

# CELEBRATING 30 YEARS

## Canadian Used Vehicle Dealer Summit Celebrates UCDA's 30th Anniversary!



*Keynote Speaker: Jim Hallett of KAR Auction Services*

We hope you'll join us in celebrating the UCDA's 30th anniversary at the Canadian Used Vehicle Dealer Summit on November 7th at the International Plaza Hotel in Toronto!

The UCDA is taking a leading role and this year the event will focus on our 30th anniversary milestone and will recognize a large number of 30 year members attending the event.

We're happy to have UCDA finance partner Desjardins as the Platinum Sponsor of the Summit. You won't want to miss this exciting and interactive event where you will have the opportunity to learn from some of the most influential industry professionals.

You'll gain valuable insight, learn about and create new opportunities for growing your business profitably, visit the exhibitors – and have some fun networking with your industry peers.

Keynote speaker at the Summit will be Jim Hallett, Chief Executive Officer of KAR Auction Services, parent company of Adesa Auctions across Canada and the U.S.

A Canadian, Jim started selling cars in 1975, eventually owning and managing a number of new car stores. In 1990, he opened two auto auctions: the Ottawa Dealers Exchange and the Greater Halifax Dealer Exchange.

He sold these to Adesa when Adesa expanded to Canada in 1993. Jim became President of Adesa Canada, and soon after that rose to be named President and CEO of all of Adesa, headquartered in Indianapolis. Jim's seen a lot of changes in the industry and knows there are many more to come in the digital age. He will speak about what he sees for the vehicle auction industry and used vehicle marketing going forward.

Following the speakers a reception and dinner is included with your registration.

You'll find a registration form and agenda enclosed in this issue of Front Line and attached to the digital version.

Register today! ... this event will sell out quickly.

## Small Claims Decision on MVDA Disclosures

In what we believe are the first reported comments from an Ontario Court about a motor vehicle dealer's disclosure obligations under the *Motor Vehicle Dealers Act, 2002* ("MVDA"), a dealer selling a new vehicle has learned there are a number of ways to lose such a lawsuit.

In a nutshell, a dealer sold a brand new vehicle and did not tell the buyer there had been previous accident repairs. Why? Because when they fixed the damage, it cost less than \$3,000 and since the MVDA specifically requires disclosure for repairs over \$3,000 they did not think they had to.

The judge thought differently. First, he did not think the repairs were done very well and just because poor repairs came in under \$3,000, proper repairs would have been over \$3,000 according to the expert called by the customer to testify.

In addition, that same expert felt the damage was at least partly structural which carries its own disclosure obligations under the MVDA. Finally, the judge felt the MVDA does not offer immunity for failures to declare damage under \$3,000, it simply places a positive obligation to declare damage over \$3,000.

He pointed to the section in the MVDA Regulations that requires disclosure of "[a]ny other fact about the motor vehicle that, if disclosed, could reasonably be expected to influence the decision of a reasonable purchaser or lessee to buy or lease" ... the material fact section.

Unique perhaps to new cars is the notion that **any** damage not declared is unacceptable as the "sale of new vehicles is to be distinguished from the sale of used vehicles."

The court found that the consumer's action succeeded not only in contract, but also in "tort", which is the law of negligence. The dealer's failure to make the required disclosure was found to be a "fraudulent misrepresentation".

The consumer was awarded \$3,496 which was in the upper range of the cost of properly repairing the vehicle. She was also awarded court costs, interest and a further award of \$3,435 for an extended warranty refund the judge found she was entitled to.

Overall, the dealer was actually fortunate as the consumer had been seeking almost \$25,000, which may have included the full price she paid for the vehicle as well as punitive damages.

## UCDA Appraisal Forms ... Use them properly

The UCDA offered an appraisal form to members long before the Motor Vehicle Dealers Act disclosure requirements made appraising vehicles mandatory.

Unlike most electronic systems that produce a disclosure statement from a computer on a desk, the UCDA form allows you to complete the appraisal while sitting in the vehicle.

The form has all the necessary customer information, vehicle details, a unique hybrid/hi-tech section and the 21 mandatory MVDA disclosures. The Act requires that you determine if the vehicle is subject to one or more of these disclosures.

After hundreds of dealer audits it's clear that many dealers simply ask their customers the questions, often without even looking at the vehicle being traded-in. The form is completed with all the "right" answers from the customer and the vehicle appears to be PERFECT....what else would the customer tell you?

A vehicle accident or history report, that may or may not contain the complete information, is pulled and everyone thinks they are in compliance....they are not.

Dealers have been hit with hundreds of thousands of dollars in fines to OMVIC as a result of non-disclosure and incomplete paperwork. If a customer doesn't tell you the whole truth about their trade-in and you don't disclose important information because of it ... guess who will be held responsible?

Call Margi at 1-800-268-2598 to order yours.

## "Yellow Pages" Scam is Back

Dealers beware! Scammers are once again invoicing companies for online ads or listings in directories that dealers never ordered and using the "Yellow Pages" name to make the invoice appear legitimate.

### There are two common variations of this scam

- Someone calls, claiming to represent an on-line yellow pages type directory. The caller may even claim to be from Yellow Pages. The caller says he or she is "updating" the directory and asks you for some basic information, such as your office address, telephone number and email. After you answer, the representative repeats the information back to you, and asks you to confirm the listing.

- The second is similar only instead of a phone call, you'll receive a pre-printed form that may well say THIS IS NOT AN INVOICE. It asks you to confirm the listing information for your dealership and fax the form back.

Either way, a few weeks later, the dealership receives an invoice for several hundred dollars, or more, for an ad from the online directory. But of course, you or your staff person never agreed or authorized this.

When you call to complain, the representative says that you verbally confirmed the placement or that you signed a confirmation for the listing. He or she even play back a spliced version of the previous conversation, which makes it sound as if the ad was being authorized. The altered recording makes it sound like you were agreeing to place an ad, when all that was really said was confirming the information from the supposed listing.

### How to Protect Yourself Against This Scam:

- Hang up. DO NOT confirm information from unknown callers.
- The Yellow Pages name and logo is not trademarked. Scammers are able to use the name and "walking fingers" icon to lend credibility to their scam.
- Don't rely on call display. The caller can make it read anything they want
- Don't pay the invoice

## Supplying Curbsiders

Don't Feed the Habit!

On October 6, OMVIC issued a bulletin reporting a dealer was recently convicted of supplying vehicles to a curbsider. The dealer was fined \$7,500. The dealer was also fined \$1,500 for failing to ensure the purchaser received a copy of the contract.

The vehicle he was convicted of supplying had previous accident damage, common fare for curbsiders who rarely disclose this type of history.

The alleged curbsiders in the case (Grzegorz and Ryszard Kowalski) were also charged and are currently before the courts.

Grzegorz knows his way to court ... having been convicted by OMVIC of 5 counts of curbsiding in 2006!

How do you ensure you are not supplying a curbsider?

Obvious indicators are buyers who:

- Do not want you to register the vehicle into their name, but prefer to just take the permit (ownership) from you.
- Want to deal in cash, "off the books" with little or no paperwork
- Will appear more knowledgeable about the buying process than most ordinary consumers
- Have no intention to plate the vehicle
- Will own the vehicle for a very short time during which they will sell or flip it
- Come back for more cars on a regular basis or buy multiple cars all at once

With almost \$10,000 in fines, at least one dealer wishes he never did business with a curbsider!

## Drive Check

We were recently reminded how important it is to check a customer's driver's licence status before sending them on a test drive.

A dealer has had their vehicle impounded for 7 days under the *Highway Traffic Act* because the customer was driving the dealer's car on a test drive with a "suspended" driver's licence. It could have been worse, if the suspension was due to impaired driving it could have been 45 days, in any event, the cost will likely be around \$700 ... a very expensive test drive!

It's easy to check the status of a driver's licence!

The UCDA's DRIVE CHECK™ lets members check online to ensure that all of their drivers have valid licences. Searches can be done with a single Driver's Licence number or up to five licences at a time.

Search results show if the Ontario Driver's Licence is:

- "Valid"
- "Not Valid"
- "Not Found"
- or "Valid (Ignition Interlock Required)"

The \$3 DRIVE CHECK™ report, available at [www.ucdasearches.com](http://www.ucdasearches.com) is an "instant response" search and can be used to ensure that "test drive" and "loaner vehicle" customers have a valid licence.

### UCDA VEHICLE INFORMATION SEARCHES

[www.ucdasearches.com](http://www.ucdasearches.com)

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

Fax: 416-232-0775

## Did you know ...?

You probably already know that the UCDA is your best choice for doing a lien search ... but did you know that you can also register liens through the UCDA?

It's as easy as logging onto [www.lienregistration.ca](http://www.lienregistration.ca) or faxing us the lien information and we'll take care of the rest. Requests received before 5:00 pm on weekdays are registered the same day.

Our legal department can answer any questions you may have about registering a lien and your legal rights afterwards.

If you finance or lease vehicles, or if you're owed money for repairing a vehicle (and you don't already have possession of the vehicle) you **MUST** register a lien in order to protect your security interest in the vehicle.

In the case of a leased vehicle, keeping it registered in your name does not protect you. If the lessee goes bankrupt and you have not registered a lien, you will probably lose the car ... and your right to demand payment from the bankrupt lessee.

Contact the UCDA's Legal Services Director, Jim Hamilton for more information at 416.231.2600 or toll free: 1.800.268.2598, or email Jim at [j.hamilton@ucda.org](mailto:j.hamilton@ucda.org).

## EPA Blitz

Periodically, we hear reports from members that they have been visited by Ministry of Environment (MOE) inspectors to determine compliance with the *Environmental Protection Act (EPA)*.

The MOE regularly performs "blitzes" to check vehicles for compliance, including pulling cars and trucks over at the roadside and having officers visit dealer lots to inspect vehicles on site.

Why do they do this?

MOE inspections are meant to ensure that all pollution control equipment is present and functioning on the vehicles you offer for sale. This is a requirement of the EPA, just as it is for vehicles on the road.

Many dealers may not be aware that it is **illegal to even offer a vehicle for sale** if pollution control equipment originally installed by the manufacturer is not present and functioning in the vehicle ... something else to check when buying a vehicle or taking a trade-in.

## Manheim Toronto Auction Celebrates 50 Years

On October 7, Manheim Toronto celebrated 50 years of operations with a pre-sale ceremony.

Homer Stephens and Ruth Hart-Stephens opened the original Toronto Auto Auction in 1964, holding sales at the Dixie Hockey Arena for the first few years.

Manheim Toronto General Manager Don Wallace told the crowd that plywood boards were laid over the ice surface so the cars could drive over the ice.

Sometimes these boards would slip as the vehicles drove through, sending dealers and ringmen tumbling down.

Don joked, "It was a great way to get more bids!"

Within a few years the auction moved into a permanent facility on nearby Wolfedale Road in Mississauga and really started to grow ... eventually moving to its present site in Milton.

Homer was instrumental in helping the UCDA get started by getting the word out about the fledgling association.

After Homer's death, Ruth ran the auction until it was purchased by Manheim.

She stayed on as the General Manager and later as Vice-President of Canadian Business Operations for Manheim until her death in 2007.

The UCDA is pleased to continue our long-standing relationship with the auction by sponsoring lanes and offering special promotions for members at Manheim Toronto.



*Gordon Krantz, Mayor of Milton, holding microphone, offers his congratulations to Don Wallace.*

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# 2014 CANADIAN USED VEHICLE DEALER SUMMIT

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# COME CELEBRATE THE UCDA'S 30<sup>th</sup> ANNIVERSARY

**FRIDAY NOVEMBER 7  
2014 TORONTO  
INTERNATIONAL  
PLAZA HOTEL**



An exciting and interactive day where the most influential industry professionals will gather to network, share insights, create new opportunities and have FUN!

## REGISTRATION

Please register by :

Mail the completed Registration Form and payment to **Used Car Dealers Association of Ontario**  
230 Norseman St  
Toronto, Ontario M8Z 6A2

Fax the completed Registration Form to :  
1 888 918-9310

Email : [v.maclean@ucda.org](mailto:v.maclean@ucda.org)

## ATTENDEE INFORMATION

ORGANIZATION		ADDRESS				
CITY	PROVINCE	POSTAL/ZIP CODE	TELEPHONE NUMBER	FAX NUMBER		
SECTOR	<input type="checkbox"/> Car Dealer <input type="checkbox"/> OEM	<input type="checkbox"/> Remarketing <input type="checkbox"/> Auction	<input type="checkbox"/> Reconditioning <input type="checkbox"/> Fleet	<input type="checkbox"/> Leasing <input type="checkbox"/> Services	<input type="checkbox"/> Finance <input type="checkbox"/> Other	<input type="checkbox"/> Association
NAME	JOB TITLE		EMAIL			
NAME	JOB TITLE		EMAIL			
NAME	JOB TITLE		EMAIL			
NAME	JOB TITLE		EMAIL			

## ATTENDEE REGISTRATION FEE

**Registration Fee** (includes dinner)

\$175 + \$22.75 = \$197.75

**Cocktail/Dinner Guest**

\$88.50 + \$11.50 = \$100

TOTAL (\$) :

For assistance with registration, contact Valerie MacLean, UCDA Manager Membership Services

**Tel. 416-231-2600 or 1-800-268-2598 Email [v.maclean@ucda.org](mailto:v.maclean@ucda.org)**

Cancellation policy: All cancellations must be sent in writing to the Used Car Dealers Association of Ontario. Full refund less \$ 100 administration fee will be made for cancellations received on or before October 17<sup>th</sup> 2014. No refund after this date.

### HOTEL ACCOMMODATIONS

International Plaza Hotel, 655 Dixon Road Toronto

Reserve by October 17<sup>th</sup> to receive preferred rates

Group rate code : REM

**Phone 1-800-668-3656 | Fax 416-224-8031**

## PAYMENT VISA, MASTERCARD, CHEQUE (MADE PAYABLE TO USED CAR DEALERS ASSOCIATION OF ONTARIO)

<input type="checkbox"/> Visa <input type="checkbox"/> Master Card <input type="checkbox"/> Cheque	CARD NAME	
CARD NUMBER	EXPIRATION	SIGNATURE

# 2014 CANADIAN USED VEHICLE DEALER SUMMIT

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## 2014 AGENDA

### FRIDAY, NOVEMBER 7TH, 2014

- 7:00 – 9:00 am      **BREAKFAST WITH EXHIBITORS**
- 9:00 – 9:15 am      **Welcoming Remarks** - Remy Rousseau, President, Remy Rousseau Group  
**Introduction of MC** - Chris Schulthies, President, Wye Management
- 9:15 – 9:45 am      **HISTORY OF UCDA** - Warren Barnard, Executive Director, UCDA
- 9:45 – 10:15 am     **KEY TRENDS OF THE USED VEHICLE MARKET**  
- Claude Moureaux, Strategic Advisor, Desjardins
- 10:15 – 10:45 am    **NETWORKING BREAK WITH EXHIBITORS**
- 10:45 – 11:30 am    **GREAT SALESPEOPLE ARE EVERYWHERE and EASY TO FIND!**  
Recruiting, Hiring and Keeping a 1st Class Sales Team Chris Schulthies, Wye Management
- 11:30 – 12:00 pm    **HOW TO CREATE A GOOD WORKING CLIMATE AND ENGAGE EMPLOYEES**  
- Remy Rousseau, President, Remy Rousseau Group
- 12:00 – 1:30 pm     **LUNCH WITH EXHIBITORS**
- 1:30 – 2:00 pm      **INSURANCE CHALLENGES**  
- Philomena Comerford, CIP, President & CEO Baird MacGregor Insurance Brokers
- 2:00 – 2:30 pm      **OMVIC PRESENTATION** - Carl Compton, Executive Director & Registrar
- 2:30 – 3:00 pm      **NETWORKING BREAK WITH EXHIBITORS**
- 3:00 – 3:30 pm      **CIVIL LITIGATION** - Tony Bak, Partner- Lawrence, Lawrence, Stevenson LLP
- 3:30 – 4:15 pm      **ENTREPRENEURSHIP** - Vince Beretta, President & CEO, Walkaway
- 4:15 – 4:45 pm      **INDUSTRY EDUCATION & TRAINING** - Bob Pierce, Director of Membership, UCDA
- 4:45 – 5:00 pm      **CLOSING REMARKS** - Chris Schulthies, President, Wye Management
- 5:00 – 6:30 pm      **COCKTAIL RECEPTION**
- 6:30 – 7:00 pm      **KEYNOTE SPEAKER**  
- Jim Hallett, President & CEO - KAR Auction Services, parent company of Adesa
- 7:00 – 8:00 pm      **DINNER**
- 8:00 – 9:30 pm      **RECOGNITION OF UCDA 30 YEAR MEMBERS** - Warren Barnard & Bob Pierce