plumbing company was swamped with irate callers demanding to know why it was supporting terrorists!

In December, the owner of the plumbing company sued the dealer, alleging that the dealer had said it would remove the decal and by not doing so, had caused harm to him, his family and his business.

Something to remember before you sell that truck that still has the "Joe's Landscaping" decal on it.

Annual Golf Tournament



Save the date: The annual Manheim/UCDA Ruth Hart-Stephens/Bob Beattie Memorial Golf Tournament will be held Friday June 10, 2016 at Lionhead. Double Shotgun Registration will be out soon. Proceeds to charity. Plan to be there!

MVDA Quiz

Here's the second of our monthly MVDA quizzes.

Read the questions carefully ... one or two of them may be a bit tricky!

Answers are on page 4.

1. A dealer must fully refund a deposit if the customer who signed a bill of sale changes their mind.

True False

2. Customers have 48 hours to back out of a vehicle purchase, except for new cars

True False

3. The *Motor Vehicle Dealers Act, 2002* does not require a vehicle accident report like Auto Check, Carfax or CarProof to be given on every sale to a consumer.

True False

4. In Canada a criminal rate of interest for a loan is over:

- (a) 18%
- (b) 35%
- (c) 60%
- (d) 45%

5. Sales to Status Indians can be tax exempt under certain circumstances, one of which is whether they live on or off reserve.

True False

**UCDA VEHICLE
INFORMATION SEARCHES**

www.ucdasearches.com

Tel: 416-599-7412 or 1-800-668-8265

Fax: 416-232-0775

Carpages.ca, Canadian Black Book, and CarGurus

This past Summer, we told you that dealers advertising with Carpages.ca would also have their inventory listed on Canadian Black Book's website at no additional cost. Now, dealers advertising with Carpages.ca can also opt-in to have their inventory advertised on CarGurus.

The UCDA has been concerned about the increasing costs that members pay for online advertising, and we're constantly looking for ways to develop alternatives to help members save money and get a good return on their advertising investment.

Dealers using Carpages.ca, who also opt-in to CarGurus, are seeing significant increases in leads and finding that it's an effective marketing strategy. There is no additional cost for CarGurus when advertising with Carpages.ca.

Carpages.ca also offers other solutions designed to save you both time and money.

DealerSite+ is a turnkey solution powered by Carpages.ca that enables dealers to have a website that looks great on all devices, including laptops, tablets, and mobile phones. Dealers who have switched their website to DealerSite+ have found that they end up with a better website at a lower cost and have also told us that the support they receive is second to none.

Another product offered by Carpages.ca is their Dealer Dashboard mobile app. The app is designed to make it simple to maintain your online inventory anywhere you advertise including Carpages.ca, Canadian Black Book, CarGurus, your DealerSite+ website, and even on Auto Trader and Kijiji.

The Dealer Dashboard app includes a VIN scanner and built-in camera functionality so that you can photograph and create a full online vehicle ad in about two minutes. The app is currently available for iPhone and will soon be available for Android as well.

Carpages.ca is the most cost effective on-line advertising site for UCDA members across Ontario. The more members on the site, the more consumers will search for UCDA member vehicles. We're aiming for 1,000 members on Carpages.ca this year. You need to be on Carpages, Canadian Black Book and CarGurus now!

To learn more about any of these solutions see the insert included in this issue of Front Line or contact Ben Mirecki, President of Carpages.ca at ben@carpages.ca.

What Not To Do With A Dealer Plate

From Merriam-Webster.

Definition of über:

1: *being a superlative example of its kind or class:*
super- <übernerd>

2: *to an extreme or excessive degree: super- <übercool>*

We recently got a call from a member asking if he could use his dealer plate to drive passengers around for Uber.

As you probably know, Uber is a company that offers a mobile "app" to call for rides in many cities around the world.

We told the member that using a dealer plate would be an "uber" bad idea.

First, the *Highway Traffic Act* forbids it. Dealer plates cannot be used on vehicles for "hire", i.e. paid rides.

Second, standard garage insurance policies on these plates will not cover such use, so the activity is likely not insured.

So, would-be Uber drivers, don't use your Dealer plate!

Quiz Answers

1. **False**
Dealers may keep some or all of a deposit to cover the dealer's documented losses, where a customer cancels a purchase without reason.
2. **False**
There is no cooling off period once a customer has signed a purchase or lease agreement ... on any vehicle.
3. **True**
The MVDA does not require that dealers give or even show a vehicle information report to a purchaser, but does require dealers to disclose specific facts about a vehicle, such as past damage costing more than \$3,000 to repair.
4. **(c)**
Interest rates higher than 60% per annum are prohibited by the Criminal Code.
5. **False**
The purchaser's residence is not relevant when determining what, if any, tax should be charged to a Status Indian purchaser. The place of delivery (on a Reserve) is the key.

38200

Why Carpages.ca?

1 Better leads and lower costs

Avoid wasted time and money. Carpages.ca offers better cost-per-lead than most of our competitors.

2 Exclusive savings for UCDA members

Take advantage of our partnership with the UCDA for exclusive member-only pricing.

3 No renewal or replacement fees

Your ad stays online until the vehicle sells – no additional fees for updates or renewals.

4 Responsive customer support

Support when you need it, by phone or email.

5 Easy inventory management

Use our mobile app to capture and manage your online inventory and syndicate to websites like Canadian Black Book and CarGurus.

What are my costs?

Monthly Plan	Regular Price	UCDA Price
Up to 5 cars – billed quarterly	N/A	*99.95
Up to 10 cars	157.95	141.95
Up to 20 cars	188.95	172.95
Up to 30 cars	230.95	204.95
Up to 50 cars	293.95	256.95
Up to 75 cars	346.95	309.95
Unlimited Plan	377.95	340.95
DealerPage Activation (required) One-time fee	199.95	199.95

* Billed at \$299.85 every 3 months

NEW!
VIN barcode scanning



How do I start?

- **Call us** at 416-848-0710, or toll-free at 1-866-567-2437
- **Email us** at dealers@carpages.ca
- **Visit our website** at www.carpages.ca/signup

your site + any device = more views

All new **version 2.0**

New car content and tools available



Why choose DealerSite+ from Carpages?

- 1. Responsive design:** Your DealerSite+ website will work on all devices: desktops, laptops, tablets, and smartphones. It automatically adjusts based on screen size, which means reaching more car buyers, which means more business for you.
- 2. Fully customizable:** You aren't forced to choose from a handful of standard templates. Your site is fully customizable and will be designed to communicate your unique message.
- 3. Cost effective:** Save hundreds of dollars each month compared to alternative website providers. "All-in pricing" means you don't pay extra every time you request a change/update to your site.
- 4. Flexible:** You choose between a contract and/or an upfront design fee or a combination.
- 5. Amazing customer support:** We provide you with a dedicated team to support all your website needs. No question or concern is too simple or complex to handle – and we are known for fast turn-around time.

What do dealers have to say about DealerSite+ from Carpages?

"Carpages is great! They have amazing products (Carpages.ca used car listings and our new website) at way lower prices than their competitors. We've left the competition and we're still getting great leads and saving tons of money each month. I would strongly recommend Carpages to any dealer."

– Bradie Johnston,
General Manager, Autohouse Kingston

"Every Kia dealer in Canada should use Carpages for its website – their price, support and technology are unbeatable!"

– Sebastian Pareja,
General Manager, Cobourg Kia

Get Started with Carpages.ca today!

Online: www.carpages.ca/signup

Call Us: 416-848-0710