



Ontario's Vehicle Sales Regulator

2015 ANNUAL REPORT

- CONSUMER PROTECTION
- DEALER PROFESSIONALISM
- CUSTOMER SERVICE



Promoting a Fair and Informed Vehicle Sales Marketplace in Ontario

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OMVIC'S MISSION STATEMENT

We will take pride in the results of our commitment to a fair marketplace, achieved through innovation, enforcement and excellence in service.

OMVIC's creation on January 7, 1997, marked the first regulated business sector to move to self-management. Previously, Ontario's motor vehicle dealer industry was regulated by the Ministry of Consumer and Commercial Relations (now the Ministry of Government and Consumer Services). OMVIC is a not-for-profit corporation governed by a 12-member Board of Directors.

Registration with OMVIC is mandatory for all Ontario vehicle dealers and salespeople.

The Ontario Motor Vehicle Industry Council (OMVIC) administers and enforces the *Motor Vehicle Dealers Act* (MVDA) – a public protection statute – on behalf of the Ministry of Government and Consumer Services. OMVIC's mandate is to maintain a fair and informed vehicle sales marketplace in Ontario by protecting the rights of consumers, enhancing industry professionalism and ensuring fair, honest and open competition for registered vehicle dealers. OMVIC's adherence to these ideals is reflected in its mission statement.

OMVIC'S PRIORITIES

- CONSUMER PROTECTION
- DEALER PROFESSIONALISM
- CUSTOMER SERVICE

OMVIC'S ONGOING OBJECTIVES

- Consumer protection through
 - pursuit of those who would prey on an unwary public
 - dissemination of information concerning consumer rights via media relations, educational outreach and public information and awareness programs
 - compliance activities and complaint-handling
- Dealer professionalism through
 - certification programs for new dealers and salespeople
 - ongoing information and education initiatives
 - increased accountability through administration of a Code of Ethics (CoE), Standards of Business Practice and an open disciplinary process

PROTECTION FOR ONTARIANS

Ontario vehicle buyers benefit from excellent consumer protection legislation and a vigilant and dedicated regulator. Vehicle sales is a regulated industry in Ontario. As the regulator, OMVIC administers and enforces the MVDA and sections of the *Consumer Protection Act* (CPA) on behalf of the Ministry of Government and Consumer Services.

Penalties for breaching the MVDA or CoE 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.

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

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

Key protections provided by the MVDA include

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

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 as long as the advertisement clearly and prominently indicates they are not included.*

Rescission 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 (if the daily rental was not owned by someone other than a rental company or registered dealer);
- that a vehicle was branded (irreparable, salvage or rebuilt);
- a vehicle's make, model and model year; or
- the true distance a vehicle has been driven (or the designated statement if the mileage is not known),

the purchaser may 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.

PROTECTION FOR ONTARIANS



OMVIC: Promoting a Fair and Informed Vehicle Sales Marketplace in Ontario

2015 SUMMARY



2015

SUMMARY

OMVIC BY THE NUMBERS

THE FOLLOWING IS A BRIEF SUMMARY OF **OMVIC'S 2015** STATISTICS, INITIATIVES AND ACHIEVEMENTS.



REVENUE FOR FISCAL 2015

\$13,208,749

EXPENSES FOR FISCAL 2015

\$13,360,599



REGISTRANTS

35,198 includes

→ **8,106** DEALERS

→ **27,092** SALESPERSONS

REGISTRATION ACTIVITIES

→ **694** NEW DEALER APPLICATIONS

→ **3,983** NEW SALESPERSON APPLICATIONS

→ **7,710** DEALER RENEWALS

→ **11,757** SALESPERSON RENEWALS



COMPLIANCE INITIATIVES

(INCLUDES INSPECTIONS/INVESTIGATIONS/PROSECUTIONS/ADMINISTRATIVE ACTIONS)

2,557

INSPECTIONS CONDUCTED.
NOTE: 5.3% OF INSPECTIONS REFERRED TO SENIOR MANAGEMENT FOR POSSIBLE FURTHER ACTION

1,179

REGISTRAR ACTIONS TAKEN (INCLUDES 52 PROPOSALS TO REVOKE, SUSPEND OR DENY REGISTRATION)

1,004

ADVERTISING COMPLIANCE CAUTIONS ISSUED

520

INVESTIGATIONS OPENED

242

CHARGES LAID AGAINST 131 ENTITIES

93

NOTICES OF COMPLAINT SERVED (COE/DISCIPLINE MATTERS)

86

WARNING LETTERS ISSUED

OMVIC BY THE NUMBERS

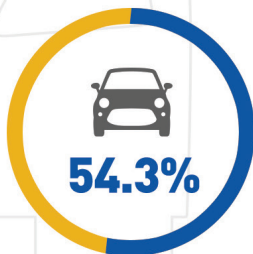


CONSUMER COMPLAINT HANDLING

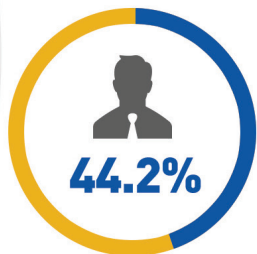


- **946** FORMAL COMPLAINTS RECEIVED
- **\$933,771** NEGOTIATED RETURN TO CONSUMERS VIA CONCILIATION EFFORTS

ONLINE SERVICES



OF DEALERS
UTILIZE



OF SALESPERSONS
UTILIZE

COMMUNICATIONS



- **42** BULLETINS, NEWSLETTERS AND NEWS RELEASES PUBLISHED
- **60** SEMINARS/WEBINARS CONDUCTED
- **55** MEDIA INTERVIEWS CONDUCTED

MOTOR VEHICLE DEALERS COMPENSATION FUND



23 CLAIMS RECEIVED; **22 APPROVED**



TOTAL VALUE OF
CLAIMS PAID
\$184,000

MESSAGE FROM THE PRESIDENT AND CHAIR OF THE BOARD

The Honourable David Orazietti
Minister of Government and Consumer Services

6th Floor, Mowat Block
900 Bay Street
Toronto, ON M7A 1L2



Dear Minister Orazietti:

On behalf of OMVIC's Board of Directors, I am pleased to present the 2015 Annual Report outlining OMVIC's activities and accomplishments. 2015 was yet another successful year for OMVIC and I am confident this report will demonstrate the commitment of OMVIC's Board and staff to the protection of Ontario consumers and to the delivery of service excellence.

2015 saw OMVIC meet all strategic priorities and initiatives set out in its previous business plan, and I'm very pleased to say this included great emphasis on education and awareness. These initiatives strive to inform consumers about their rights and to inform dealers and salespeople not just about their obligations under the regulations, but also about strategies and best practices to ensure compliance. It is my firm belief that a better educated and informed consumer is a more protected consumer, and a better informed dealer/salesperson is a more professional registrant. The outcome builds trust in the industry.

As president and chair of the Board, I affirm OMVIC's commitment to its mandate and its consistent engagement with stakeholders. OMVIC continues to receive the support of industry associations and consumer groups alike.

Minister, OMVIC prides itself on its nimbleness and readiness to face all challenges and remains committed to protecting Ontario's car buyers and enhancing the knowledge and professionalism of our registrants. To ensure OMVIC continues to have the necessary resources to meet its mandate, we have begun a thorough review of strategic priorities and will implement a new Strategic Plan in 2016.

On behalf of OMVIC's Board of Directors, I want to thank the ministry and its staff, OMVIC's staff, our registrants and our stakeholder groups for their ongoing assistance and collaboration over the course of the past year.

Sincerely,



Kevin Bavelaar
President and Chair
OMVIC Board of Directors

MESSAGE FROM THE EXECUTIVE DIRECTOR

The Honourable David Orazietti
Minister of Government and Consumer Services

6th Floor, Mowat Block
900 Bay Street
Toronto, ON M7A 1L2



Dear Minister Orazietti:

In 2015, OMVIC celebrated 18 years as the regulator of vehicle sales in Ontario. It was not only a year marked by successes and achievements, but a period of significant change. As you know, OMVIC's founding Executive Director and Registrar, Carl Compton, retired in July 2015. I am very pleased and excited to join the OMVIC team as Executive Director and continue the incredible work it does for Ontario's consumers, dealers and salespeople.

Having an extensive background in the public sector, I can state with certainty that OMVIC has a stellar reputation among regulators, the industry and consumers – it sets the benchmark for an effective and transparent regulator. I intend to champion the phenomenal work of OMVIC and continue to build on its solid reputation.

While 2015 was a period of change, OMVIC's commitment to its mandate has not wavered. 2,557 inspections were conducted; 520 investigations were opened that led to 242 charges being laid against 131 entities; 93 Notices of Complaint were served for alleged breaches of the CoE; 1,004 advertising compliance cautions and 86 formal warning letters were issued; 1,179 Registrar actions were taken (including 52 Proposals to Revoke, Suspend or Deny Registration); and 946 formal complaints were conciliated resulting in the return of \$933,771 to consumers.

As well, education, outreach and awareness for both consumers and registrants remained a priority. Thirty educational consumer seminars were held across the province and new webinars were provided to registrants in collaboration with an industry trade association. Additional consumer awareness activities included an advertising campaign, sponsorships, participation in trade shows and events, social media, ad hoc advertising and considerable engagement with the media. OMVIC believes an educated consumer is a protected consumer, particularly in areas where there remains concern regarding non-compliance by a minority of registrants, such as all-in price advertising. Through the advertising and awareness campaign and various other initiatives, consumer awareness of the all-in price advertising laws has increased to 27 per cent from 19 per cent.

Excellence in customer service has remained a priority through the efforts of dedicated staff and technological advances. On a scale of 0–5, registration staff achieved a score of 4.58 or higher when measured for knowledge, efficiency and courtesy; inspectors scored 4.84 or higher; and OMVIC's online services were expanded to improve efficiencies and convenience for registrants. This included immediate online approval of eligible renewal applications and business applications for franchise dealers.

Minister, we look forward to meeting the challenges of 2016, finalizing and implementing a new Strategic Plan and continuing the positive relationship with your office and your ministry.

Sincerely,



Kim Lambert
Executive Director

BUSINESS ACCOMPLISHMENTS

OPERATIONS

CONSUMER PROTECTION

STRATEGY		Mitigate consumer harm associated with long-term and subprime credit agreements.
2015–17 Targets		2015 Activities and Results
Complete a study on issues arising from long-term and subprime credit agreements for vehicle transactions. Identify consumer education opportunities.		Study completed in April and shared with stakeholders. OMVIC is participating in ongoing consultations on possible interventions with related government and other stakeholders (e.g., Financial Consumer Agency of Canada, Ombudsman for Banking Services, Ministry of Government and Consumer Services and other dealer regulators in Canada and the U.S.).
STRATEGY		Undertake outreach to vulnerable consumer groups.
2015–17 Targets		2015 Activities and Results
Provide multilingual information on website about OMVIC and availability of telephone translation services.		Multilingual information provided on website in April advised consumers of OMVIC's complaint-handling service and the availability of a free telephone translation service in more than 150 languages. This website information is provided in French, Arabic, Hindi, Mandarin, Punjabi, Russian, Spanish, Tagalog and Urdu.
Offer information and advice to consumers engaged in a vehicle transaction.		Telephone advice provided to 20,374 consumers.
Offer a free conciliation service to consumers engaged in a dispute with a registered dealer.		946 complaint conciliations completed in 2015, resulting in restitution to affected consumers of \$933,771, while maintaining customer service ratings of 4.1, 3.9 and 3.3 on a scale of 1 to 5 for knowledge, courtesy and efficiency.

BUSINESS ACCOMPLISHMENTS

OPERATIONS

CUSTOMER SERVICE

STRATEGY		Expand online services.
2015–17 Targets	2015 Activities and Results	
Increase online services membership. Targets by year-end: dealers, 50 per cent; salespersons, 40 per cent.	54.3 per cent of dealers and 44.2 per cent of salespersons are online members.	
Implement immediate online renewal of eligible registrants.	In March 2015, immediate online approval for eligible dealers and salespersons was implemented. Previously, registrants who submitted renewals online waited days or weeks before receiving confirmation of approval.	
Identify additional online services for registrants.	Implementing online salesperson changes and a new salesperson application has been identified as a priority. Draft requirements document prepared for salesperson changes.	
Provide a free telephone translation service to consumers on request.	To date, translation services have been provided in Arabic, Cantonese, Farsi, Korean, Mandarin, Punjabi, Romanian, Russian, Spanish, Tigrinya, Persian and Italian.	
STRATEGY		Seek partners for delivery of services.
2015–17 Targets	2015 Activities and Results	
Enter into discussions with stakeholders to develop partnerships that will increase customer service levels.	Collaborated with stakeholders and other partners (Automotive Business School of Canada, online clearance report provider and online identification provider) on developing an online new salesperson application. Objective is to allow new or reinstating salesperson applicants to enrol in the Certification Course, request criminal background checks and confirm identification in a single online session.	
STRATEGY		Review registration process for dealers in the General New and Used class.
2015–17 Targets	2015 Activities and Results	
Consult manufacturer dealer development staff to seek opportunities to streamline registration processes.	Consulted with dealer associations and manufacturer representatives on developing a separate application document for dealer applicants in the General New and Used class of registration. New application document is 50 per cent shorter than the previous version and was launched in November 2015.	

BUSINESS ACCOMPLISHMENTS

OPERATIONS

CUSTOMER SERVICE (CONT'D)

STRATEGY	Improve regionalization.
2015–17 Targets	2015 Activities and Results
Identify opportunities to reorganize Registration staff and services along regional lines.	Senior Registration staff divided into GTA, East and West teams to work with local Inspectors and become familiar with local issues.

ADMINISTRATION OF THE MVDA

STRATEGY	Upgrade standards for retail dealers' premises.
2015–17 Targets	2015 Activities and Results
Ensure persons who have (or may) put the public at risk do not obtain or maintain registration as a motor vehicle dealer or salesperson.	In 2015, processed over 57,000 registration applications from dealers and salespersons while maintaining customer service ratings of 4.7, 4.7 and 4.6 on a scale of 1 to 5 for knowledge, courtesy and efficiency. Took Registrar actions in 1,179 cases, including negotiating terms and conditions of registration or issuing proposals to refuse, revoke or suspend registration.

REGISTRATION

In 2015, the number of registered salespeople in Ontario increased to 27,092 (from 26,235 in 2014), amplifying a pattern of growth that began shortly after OMVIC's inception in 1997. The number of registered dealers has remained relatively constant, near 8,000, since 2012.

Online Registration Services

Online membership for dealers and salespersons continued to grow in 2015. Users can access a multitude of services that have been developed and implemented since the launch of online renewals in 2013, including the following:

- Pending application checks. Online members receive the contact information of the assigned Registration staff member. If no application is pending, they are provided information regarding the required registration form and a link to it.
- Salesperson termination checks. Online members who are dealers can review a related salesperson's registration online.
- Notifications. Online members can subscribe to email notifications regarding the dealership or related salespersons, such as registration expiry, renewal or approval.

In March 2015, OMVIC launched immediate approval of eligible renewal applications received online. Previously, registrants who submitted renewals online had to wait several days or weeks before receiving confirmation of approval. As of December 31, 2015, 54.3 per cent of dealers and 44.2 per cent of salespersons were online members (up from 40.5 and 27.2 per cent, respectively, in 2014).

Registration Activities

During 2015, Registration staff

- processed 694 new dealer applications
- processed 3,983 new salesperson applications
- renewed 7,710 dealer applications
- renewed 11,757 salesperson applications
- performed 33,099 other transactions, including registrant information changes, transfers and terminations

Customer Satisfaction

Dealers and salespersons who interact with OMVIC staff on any registration application are provided an electronic customer service survey. In 2015, 1,958 surveys were completed. Registration Team members consistently rated higher than four on a five-point scale in the areas of courtesy, knowledge and efficiency. The Registration Team also maintained an average response time of 14 seconds, well below the targeted one-minute mark for telephone inquiries through its Automated Call Distribution system.

Telephone Inquiries

In 2015, OMVIC staff addressed 150,000 telephone inquiries, a slight decrease from the 156,000 in 2014. This decrease is likely due to the increasing use of online registration services.

REGISTRATION (CONT'D)

Registration and the MVDA

The Office of the Registrar determines whether new applicants qualify for registration and whether existing registrants continue to be qualified. To maintain registration, registrants must abide by legislation, including the CoE. Failure to do so 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. In such cases, the Office of the Registrar presents the case for refusal or revocation before a Panel of the Tribunal and the applicant or registrant presents his or her appeal. The Panel may direct the Registrar to carry out, modify or set aside the Proposal and replace it with its own order. If a recipient of a Proposal fails to appeal, the Proposal becomes effective as written.

The Registrar took 1,179 actions in 2015, a decrease from 1,329 in 2014. The 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.

COMPLAINT HANDLING

OMVIC's Complaints and Inquiries Team assists consumers and dealers alike. Complaints can be submitted via email (consumers@omvic.on.ca), online through OMVIC's website (omvic.on.ca) or by phone (1-800-943-6002 ext. 5105).

In 2015, the Complaints and Inquiries Team handled 946 formal complaints (down from 1,048 in 2014). As a result of the Team's efforts and the cooperation of registered dealers, \$933,771 was returned to consumers during the year. This amount does not include the hundreds of thousands of dollars in repairs or vehicle exchanges that were also negotiated.

Complaints Process

When first contacted by a consumer (or dealer), Complaints staff provide self-help instructions, though they may escalate the file immediately, depending on the nature or severity of the complaint and the information provided by the complainant. In most situations, before beginning direct conciliation efforts, staff encourage consumers to attempt to resolve a dispute by contacting the dealer directly. If that is not successful, a complaint file is opened and an OMVIC complaint handler becomes directly involved. Depending on the complexity of the issues, the availability of documents and the level of cooperation of the parties involved, it may take hours, weeks or even months to complete the complaint-handling process.

Complaints related to contract cancellation, misrepresentation, vehicle condition, contract disputes and safety certificates are the most common. *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.*

In the rare instances the Complaints and Inquiries Team is unable to find a suitable solution, consumers may need to take civil action. In the event a consumer feels OMVIC has not addressed a complaint, the consumer may appeal to the Appeals Committee of OMVIC's Board of Directors. The Appeals Committee is chaired by a non-industry Board member.

Translation Service Initiative

Ontarians whose first language is not English are particularly vulnerable when entering into a complex consumer transaction. They may not understand the nature of the agreement or may be unaware of their rights or a dealer's obligations. The Complaints and Inquiries Team offers a free telephone translation service to assist these consumers in over 150 languages. To date, services have been provided in Arabic, Cantonese, Farsi, Korean, Mandarin, Punjabi, Romanian, Russian, Spanish, Tigrinya, Persian and Italian.

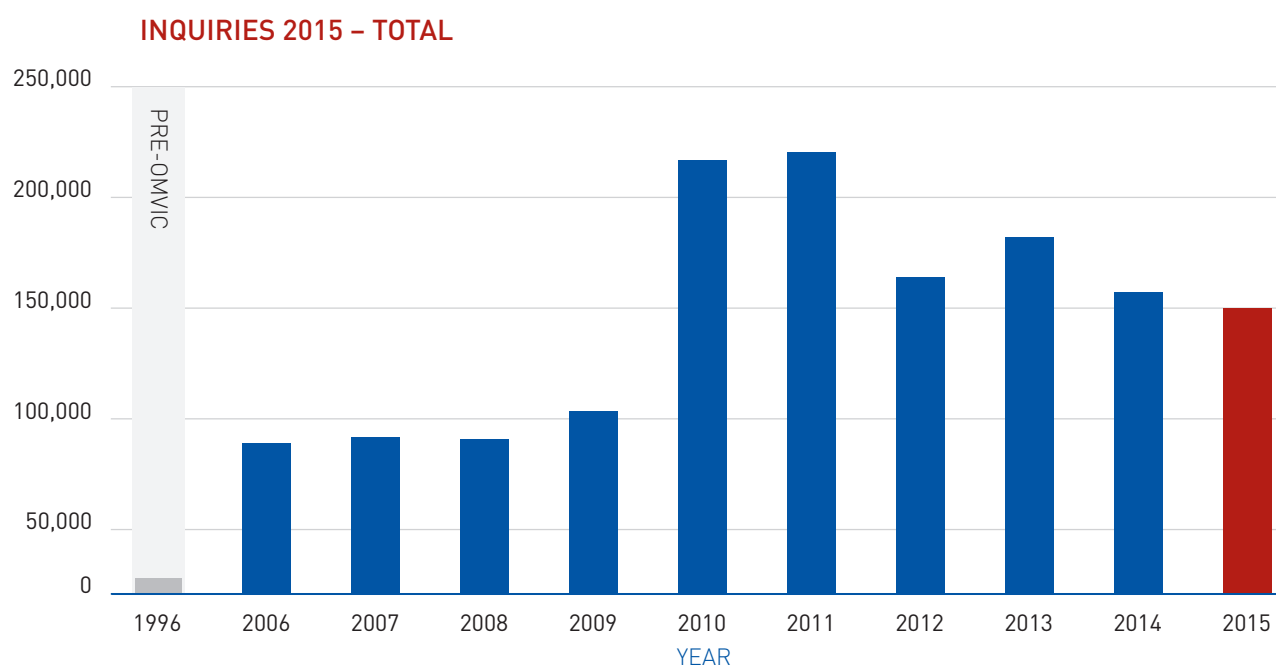
PERFORMANCE OVERVIEW

OPERATIONS

REGISTRATION ACTIVITIES 2015

ACTIVITY	2015	2014	2013	2012	2011
New Registration – Dealers	694	702	620	711	803
New Registration – Salespeople	3,983	3,740	3,215	3,117	3,179
Renewals – Dealers	7,710	7,828	7,874	7,677	7,680
Renewals – Salespeople	11,757	11,701	11,543	10,807	10,879
Information Changes*	33,099	32,301	32,181	30,262	30,758

*This includes information changes, terminations and salesperson transfers.

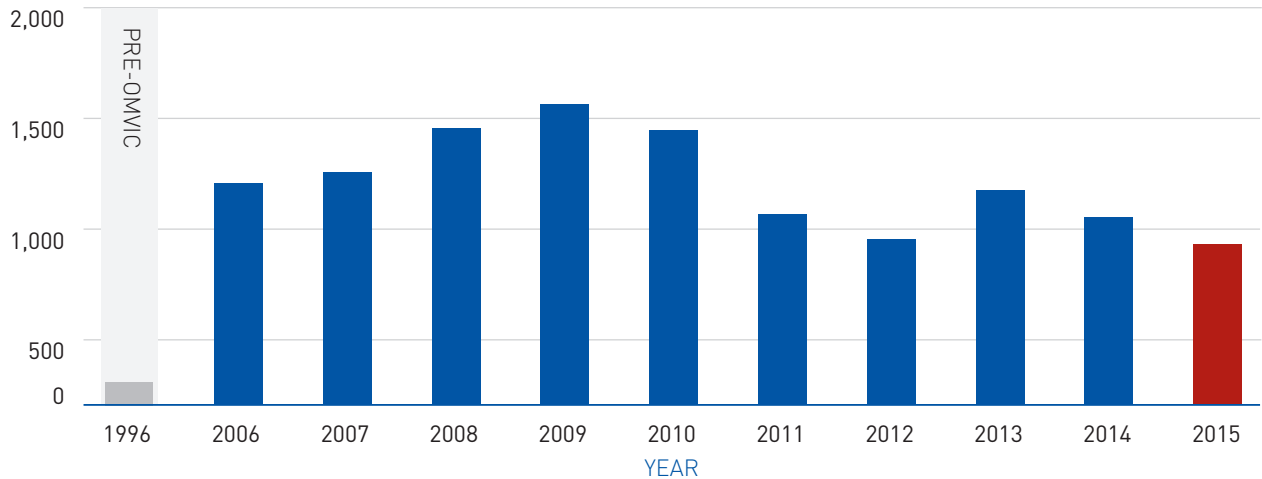


Inquiries (total): staff handled 150,434 calls (local and toll-free) in 2015.

PERFORMANCE OVERVIEW

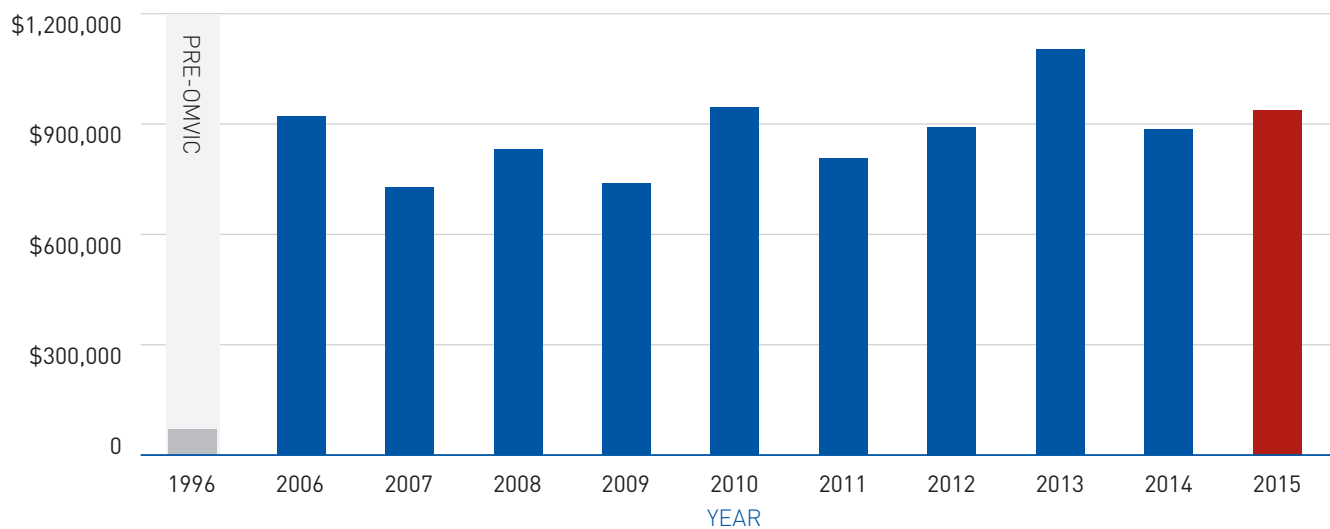
OPERATIONS

COMPLAINTS HANDLING 2015



Complaints and Inquiries Team handled 946 formal complaints in 2015.

CONCILIATION – MONEY RETURNED TO CONSUMERS 2015



As a result of the Complaints and Inquiries Team's efforts, in 2015, \$933,771 was returned to consumers by dealers. This amount does not include the hundreds of thousands of dollars in repairs or vehicle exchanges that were also negotiated, nor does it include Compensation Fund payouts.

BUSINESS ACCOMPLISHMENTS

COMMUNICATIONS, MEDIA RELATIONS AND EDUCATION (CME)

CONSUMER PROTECTION AND AWARENESS

STRATEGY	Increase awareness and understanding of the MVDA and offer information and messaging designed to educate and protect consumers through implementation of strategic communications.
2015–17 Targets	2015 Activities and Results
Use opportunities to raise awareness, educate and inform consumers, and deliver core messages using ▪ annual Consumer Awareness Campaign ▪ ad hoc advertising opportunities ▪ engagement with mainstream media ▪ sponsorships ▪ social media ▪ e-newsletter (<i>Consumer Line</i>) Review sponsorships; consider additions or alternates. Update web content as needed.	Annual campaign launched using new creative for province-wide TV and online advertising. Campaign designed to increase awareness of all-in price advertising. Ad hoc advertising included monthly advertorial in <i>ON the GO</i> magazine, in International AutoShow program and pre-show in the <i>Toronto Star</i>. 55 interviews with media and eight news releases issued. Title sponsorships included Rogers TV <i>Lemon-Aid Car Show</i> (Automobile Protection Association, or APA), CHML <i>Auto Show</i> (Car Help Canada, or CHC) and Bray AutoSport NASCAR Team. Additional sponsorships included AM740 <i>Dave's Corner Garage</i> and <i>Goldhawk Fights Back</i>. OMVIC Consumer Twitter account: 938 tweets, 536 followers (increase of 50 per cent), 14,162 profile visits. OMVIC Facebook page: 804 posts (increase of 250 per cent), 682 likes; OMVIC Dealer Twitter account: 77 tweets, 346 followers. Eight <i>Consumer Line</i> e-newsletters issued. Sponsorships reviewed. All were found to be valuable resources for raising awareness of issues of importance and of OMVIC's role and mandate. <i>Goldhawk Fights Back</i> was added. Its program is an important voice for consumer advocacy in Ontario. Website continually updated as required.

BUSINESS ACCOMPLISHMENTS

COMMUNICATIONS, MEDIA RELATIONS AND EDUCATION (CME)

CONSUMER PROTECTION AND AWARENESS (CONT'D)

STRATEGY	Offer direct educational opportunities to consumers to promote a better understanding of consumer rights and the car-buying process.
2015–17 Targets	2015 Activities and Results
Conduct educational seminars for consumer groups, newcomers or other interested parties.	30 seminars held; 797 attendees. Received highly positive feedback.
Attend trade shows or community events to provide educational resources and information.	Trade shows attended include the Canadian International, Ottawa and Georgian College Auto Shows; the Canadian International Motorcycle Show; Student Life Expo; and the Toronto Zoomer Show (55+).
STRATEGY	Increase awareness of OMVIC's role as industry regulator and of the services it provides to consumers.
2015–17 Targets	2015 Activities and Results
Provide consumer awareness materials through multiple channels.	Materials and information provided at tradeshow/events, via advertising (TV, radio, print and online), sponsorships, social media and engagement with media. 22 per cent of Ontarians aware of OMVIC.
Work collaboratively with the Ministry of Government and Consumer Services to promote the Consumer Protection Ontario (CPO) brand.	CPO brand (logo) included on all website pages, homepage banner and educational materials distributed at tradeshow/events.
STRATEGY	Increase awareness of the dangers posed by curbsiders.
2015–17 Targets	2015 Activities and Results
Refresh "Creepometer" to help consumers better identify curbsiders.	"Creepometer" updated (both online and print versions) to better assist consumers in identifying curbsiders.
Use social media, ad hoc advertising opportunities and media to educate and inform consumers about the risks posed by curbsiders.	Numerous media interviews given regarding dangers posed by curbsiders. Social media posts distributed and anti-curbsider stories placed in <i>ON the GO</i> magazine.
STRATEGY	Increase awareness of the Compensation Fund.
2015–17 Targets	2015 Activities and Results
Work closely with the Motor Vehicle Dealers Compensation Fund to deliver a public education/awareness program.	"It's Your Right if Something Goes Wrong" campaign conducted. Four-month online campaign targeted individuals in the car-buying process. Visits to Compensation Fund webpages increased 10.9 times during campaign.

BUSINESS ACCOMPLISHMENTS

COMMUNICATIONS, MEDIA RELATIONS AND EDUCATION (CME)

STAKEHOLDER ENGAGEMENT

STRATEGY	Facilitate regular communication between OMVIC and stakeholders.
2015–17 Targets	2015 Activities and Results
Continue to use <i>Dealer Bulletins</i> , newsletters, e-newsletters, news releases and social media to reach stakeholders.	New blog launched; eight <i>Consumer Line</i> e-newsletters, 21 <i>Dealer Bulletins</i> , four <i>Dealer Standard</i> newsletters, two <i>TnT</i> e-blasts and eight news releases issued.

DEALER EDUCATION AND PROFESSIONALISM

STRATEGY	Promote understanding of the MVDA.
2015–17 Targets	2015 Activities and Results
Provide information and updates on compliance issues through Dealer Bulletins and newsletters (<i>The Dealer Standard</i>).	21 <i>Dealer Bulletins</i> issued; four <i>Dealer Standard</i> newsletters issued.
Continue to make available and deliver Advertising and Disclosure Seminars to dealers and dealer groups as required.	Eight seminars delivered by CME to dealer groups. <i>Note: the majority were delivered by Inspections staff.</i>
Continue to use webinars as an educational delivery mechanism.	Advertising, Disclosure and CPA webinars hosted, and highly positive feedback received. Recordings of webinars made available on OMVIC website.
Provide direct education (seminars) to dealers identified as requiring remedial training in specific areas (e.g., disclosure, contracts).	In 2015, no registrants were referred to CME for remedial education. Most often, more formal educational requirements (e.g., Certification Course) were used.
Update website content as required.	Website regularly updated as needed.
STRATEGY	Review possibility for online delivery of OMVIC Certification Course.
2015–17 Targets	2015 Activities and Results
Work with Georgian College to identify opportunities to make OMVIC Certification Course available online.	Discussions held, input provided. College has begun development of online Certification Course.
STRATEGY	Conduct periodic review of in-class OMVIC Certification Course outcomes.
2015–17 Targets	2015 Activities and Results
Work with Georgian College to maintain and monitor success of OMVIC Certification Course.	Monthly review of course outcomes conducted. Pass rate remains relatively unchanged. Overall satisfaction remains high.

OVERVIEW

COMMUNICATIONS, MEDIA RELATIONS AND EDUCATION (CME)

CONSUMER AWARENESS

OMVIC's 2015 consumer awareness initiatives comprised a formal media campaign, ad hoc advertising and sponsorship opportunities, and direct outreach, including

- a re-strategized annual Consumer Awareness Campaign using multiple advertising mediums (TV, radio and online), including direct advertising to consumers actively involved in the vehicle-buying process
 - feature stories in print and online publications
 - engagement with mainstream media
 - direct outreach to consumers via blogs, newsletters, seminars and participation in trade shows and events
 - partnership and sponsorship opportunities (APA's *Lemon-Aid Car Show* on Rogers TV, CHC's *Auto Show* on radio and NASCAR)
 - increased use of social media
- the dangers posed by curbsiders
 - the potential effects of negative equity
 - the "final sale" nature of vehicle purchase contracts
 - disclosure requirements
 - the protections offered by the Compensation Fund
 - general vehicle-buying tips
 - OMVIC's role and mandate

While increasing awareness of all-in price advertising was the focus of most initiatives, additional messaging raised awareness of



Trade show

OVERVIEW

COMMUNICATIONS, MEDIA RELATIONS AND EDUCATION (CME)

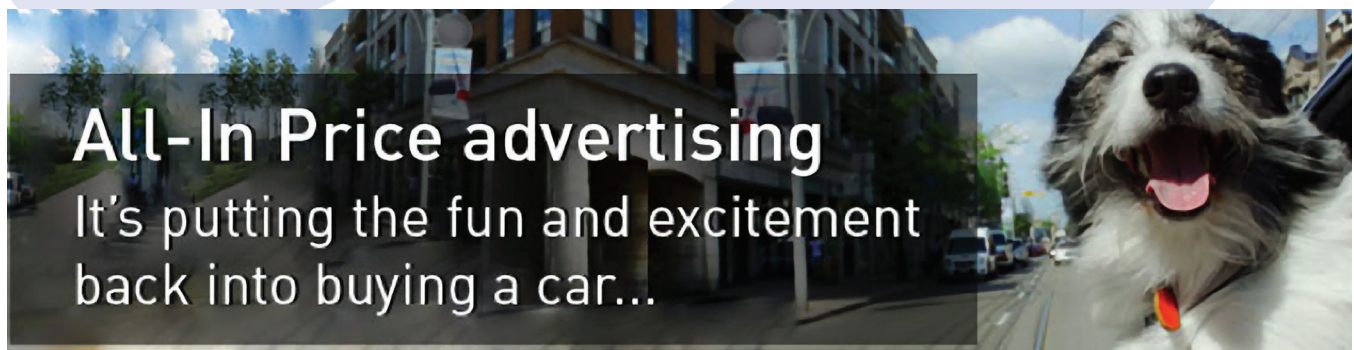
Annual Consumer Awareness Campaign

"Remember the fun and excitement of buying a car? All-in price advertising is bringing it back!" Building on the success of its 2014 "All-in pricing – IT'S THE LAW" campaign, OMVIC's 2015 awareness campaign was built around a newly produced TV commercial and messaging that would help educate consumers about their right to all-in price advertising and help protect them from unscrupulous dealer advertising.

Media used to deliver the campaign included

- TV (province-wide)
- online (Google, Kijiji)
- radio
- social media
- news release (direct engagement with media)

The campaign's success (in conjunction with ad hoc initiatives and media engagement) was measurable: the percentage of Ontarians who know dealers should not charge fees in excess of an advertised price rose to 27 per cent from 22 per cent in 2014.



Online banners

OVERVIEW

COMMUNICATIONS, MEDIA RELATIONS AND EDUCATION (CME)

TV Storyboard

Remember the fun and excitement of buying a car?

[V.O. Music throughout]
Remember the fun and excitement of buying a car?



[V.O.]
OMVIC is bringing it back



We made All-in Price advertising the law

[V.O.]
We made All-in Price advertising the law



No more hidden fees or added surprise costs

[V.O.]
No more hidden fees or added surprise costs



[V.O.]
Now car buying is fun again



OMVIC
Ontario's Vehicle Sales Regulator

ALL-IN PRICING
IT'S THE LAW

omvic.ca

[V.O.]
All-in Pricing
It's the Law
A consumer protection message from OMVIC

OVERVIEW

COMMUNICATIONS, MEDIA RELATIONS AND EDUCATION (CME)

ALL-IN PRICE ADVERTISING

It's putting the fun and excitement back into car buying...and IT'S THE LAW.



Print ad

OVERVIEW

COMMUNICATIONS, MEDIA RELATIONS AND EDUCATION (CME)

Direct Outreach

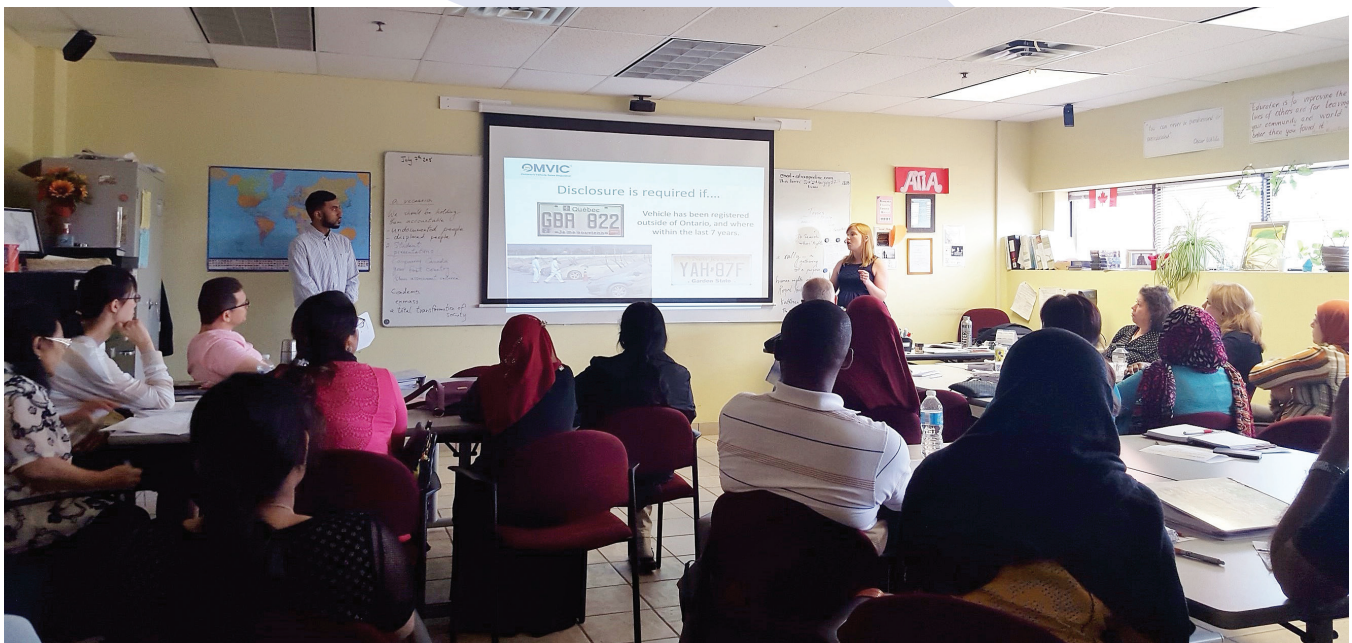
In 2015, OMVIC launched a new weekly blog that targeted car-buying consumers. Nineteen blogs were published providing consumers with useful tips, industry news and important up-to-date information. In addition, OMVIC issued eight *Consumer Line* e-newsletters.

Note: in 2016, the blog, which is accessible to all consumers, is scheduled to replace the subscription-based *Consumer Line*.

OMVIC's consumer-targeted Car-Buying Seminar was refined and delivered free of charge 30 times to community groups, schools and newcomer centres across the province.

This seminar provides information related to

- consumer rights and when they apply
- resources to help conduct research
- considerations when choosing a vehicle
- 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



The feedback provided by attendees was very positive, stressing the value of the information learned.

OVERVIEW

COMMUNICATIONS, MEDIA RELATIONS AND EDUCATION (CME)

Partnership/Sponsorship Opportunities

OMVIC continued its partnerships with the APA and CHC in 2015. As the title sponsor of the APA's *Lemon-Aid Car Show* on Rogers TV and CHC's *Auto Show* on CHML radio, OMVIC is able to support important and valuable stakeholder initiatives while disseminating OMVIC's core messages of consumer protection, avoiding curbsiders and the four pillars of the MVDA.

Other sponsorships in 2015 included

- *Dave's Corner Garage* (SiriusXM Canada and AM740), a program that targets consumers seeking vehicle information
- *Goldhawk Fights Back* (AM740), a consumer advocacy program
- Bray AutoSport Canadian NASCAR Series Team – races broadcast on TSN

These sponsorships allow 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 partners or stakeholders.

In continued partnership with the Ministry of Government and Consumer Services, OMVIC promoted the CPO brand. The branding included the prominent display of the CPO logo on OMVIC's homepage and inclusion of the logo on all other webpages and on all print resources (brochures, maps and infographics).



OVERVIEW

COMMUNICATIONS, MEDIA RELATIONS AND EDUCATION (CME)

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 2015, a record 6,672 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).

In 2015, OMVIC staff provided assistance and guidance to Georgian College in creating an online version of the course. It is expected the online course will become available in late 2016.

Key Elements Course

OMVIC Communications/Education staff, as well as industry stakeholders, began working with Georgian College to assist in re-developing the online Key Elements course. This course will be targeted to industry professionals who have not taken the most up-to-date version of the Certification Course.

The Dealer Standard

OMVIC's industry newsletter, *The Dealer Standard*, provides ongoing communication with the dealer/salesperson community. Features promote education and awareness by reporting OMVIC activities and industry news, trends and events. Four issues were published in 2015.

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 timely and important reminders – or warnings – to stem trending non-compliance. In 2015, 21 *Dealer Bulletins* were distributed.

Seminars/Webinars

In 2015, OMVIC broadcast three webinars. Topics were advertising, disclosure and the CPA. A total of 860 registrants joined the webinars and provided very positive feedback.

Educational seminars were delivered by a combination of Business Standards, Inspections and Communications staff to individual dealers and dealer groups. The Inspections and Business Standards Teams have become important educational ambassadors, delivering the majority of dealer presentations. In 2015, OMVIC delivered 27 dealer seminars.

THE DEALER STANDARD

OMVIC.on.ca

2015 | ISSUE #4

IN THIS ISSUE

- Service Animals: No Pets Allowed?
- Problematic Trends: Fuel Charges and All-in Pricing
- Board Nominations – Wanted: A Few Good Men and Women
- Myth Busters – Has the Discipline Process Run Amok?
- From the Provincial Offences Files
- Curbsider Convictions
- Former Dealer Jailed
- Dealer Education: Seminars and Webinars
- Season's Greetings

OMVIC'S PRIORITIES

- CONSUMER PROTECTION
- DEALER PROFESSIONALISM
- CUSTOMER SERVICE

THE DEALER STANDARD

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Toll Free: 1-800-943-6002
Executive Director: Kim Lambert
Writers: Terry O'Keefe, Hassaan Shahid,
Farah Mohammed



A consumer was told the vehicle was a "good clean car." In reality, it was a previous write-off that had sustained more than \$13,000 in collision damage.

FROM THE PROVINCIAL OFFENCES FILES

Misrepresentations and Illegal Vehicle Sales Earn \$54K Fine

A Toronto-area group has been convicted of curbsiding contrary to the Motor Vehicle Dealers Act (MVDA) and committing unfair practices in breach of the Consumer Protection Act (CPA).

OMVIC charged 2141212 Ontario Corporation (operating as Monterey Auto Repair), Amilcar Luis Monte Rey Nunez, Anibal Salomon Monte Rey Rios, Sergio Ruben Monte Rey Nunez, Bianca Daniela Lopez and Alejandra Penarrieta after an investigation found vehicles being sold illegally from Monterey Auto Repair in Toronto and at least one other from a nearby apartment complex. "In Ontario, all dealers and salespeople must be registered with OMVIC. The repair facility was not registered, nor were any of the individuals," explained Carey Smith, former OMVIC Director of Investigations. "In fact, two of the accused, Amilcar Luis Monte Rey Nunez and Anibal Salomon Monte Rey Rios, had previous curbsiding convictions."

story continued on page 4

Newsletter

BUSINESS ACCOMPLISHMENTS

COMPLIANCE

DEALER PROFESSIONALISM

STRATEGY

Develop an Inspection Guide for dealers to enhance transparency of the inspection process and outline OMVIC's expectations.

2015–17 Targets

An overview of the inspection process and dealer checklist is being drafted to ensure dealers are prepared for inspections and can self-audit. The guide will be published on OMVIC's website and/or in *The Dealer Standard* newsletter.

2015 Activities and Results

Draft produced. Publication scheduled for summer 2016.

STRATEGY

React quickly and innovatively to address violations of the CoE, including but not limited to advertising concerns, by providing verbal warnings, formal caution letters or Notices of Complaint to non-compliant registrants.

2015–17 Targets

The Standards of Business Practice Team, Inspectors and Investigators will continue to work closely together to monitor trends.

2015 Activities and Results

Standards of Business Practice staff, Inspectors and Investigators reviewed print, web and other media to ensure compliance with the CoE requirements and promote a fairer marketplace and transparency for consumers. As a result,

- 750 registrants and/or their advertising representatives received proactive assistance from Business Standards staff with advertising and interpretation matters.
- 1,004 registrants received notices advising of the requirement to correct non-compliant advertising without escalation of the matter – a 100 per cent increase in outreach from 2014.
- 86 formal caution letters were issued to reduce further incidents of non-compliance identified by OMVIC, an increase of nearly 300 per cent from 2014.
- 93 formal Notices of Disciplinary Action were initiated by staff for breaches of the CoE.
- \$32,479 in restitution was paid to consumers by dealers to rectify all-in price advertising non-compliance.

BUSINESS ACCOMPLISHMENTS

COMPLIANCE

DEALER PROFESSIONALISM (CONT'D)

STRATEGY		Continue to educate dealers on advertising requirements and best practices.
2015–17 Targets		2015 Activities and Results
Reach out to dealer groups to facilitate more efficient delivery of education seminars either via webinar or in-person presentations.		Seminars facilitated by staff - Inspectors and/or Standards of Business Practice staff delivered 19 presentations and education seminars. - OMVIC representatives attended the Finance and Insurance Managers Conference to answer questions and highlight areas of concern in franchise stores and to encourage greater compliance with the all-in price advertising requirements.
STRATEGY		Continue to monitor advertising during inspections and via review by Business Standards staff.
2015–17 Targets		2015 Activities and Results
Maintain or increase volume of inspections.		2,557 inspection visits, some of which required multiple visits to complete.
Maintain or increase volume of advertising reviews conducted by Business Standards staff.		Business Standards staff notified 1,004 registrants of concerns with advertising or conduct that required corrective measures without further action.

INSPECTIONS

OMVIC completed 2,557 inspections during 2015. The inspection program is a vital component of OMVIC's overall strategy to ensure compliance with the MVDA, thereby increasing the level of protection for both consumers and dealers. Inspections are preventative and encourage dealer compliance. Dealer surveys continue to rank Inspectors higher than 4 on a scale of 0 to 5 in areas of knowledge, courtesy, efficiency and professionalism.

Strategies

OMVIC uses a risk-based inspection model and conducts routine inspections; therefore, high-risk registrants are visited more frequently than the general dealer population. Examples of risk identifiers include

- serious or numerous complaints
- financial stability concerns
- previous history of disciplinary issues

The process of identifying risk was refreshed and included the monitoring of industry trends and staff feedback. Of the inspections conducted in 2015, 56 per cent were risk-based, 23 per cent were of newly registered dealerships and the remainder were of a routine or random nature. New dealers are generally inspected within the first 60 days of registration to ensure OMVIC's expectations are understood and to provide dealers an opportunity to ask questions. The inspection also provides an opportunity to identify and correct compliance issues before potential risk to the public arises. Of the 2,557 inspections conducted, 500 dealers received *Inspection Findings* noting areas of non-compliance that required additional attention.

Inspections – Compliance and Education

Every inspection visit is an opportunity to discuss best practices, identify areas requiring changes and answer questions from registrants. In 2015, members of the Inspections Team also led or participated in 19 dealer education seminars.

Standards of Business Practice Department

Standards of Business Practice staff (SoBP) answer questions from registrants and advertisers about the MVDA, CoE and SoBP advertising requirements. They ensure compliance with the CoE and SoBP and assist field staff with questions. In 2015, the SoBP Team

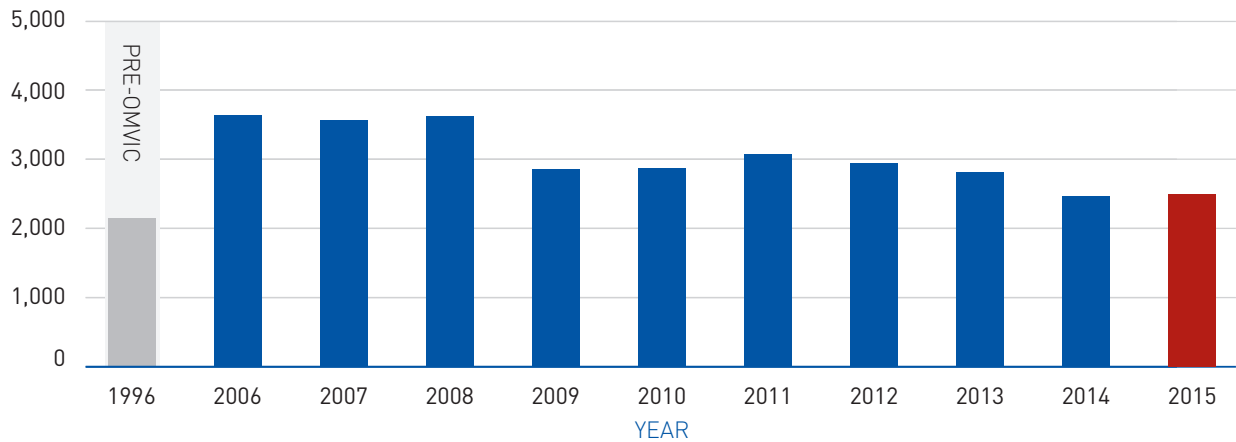
- communicated with dealers more than 1,000 times to advise of the need for corrective measures with advertising; in some instances, the ads in question were discovered by the SoBP Team as part of their monitoring role, while others were brought to their attention by other dealers, members of the public or other OMVIC staff
- fielded 750 proactive inquiries from advertising agencies and dealers requesting advice on advertising matters
- participated in educational presentations regarding general compliance concerns and advertising requirements
- presented at a conference of Finance and Insurance Managers in the Toronto area to assist with compliance

Additionally, SoBP staff issued 86 formal caution letters about conduct or advertising issues and initiated 93 Notices of Discipline (for alleged breaches of the CoE) from various departments, including Inspections, Complaints and Investigations. They were able to negotiate agreements that resulted in \$32,479 in restitution to consumers stemming from non-compliance with all-in price advertising regulations.

PERFORMANCE OVERVIEW

COMPLIANCE

INSPECTIONS 2015



During 2015, 2,557 inspections were completed. This number includes dealerships visited on more than one occasion due to the unavailability of records or scheduling difficulties.

BUSINESS ACCOMPLISHMENTS

MOTOR VEHICLE DEALERS COMPENSATION FUND

MOTOR VEHICLE DEALERS COMPENSATION FUND

STRATEGY	Continue communications plan via radio, TV, print and ethnic media to enhance knowledge of the Compensation Fund for consumers in vulnerable sectors and the general population.
2015–17 Targets	2015 Activities and Results
Measure the volume of claims received and of website traffic related to the Compensation Fund.	Pre-advertising campaign average monthly page views: 308. During online awareness campaign, average monthly page views: 10,969.
Work closely with the OMVIC Communications Team to ensure messaging about the Compensation Fund is consistent and efficient.	OMVIC Communications staff promoted Fund via trade shows, consumer seminars and media interviews.

COMPENSATION FUND BOARD EFFECTIVENESS AND STAFF ACCOUNTABILITY

STRATEGY	Continue to survey annually Compensation Fund claimants about the knowledge, courtesy and helpfulness of staff and about Board response times for claims. Maintain or improve current survey results, which rank all categories at 3 or more on a scale of 0 to 4.
2015–17 Targets	2015 Activities and Results
Maintain or improve survey results.	2015 survey results continue to rank staff and the claim process as 3 or more on a scale of 0 to 4 for courtesy, efficiency, knowledge, helpfulness and timeliness of response from the Board of Trustees.
STRATEGY	When practical, host meetings via teleconference to manage meeting costs and minimize environmental impact of travel.
2015–17 Targets	2015 Activities and Results
Meet in person only as necessary to deal with claims and other matters involving the Compensation Fund (financial reporting, governance, etc.).	Five meetings were conducted in the 2015 fiscal year, one via teleconference. Board meeting materials and documents were distributed electronically.

OVERVIEW

MOTOR VEHICLE DEALERS COMPENSATION FUND

MOTOR VEHICLE DEALERS COMPENSATION FUND

In 2015, 23 claims were received; the Compensation Fund reimbursed 22 consumer claimants \$183,976.

The Fund, a fully dealer supported and 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.

In many cases, consumers who encounter a problem with a purchase can resolve the issue by talking directly with the dealer. If an issue cannot be resolved, OMVIC's Complaints and Inquiries Department may be able to negotiate a settlement on the consumer's behalf. If no resolution is possible, consumers may submit a formal claim to the Compensation Fund for financial compensation. Transactions must meet eligibility criteria and supporting documentation must accompany claims. This requirement demonstrates the importance of retaining all records related to a transaction. Only a consumer (an individual purchasing a vehicle for personal, family or household use) who traded (purchased, leased or consigned) with an OMVIC-Registered Dealer is eligible to file a claim. OMVIC administers the Compensation Fund on behalf of a Board of Trustees.

Notable Compensation Fund Activities in 2015

In 2015, the Fund paid claims that were considered acts or omissions of a dealer that was the subject of a Proposal to Revoke Registration. Prior to the changes to the MVDA introduced in 2010, to be considered, these types of claims would have required the consumer to obtain a judgment.

As well, the Fund filed a claim in Small Claims Court against an extended warranty company that extended credit to a dealer beyond the seven-day remittance requirement of the MVDA. The dealership failed and consumers who had purchased, but did not receive, an extended warranty were compensated by the Fund. The Fund successfully argued an agency relationship existed between the warranty company and dealer and received judgment to recoup monies paid out.

Notable Claim Event

Compensation Fund Claim Related to a Proposal to Revoke

Two consumers who had dealings with Your Car Auto Finance were compensated \$8,727 by the Fund.

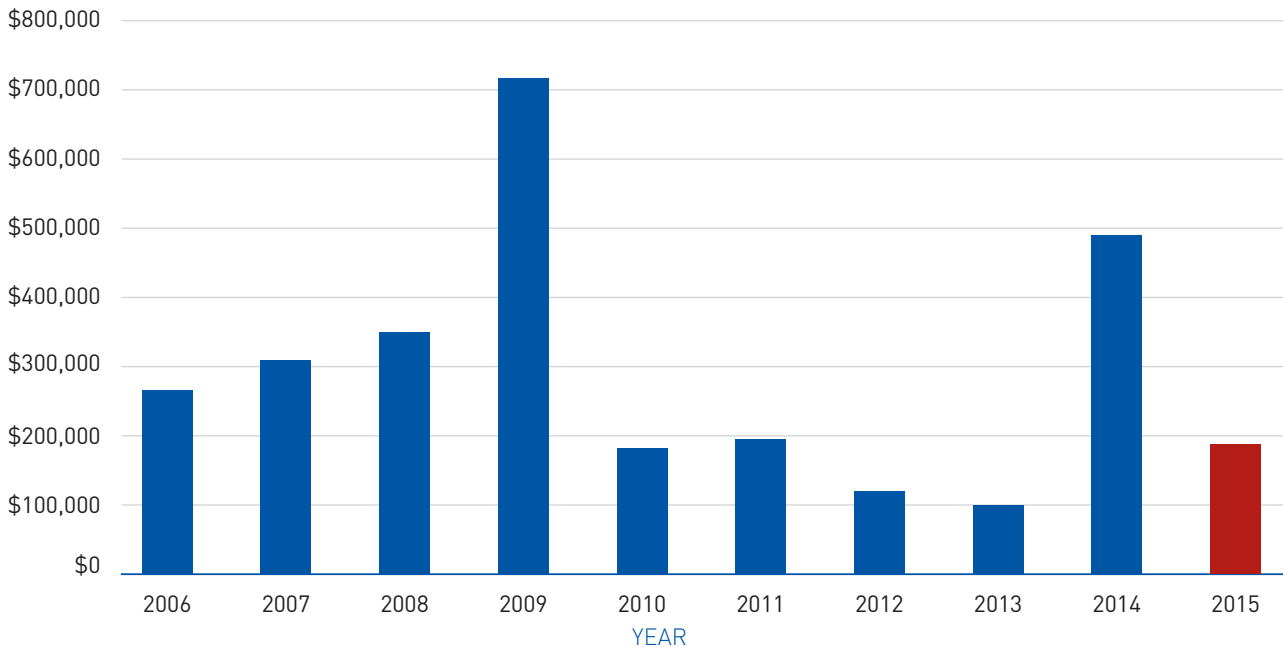
In its Proposal to Revoke the registrations of 1716114 Ontario Ltd. operating as Your Car Auto Finance and its sole officer and director, Derek Booth, OMVIC alleged the parties failed to remove in a timely manner liens from vehicles traded in. This resulted in consumers making unnecessary payments or receiving unwarranted inquiries/demands from financial institutions. In one instance, it was alleged the dealer sold a vehicle and did not discharge an existing lien. OMVIC also alleged the dealer provided bills of sale with odometer readings that were lower than the readings shown on other documents. The dealer abandoned its appeal.

In a related discipline proceeding, Scott Edwards, a former salesperson at Your Car Auto Finance, was found in breach of OMVIC's CoE and fined \$12,500.

OVERVIEW

MOTOR VEHICLE DEALERS COMPENSATION FUND

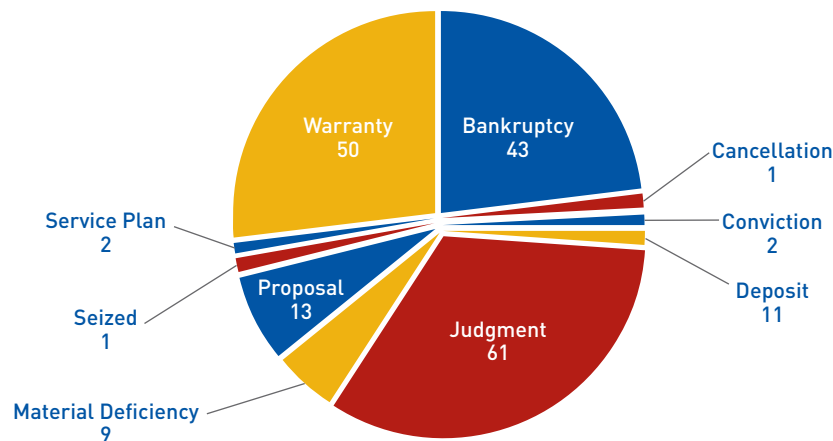
COMPENSATION FUND – ANNUAL CLAIMS



In 2015, the Compensation Fund reimbursed \$183,976 to 22 consumer claimants.

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Average Claim	\$2,660	\$2,661	\$2,537	\$4,068	\$4,125	\$6,301	\$4,303	\$5,015	\$16,411	\$8,363
Number	100	116	138	176	44	31	29	20	30	22
Paid	\$265,995	\$308,659	\$350,083	\$716,044	\$181,485	\$195,342	\$124,792	\$100,307	\$492,334	\$183,976

ELIGIBILITY CRITERIA FOR CLAIMS RECEIVED 2010-15



The criteria for filing a claim to the Compensation Fund are set out in the MVDA.

OVERVIEW

MOTOR VEHICLE DEALERS COMPENSATION FUND

MEMBERS OF THE COMPENSATION FUND BOARD OF TRUSTEES

Dorian Werda, Chair

Consumer Representative

Larry Lantz, Vice Chair

Dealer Representative

Jeffrey Newhouse, Secretary-Treasurer

Dealer Representative

Larry Pringle

Dealer Representative

Mohamed Bouchama

Consumer Representative

Kevin Bavelaar

Dealer Representative

Paul Dray

Consumer Representative

Jamie Holmes

Consumer Representative

Peter Silverman

Consumer Representative

BUSINESS ACCOMPLISHMENTS

INVESTIGATIONS

CONSUMER PROTECTION

STRATEGY	Pursue those who prey on an unwary public.
2015–17 Targets	2015 Activities and Results
Identify, investigate and prosecute curbsiders (illegal, unlicensed dealers).	In 2015, 253 curbsider investigations were conducted. Charges were laid in 59 cases. In lieu of charges, warning letters were served on 26 first-time offenders.
STRATEGY	Monitor and update investigative techniques and knowledge as required.
2015–17 Targets	2015 Activities and Results
Provide continuing education for OMVIC Investigators on the latest automotive-related crimes and the techniques for investigating them.	Members of OMVIC's Investigations Unit attended training conferences of the International Association of Auto Theft Investigators (IAATI) and the National Odometer and Title Fraud Enforcement Association.

DEALER PROFESSIONALISM

STRATEGY	Pursue dealers or salespersons who violate the MVDA or CPA.
2015–17 Targets	2015 Activities and Results
Investigate industry misconduct.	In 2015, 267 industry misconduct investigations were opened, resulting in 111 charges against 72 entities. Additionally, 22 cases were referred to the Discipline Process.

COLLABORATION WITH OTHER LAW ENFORCEMENT AGENCIES

STRATEGY	Increase awareness of OMVIC and the MVDA among law enforcement agencies.
2015–17 Targets	2015 Activities and Results
Participate with police in joint investigations. Assist other law enforcement agencies with inquiries.	More than 512 hours of investigative time was devoted to assisting other law enforcement agencies (police, etc.) with investigations.
Deliver Automotive Crime Investigation training to police.	In partnership with the Canadian Police College, OMVIC's Investigation Unit delivered its second annual course in auto theft investigation techniques designed specifically for and attended by police officers from across Canada.

INVESTIGATION

OMVIC's Investigation Department is staffed by 16 highly skilled former police officers. Deployed across Ontario, OMVIC Investigators are appointed as Provincial Offences Officers and are empowered to conduct investigations, obtain search warrants and lay charges under several statutes, including the MVDA and CPA.

Investigations fall into two broad categories: those involving unregistered dealers (curbsiders) and those involving industry misconduct. Investigations are initiated as a result of information received from various sources, including referrals from OMVIC Inspectors, consumer complaints, police, registrants and trade associations. If substantiated, complaints against a registrant can result in referral to the Discipline Committee, prosecution (Provincial Offences Act Court, or POA) and/or Proposal to Revoke or Suspend Registration. Curbsider enforcement is conducted through POA prosecution.

Curbsiders

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

Curbsiding investigations are typically initiated as a result of tips from members of the public, other dealers or trade associations. OMVIC also employs sophisticated data mining software that searches online marketplaces to identify advertisements posted by curbsiders and then maps their location to assist with identification and investigation.

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).

Assistance to Other Law Enforcement Agencies

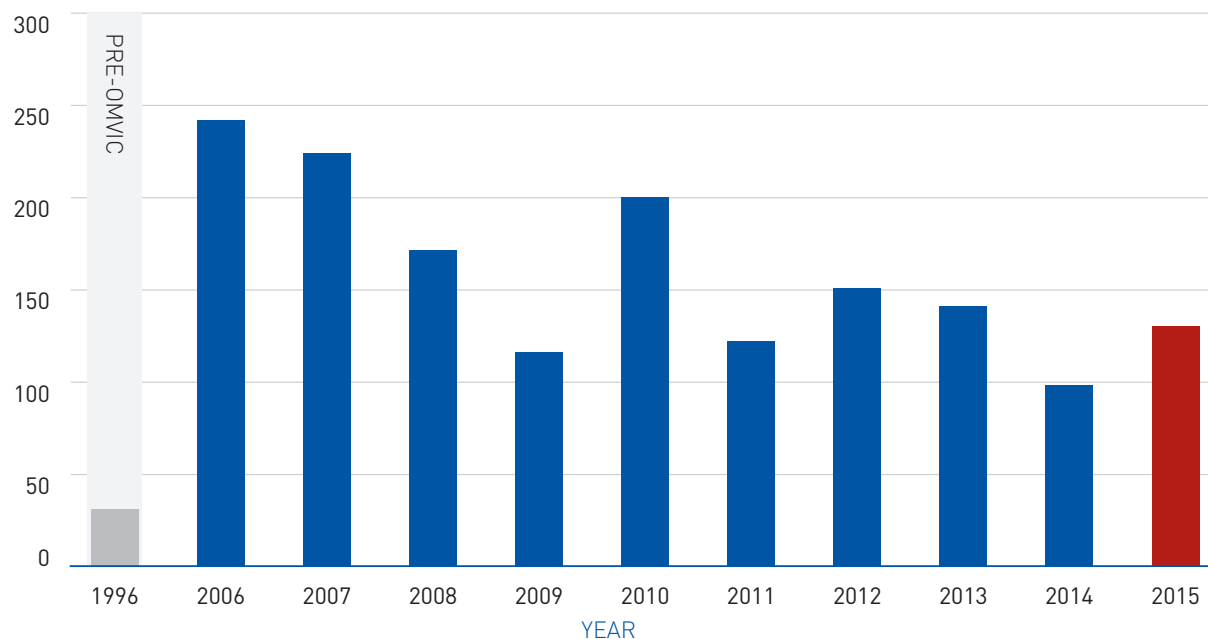
OMVIC Investigators educate and support other law enforcement agencies by delivering educational presentations at training conferences and through partnerships in joint law enforcement projects. In 2014, OMVIC entered into a special partnership with the Canadian Police College in Ottawa to deliver training in auto theft investigation to police officers. The course is run once per year with a class size of 24 to 30. By virtue of their expertise, OMVIC's Investigators are uniquely positioned to provide this highly specialized one-of-a-kind training in automotive crime.

OMVIC also monitors the infiltration of organized criminal activity into the vehicle sales industry. In furtherance of that role, OMVIC is a member of the Criminal Intelligence Service Ontario. Investigators are members of the IAATI.

PERFORMANCE OVERVIEW

INVESTIGATIONS

ENTITIES CHARGED 2015



In 2015, OMVIC Investigators opened 520 cases and laid 242 charges against 131 entities. 22 Notices of Complaint, in lieu of charges, were issued for alleged breaches of the CoE.

PERFORMANCE OVERVIEW

INVESTIGATIONS

PROVINCIAL OFFENCES INVESTIGATIONS/PROSECUTIONS

OMVIC enforces the MVDA and other consumer protection legislation on behalf of the Ministry of Government and Consumer Services. Should an OMVIC Investigator believe a dealer 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 before a Justice of the Peace in provincial court.

OMVIC prosecutors represent the Crown; the accused normally appears with his or her own legal representation. If convicted, the maximum penalties under the MVDA are

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

NOTABLE PROVINCIAL OFFENCES INVESTIGATIONS/PROSECUTIONS

A Toronto-area group was convicted of curbsiding (acting as a dealer without registration), contrary to the MVDA and committing unfair practices in breach of the CPA. OMVIC charged 2141212 Ontario Corporation (operating as Monterey Auto Repair), Amilcar Luis Monte Rey Nunez, Anibal Salomon Monte Rey Rios, Sergio Ruben Monte Rey Nunez, Bianca Daniela Lopez and Alejandra Penarrieta after an investigation found vehicles being sold illegally from Monterey Auto Repair in Toronto and at least one other from a nearby apartment complex. Two of the accused had previous curbsiding convictions. Each of the individuals was also convicted of engaging in an unfair

business practice, contrary to the CPA. In one instance, a consumer was told the vehicle was a “good clean car.” In reality, it was a previous write-off that had sustained more than \$13,000 collision damage. Another consumer, after specifically asking if the car had ever been involved in an accident, was told the car had been repaired due to “a small scratch at the bottom of the door.” That car had actually been branded as salvage after sustaining more than \$10,500 in damage. The total fine amount for the convicted parties was set at \$54,500 plus a 25 per cent victim fine surcharge.

BUSINESS ACCOMPLISHMENTS

LEGAL AND PROSECUTIONS

CONSUMER PROTECTION

STRATEGY	Increase awareness of OMVIC through industry and law associations.
2015–17 Targets	2015 Activities and Results
Continue to provide seminars for industry, law associations and other stakeholders.	Legal staff presented at, organized or assisted in organizing the ▪ Association of Provincial Prosecutors of Ontario Annual Conference ▪ Auto Remarketing Canada Conference ▪ Canadian Network of Agencies for Regulation Annual Conference ▪ Future of Risk-Informed Resource Allocation Conference ▪ National Motor Vehicle Regulatory Conference ▪ Ontario Regulators Annual Conference Staff has continued to meet with various consumer, industry and regulatory organizations to increase awareness of OMVIC and emerging consumer and industry issues in the vehicle sales sector.
STRATEGY	Pursue effective sanctions for violations of the MVDA.
2015–17 Targets	2015 Activities and Results
Initiate program to facilitate collection of fines imposed under the POA for violations of the MVDA and CPA.	Launched a pilot project with the City of Toronto to assist in collecting MVDA and CPA fines that are currently in arrears. This is the first project of its kind in Ontario.

BUSINESS ACCOMPLISHMENTS

LEGAL AND PROSECUTIONS

DEALER PROFESSIONALISM

STRATEGY

Maintain effective registration and inspection processes that identify dealers whose registration requires monitoring by application of terms and conditions.

2015–17 Targets

The volume of Registrar actions is expected to remain steady through the planning period at approximately 1,000 actions yearly.

2015 Activities and Results

OMVIC logged 1,179 Registrar actions. More than 50 per cent of inspections conducted during 2015 were for dealers identified as higher risk.

STRATEGY

Maintain effective enforcement of the CoE.

2015–17 Targets

Conduct comprehensive review of discipline processes used by other regulatory agencies and review the Discipline Rules of Practice.

2015 Activities and Results

OMVIC's Discipline and Appeals Committee Rules of Practice were reviewed and updated to reflect industry best practices and the current state of the common law. The Rules were also translated into French.

CUSTOMER SERVICE

STRATEGY

Ensure protection of privacy and personal information.

2015–17 Targets

Review OMVIC Access and Privacy Code to ensure it is current with applicable legislation.

Establish best practices for electronic document retention.

2015 Activities and Results

In September 2015, the Ministry of Government and Consumer Services released the Administrative Authorities Services Efficiency Study Report. OMVIC's Privacy Code is being reviewed under the new framework. Expected completion date: December 2016.

E-document retention policy was completed.

PERFORMANCE OVERVIEW

LEGAL AND PROSECUTIONS

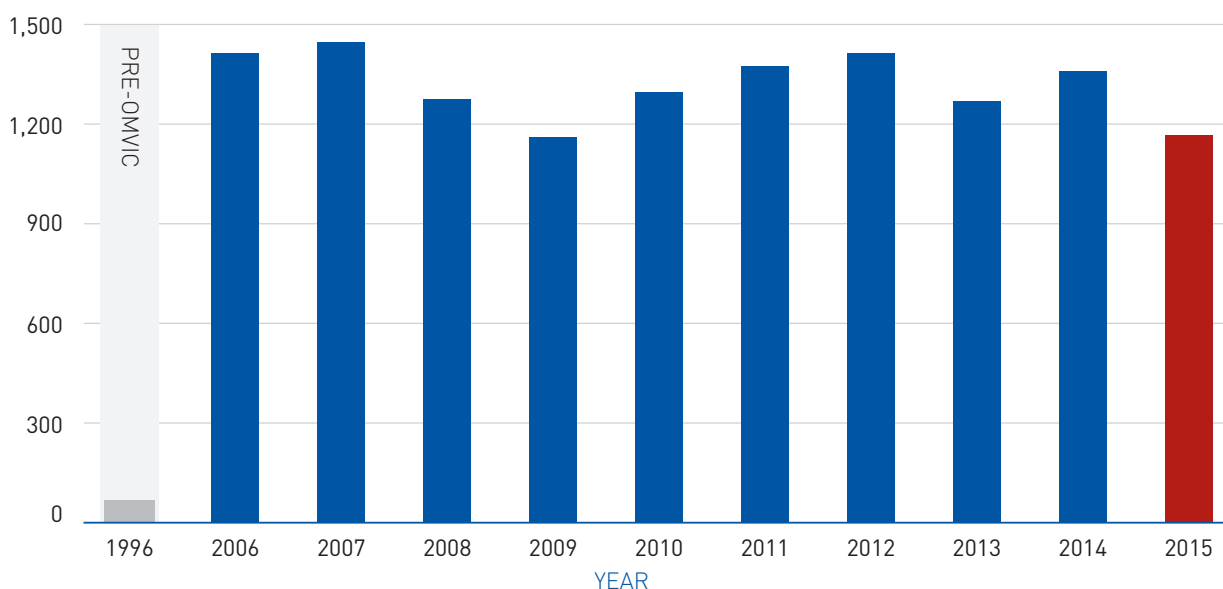
LEGAL AND PROSECUTIONS

The Legal Department provides legal and strategic advice to the Board, Compensation Fund, Executive Director, Registrar, Senior Managers and staff. The department is also responsible for both civil and enforcement litigation.

Enforcement of the MVDA requires a multifaceted approach by OMVIC to ensure compliance. 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 Discipline and Appeal's Committee and all levels of court.

REGISTRAR'S ACTIONS 2015



Registrar actions include issuing Proposals to Suspend, Refuse or Revoke Registrations, as well as to impose terms and conditions of registration. In 2015, there were 1,179 Registrar actions, of which 53 involved issuing a Proposal.

PERFORMANCE OVERVIEW

LEGAL AND PROSECUTIONS

LICENCE APPEAL TRIBUNAL (LAT)

Dealers or salespeople may appeal Proposals to LAT, an independent adjudicative agency that hears appeals of licensing and administrative matters. For more information on LAT, visit www.lat.gov.on.ca.

NOTABLE LICENCE AND TRIBUNAL CASES

LAT: Hadi Mahmoodi

In a LAT decision dated May 29, 2012, Hadi Mahmoodi's registration as a vehicle salesperson and his corporation's registration as a vehicle dealer were revoked after multiple findings of egregious and unlawful conduct resulting in consumer harm.

The Tribunal found that Mahmoodi sold defective vehicles and refused to provide consumers with assistance, failed to properly complete and deliver bills of sale, and failed to disclose material facts. The Tribunal further accepted that Mr. Mahmoodi defrauded and forged the signature of his previous employer/business partner. Mahmoodi attempted to mislead both the Registrar and the Tribunal during the hearing by fabricating and providing false documents. Moreover, while on a LAT-imposed suspension, Mahmoodi breached the Tribunal's order and continued to operate by advertising vehicles online.

After the two-year prescribed period, Mahmoodi reapplied for a salesperson licence. On November 19, 2015, LAT upheld the Registrar's refusal to grant him a licence and confirmed that he failed to demonstrate material changes of circumstances or that he understood his regulatory obligations.

LAT: Balwinder K. Sharma o/a World Wide Motors

"A startling disregard for the Act under which he is regulated," was the characterization provided by LAT vice chair Laurie Sanford in rendering her decision to revoke the registration of Balwinder K. Sharma, operating as World Wide Motors.

At the hearing, OMVIC presented evidence alleging the dealer failed to disclose material facts to consumers, including previous daily rental use, previous collision repairs and previous stolen status; conducted business at unregistered locations; and failed to deposit sales proceeds into the dealership bank account. OMVIC also alleged that, after the dealer was served the Notice of Proposal to Revoke Registration, he produced retail bills of sale that purported to show that disclosures had been made to consumers, but that these documents were altered from the original in an attempt to mislead OMVIC and the Tribunal.

In reaching its decision, the Tribunal noted, "an inability to comply with the Act raises the prospect of potential customer harm...Mr. Sharma's past conduct gives reasonable grounds to believe that he will not carry on business as a dealer in accordance with the law and with integrity and honesty."

PERFORMANCE OVERVIEW

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 and the Standards of Business Practice apply to all registrants and impose 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 (formerly Notice of Complaint). If a Notice of Discipline is issued, the chair of the Discipline Committee appoints an independent, impartial Panel to consider the allegations. The Panel consists of dealer and salesperson peer representatives, along with at least 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 Notice of Discipline. Parties before the Panel may be represented by a lawyer 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 a 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 registrants 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 2015, 114 Discipline matters were completed, 57 education orders were issued and \$360,950 in fines was collected. Additionally, \$32,479 in restitution was provided by dealers to consumers in matters related to fees charged in excess of an advertised price.

PERFORMANCE OVERVIEW

LEGAL AND PROSECUTIONS

NOTABLE DISCIPLINE CASES

Discipline: Arak Auto Inc. and Divan Antranik

Arak Auto Inc. and Divan Antranik were fined a total of \$9,750 for violations of the MVDA and CoE. The Discipline Committee found the parties invited the public to deal at an unregistered address and failed to properly disclose vehicle history information, including the dollar amount of the repair cost, that the vehicle was declared a total loss by an insurer, that the vehicle was branded as salvage and that the vehicle had been recovered after being previously stolen.

Antranik argued that he was not deliberately misleading consumers and included in the Bills of Sale phrases such as “damaged” or “as-is.” The Committee rejected this defence, remarking that the language in the MVDA is clear: dealers “shall ensure” prescribed information is communicated *in writing* to consumers.

Discipline: Downsview Chrysler Plymouth (1964) Ltd. and Peter Kepecs

Downsview Chrysler Plymouth Ltd. was fined \$6,250 for breaching the CoE by failing to comply with the MVDA’s all-in price advertising obligations. In an agreed statement of facts, the dealer admitted selling six vehicles for more than their advertised prices, including one with \$4,291 in additional fees. The dealer agreed to return \$13,233 to consumers who were charged prices that exceeded those advertised. Peter Kepecs (sole officer and director) was ordered to retake the OMVIC Certification Course.

Discipline: Khan Trading Corporation o/a Maple Leaf Autos Inc. and Mushtaq Khan

Mushtaq Khan was fined \$4,500 for failing to properly disclose accident repair histories.

The Discipline Committee found Khan deliberately breached the disclosure requirement in three transactions in order to obtain a competitive advantage. Khan’s conduct was therefore dishonourable, unprofessional and unbecoming of a registrant. In fixing the fine amount, the Committee noted it should be significant enough to deter Khan, while sending a message to the industry that breaches of this nature will not be tolerated. Khan was also ordered to retake the OMVIC Certification Course.

Appeal Decision: Mehrzad Sheikhi o/a Auto Artin

In December 2015, the Appeals Committee affirmed as reasonable a \$6,000 fine against Mehrzad Sheikhi for non-disclosure related issues.

While on terms and conditions, Sheikhi breached both the MVDA and CoE. Instead of the insurance estimate, Sheikhi disclosed his repair cost (which was significantly lower), as the dollar amount associated with the vehicle accident repair. He also marked the last known odometer readings as actual mileage, when the numbers were believed to be higher since the odometers were unreadable. Sheikhi claimed that he was confused. The Discipline Committee noted that Sheikhi knew his obligations to disclose all facts that may affect a consumer’s decision to buy a car. Moreover, even if Sheikhi was ignorant of his disclosure obligations, that was not an excuse.

BUSINESS ACCOMPLISHMENTS

INFORMATION TECHNOLOGY

PROCESS IMPROVEMENT

STRATEGY	Go live with online services for mobile devices.
2015–17 Targets	2015 Activities and Results
Make the “Find a Dealer/Salesperson” application available to consumers on popular mobile technology (Apple iOS, Google Android and new BlackBerry devices). Allow dealers and salespersons to check the status of their registration application using the same mobile technology.	The “Find a Dealer/Salesperson” and the “Registration Application Status Enquiry” pages on the OMVIC website were enhanced to display on regular PC screens or through the three popular mobile device browsers. Find a Dealer/Salesperson https://www.omvic.on.ca/RegistrantSearch/index.aspx Registration Application Status Enquiry https://www.omvic.on.ca/RegistrantSearch/applicationenquiry.aspx

CYBER SECURITY

STRATEGY	Conduct third-party intrusion testing for new vulnerabilities for PCs and “consumerized” devices and mitigate all high-threat vulnerabilities.
2015–17 Targets	2015 Activities and Results
Ensure no high-threat vulnerabilities remain after mitigation efforts.	OMVIC continued to use a strong suite of cyber security tools, firewalls and appliances to protect desktops, servers, networks and email against intrusions. Furthermore, encryption and two-phase authentication were used on the MVDA database. Penetration tests were conducted internally and by a third party. No high-threat vulnerabilities were found and mitigation was completed for the low-threat vulnerabilities that were found.
STRATEGY	Provide employee training on the protection of personal and business information online.
2015–17 Targets	2015 Activities and Results
Provide training to all OMVIC staff on ▪ what constitutes personal information ▪ current threat landscape ▪ social networking and tips on how to avoid cyber threats	Social networking and tips on avoiding cyber threats were presented to staff.

BUSINESS ACCOMPLISHMENTS

INFORMATION TECHNOLOGY

DOCUMENT RETENTION AND DISCLOSURE RULES

STRATEGY

Improve document linkages and data classification, retention and disclosure rules in the MVDA application.

2015–17 Targets

Keep retention and disclosure rules up to date with new policies and ensure they can be enforced mechanically.

2015 Activities and Results

The MVDA application was enhanced to enforce field-level access rules based on the functional profile of staff. The ability to view and change information can now be selectively controlled by individual users (based on a need-to-know basis). Further data classification is pending review of OMVIC Legal staff.

INFORMATION TECHNOLOGY (IT)

A robust and reliable technology infrastructure provides significant benefit to the fulfillment of OMVIC's mission and the organization's commitments to stakeholders. In this respect,

- staff relies on technology in the office or in the field to conduct the workflow required to administer and regulate, as reflected in the MVDA
- consumers rely on the website to research their rights, post 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

Key components within this infrastructure include hardware, software, applications, data, telephony, networks, system services and cyber security. To be effective, these components must be integrated technically to allow interaction between the physical devices and logically to streamline OMVIC's processes and facilitate effective workflow.

Assembling these components and building the applications to effectively drive business transformation is a key function of IT.

Over the past year, OMVIC has continued to increase IT capabilities, including 39 enhancements to the core application that is used to process all aspects of OMVIC's business, as reflected in the MVDA. Another 32 enhancements were made to allow stakeholders to interact with the core application through online services. These enhancements include functions that

- allow better segregation of data to protect privacy and use of registrant information
- allow immediate approval of sales and dealer renewals submitted online when preconditions are met
- facilitate a smooth transition to the new transaction fee
- improve audit capabilities, recording and displaying all selections and data entries made online

Another important aspect of IT is to "keep the lights on" – ensuring the technology infrastructure is continuously available to all stakeholders.

"Keep the lights on" involves tuning the components within direct control of OMVIC IT to minimize downtime and mitigate inherent risks of external components (outside the direct control of OMVIC). These external components include internet connections, telephone services, electrical services and cyber risk.

In 2015, staff enjoyed excellent availability (greater than 99.9 per cent on a 24/7 basis) of OMVIC's internal systems.

Overall availability for external stakeholders was greater than 99.8 per cent, in spite of a lengthy outage to OMVIC's main internet circuit in February due to a fire in downtown Toronto that destroyed the fibre cable connecting OMVIC's systems to the internet.

OMVIC's Cyber Risk and Privacy Protection procedures include the continual use and update of firewalls, email filtering, desktop/laptop security suites, two-phase authentication, database encryption, VPN-Virtual Private Networking and internal controls. In addition to these measures, penetration tests were conducted internally and from outside OMVIC by an external contractor. The results of the penetration tests highlighted no high-risk items. The low-risk items discovered were immediately addressed.

BUSINESS ACCOMPLISHMENTS

CORPORATE SERVICES

BUSINESS CONTINUITY

STRATEGY	Ensure OMVIC is adequately funded, as required, by the administrative agreement.
2015–17 Targets	2015 Activities and Results
Develop a business case for a proposed fee increase based on long-term financial forecast prepared in November 2014. Target implementation of new fee schedule: August 2015.	Completed. New fee schedule implemented October 1, 2015.

DISCIPLINE HEARINGS

STRATEGY	Ensure best practices in Tribunal Hearings are followed by Panel members.
2015–17 Targets	2015 Activities and Results
Develop video-based training modules for use by Panel members.	Videos developed and available online for use by Panel members.
Arrange in-house training in procedural matters and best practices for all Panel members.	Videos and guide on the disciplinary process also posted online for the benefit of registrants and consumers. Training completed in May 2015.

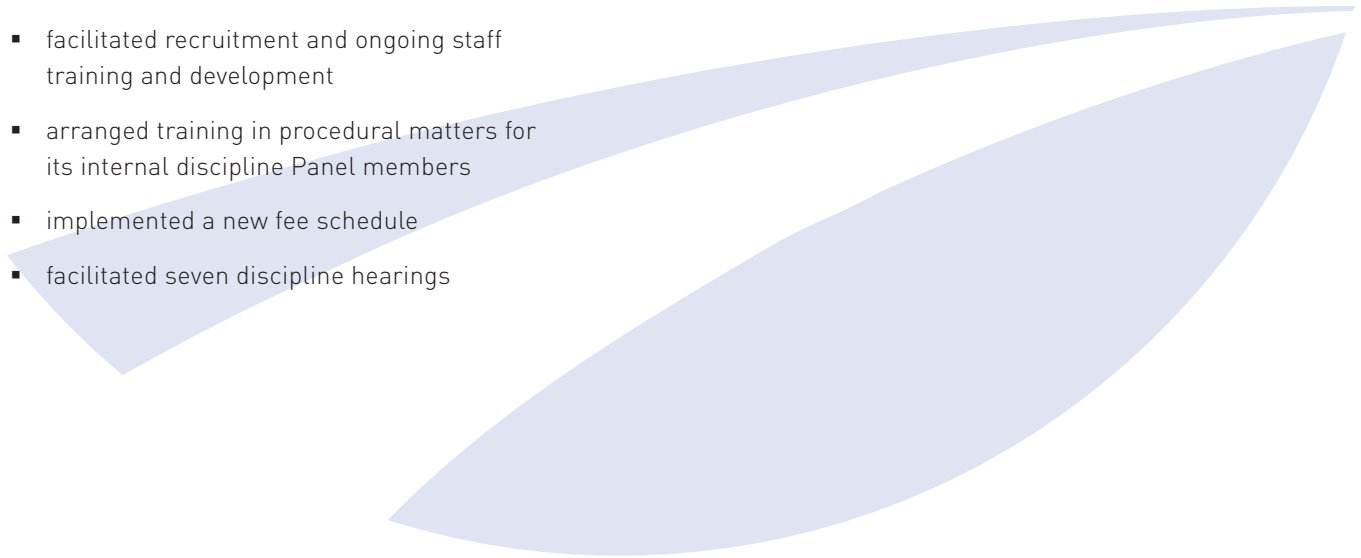
HUMAN RESOURCES MANAGEMENT

STRATEGY	Ensure current human resources practices and policies are in effect.
2015–17 Targets	2015 Activities and Results
Update human resources practices and policies based on guiding principles approved by senior management.	Deferred to 2016 to align with new strategic directions being developed.

CORPORATE SERVICES

Corporate Services acquires, manages and allocates resources in an optimal manner to enable OMVIC to meet its mandate. These include people (Human Resources), money (Finance) and facilities (Administration). Administration also extends to providing Board and committee support and managing OMVIC's internal disciplinary process.

During 2015, Corporate Services

- facilitated recruitment and ongoing staff training and development
 - arranged training in procedural matters for its internal discipline Panel members
 - implemented a new fee schedule
 - facilitated seven discipline hearings
- 

OVERVIEW

CUSTOMER SERVICE

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	1,958	133	325	480
Courtesy*	4.7	4.2	4.1	4.8
Knowledge*	4.7	4.0	3.9	4.9
Efficiency*	4.6	4.1	3.3	4.8

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

CALL CENTRE – AUTOMATIC CALL DISTRIBUTOR (ACD) CALL RESPONSE

ACD CALLS	Registration	Complaints
Average wait time in seconds (target, 60 seconds)	14	39

SERVICE DELIVERY TIMES

AVERAGE TURNAROUND TIME (DAYS)	Target	Actual
Complaints and inquiries	45	32.4
New salesperson applications*	3	2.8
New dealer applications*	42	27.9

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

FRENCH-LANGUAGE SERVICES

In 2015, OMVIC received 41 requests for service in French across all departments.

An equivalent level of service is provided in both English and French whenever and wherever demand and customer service warrant; OMVIC responds to all French inquiries. Bilingual staff members are sought for key positions to ensure that French-language inquiries, whether from dealers, consumers or the media, can be dealt with quickly, courteously and effectively. As well, all correspondence received in French receives a response in French.

OMVIC's consumer Car-Buying Seminar, Know Your Ride DVD and Automotive Certification Course are available in both official languages.

In 2013, OMVIC initiated a pilot project to offer telephone translation services for consumer complainants as a further backstop if bilingual staff members are not available. This project has been adopted and implemented on a full-time basis and is available to all consumers, applicants and registrants.

2015 FINANCIAL OVERVIEW/ AUDITED STATEMENTS

The following financial overview is based on OMVIC's audited financial statements for the year ended December 31, 2015, with comparative information from 2014.

At the end of fiscal 2015, net assets were \$6,829,027 compared with \$6,980,877 in 2014. The decrease results from expenses exceeding revenues by \$151,850, an amount that was below the planned deficit for the year.

Although total revenue of \$13,208,749 was just ahead of last year's (\$13,155,009), there was noticeable movement in the following two revenue streams:

- a) Registration fees increased by \$371,417 over 2014. Annual renewal fees for dealer registration include a basic fee of \$250 plus \$5 (increased to \$10 October 1, 2015) for each vehicle trade (excludes wholesale transactions) for the prior 12-month period. While dealer registration remained stable, vehicle sales were higher than expected.
- b) Investment and Other Income declined by \$270,686 largely because of market conditions as investments are marked to market. Investment income recorded on accrual basis includes interest, dividends, net realized gains (losses) on sale of investments and net unrealized gains (losses).

Total expenses rose by 6.1 per cent, from \$12,520,119 in 2014 to \$13,360,599 in 2015. The main contributors to the increase were

- a) an extra pay period in 2015 based on a bi-weekly payroll frequency
- b) increased, but focused spending on the public awareness campaign
- c) higher occupancy costs from OMVIC's office relocation in 2014; this expense is now expected to increase only by inflationary costs associated with property tax and utilities over the next few years

For other line items, most of the variances over last year were either not material or were within acceptable ranges; therefore no further elaboration is provided here.

The 2015 expenses by service function were as follows:

	2015	2014
Investigation	\$ 2,385,978	\$ 2,307,653
Registration	2,119,010	2,047,628
Legal Services	2,133,635	2,028,241
Compliance	1,928,761	1,939,165
Communications	1,710,636	1,334,269
Information Technology	1,171,227	1,061,101
Inquiries and Complaint Handling	904,420	877,381
Governance	675,517	652,465
Compensation Fund	176,800	162,157
Discipline	154,615	110,059
	\$13,360,599	\$12,520,119

Cash available at the end of December 2015 was \$1,718,883. OMVIC also held investments of \$7,162,630 that reflect an internally restricted operating reserve (\$3,638,000) and cash in excess of current requirements. All investments are held in instruments that are highly liquid. Fixed income securities yield interest between 2.07 and 7.10 per cent and have maturities ranging from February 2016 to December 2045.

Based on cash flow from operations and the current investment portfolio, OMVIC has sufficient liquidity to fund its short-term business plans and obligations. However, for long-term financial stability, OMVIC introduced a new fee structure on October 1, 2015.

FINANCIAL STATEMENTS

ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL

FINANCIAL STATEMENTS

DECEMBER 31, 2015

ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL

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DECEMBER 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Members of Ontario Motor Vehicle Industry Council

Report on the Financial Statements

We have audited the accompanying financial statements of Ontario Motor Vehicle Industry Council, which comprise the statement of financial position as at December 31, 2015, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion of these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Ontario Motor Vehicle Industry Council as at December 31, 2015, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

April 18, 2016

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Licensed Public Accountants

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**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL
STATEMENT OF FINANCIAL POSITION**

As at December 31	2015	2014
ASSETS		
Current		
Cash	\$ 1,718,883	\$ 1,027,531
Accounts receivable	54,661	983,168
Prepaid expenses	219,492	232,106
	<u>1,993,036</u>	<u>2,242,805</u>
Investments (note 2)	7,162,630	6,932,866
Capital assets (note 3)	1,258,208	1,458,838
	<u>\$ 10,413,874</u>	<u>\$ 10,634,509</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 1,033,203	\$ 1,177,869
Deferred revenue (note 4)	1,521,688	1,463,413
	<u>2,554,891</u>	<u>2,641,282</u>
Deferred contributions - capital assets (note 5)	739,456	818,683
Deferred lease inducement	290,500	193,667
	<u>3,584,847</u>	<u>3,653,632</u>
NET ASSETS		
Invested in capital assets (note 6)	518,752	640,155
Internally restricted operating reserve	3,638,000	3,638,000
Unrestricted	2,672,275	2,702,722
	<u>6,829,027</u>	<u>6,980,877</u>
	<u>\$ 10,413,874</u>	<u>\$ 10,634,509</u>

Approved by:

Director: _____

Director: _____

See accompanying notes to the financial statements

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**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL
STATEMENT OF CHANGES IN NET ASSETS**

Year ended December 31	2015	2014
NET ASSETS CONSIST OF:		
Internally restricted operating reserve		
Balance, beginning and end of the year	<u>\$ 3,638,000</u>	<u>\$ 3,638,000</u>
Unrestricted		
Balance, beginning of the year	2,702,722	2,528,702
Excess of revenue over expenses (expenses over revenue)	(18,462)	843,748
Purchase of capital assets	<u>(11,985)</u>	<u>(669,728)</u>
Balance, end of the year	<u>2,672,275</u>	<u>2,702,722</u>
Invested in capital assets (note 6)		
Balance, beginning of the year	640,155	179,285
Excess of expenses over revenue	(133,388)	(208,858)
Purchase of capital assets	<u>11,985</u>	<u>669,728</u>
Balance, end of the year	<u>518,752</u>	<u>640,155</u>
NET ASSETS, end of the year	<u>\$ 6,829,027</u>	<u>\$ 6,980,877</u>

See accompanying notes to the financial statements

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**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL
STATEMENT OF OPERATIONS**

Year ended December 31	2015	2014
REVENUE		
Registration fees	\$ 11,506,215	\$ 11,134,798
Transfer fees	467,925	472,275
Administrative penalties	360,950	429,000
Certification course fees	319,270	298,780
Investment and other income	256,033	526,719
Expense recoveries (note 7)	219,129	240,619
Amortization of deferred contributions	79,227	52,818
	13,208,749	13,155,009
EXPENSES		
Salaries and benefits (note 7)	8,302,122	8,132,781
Public awareness	1,212,232	769,570
Professional services	708,739	731,633
Travel	685,488	683,216
Occupancy	657,077	440,274
General and administrative (note 7)	624,904	613,893
Per diem allowances	351,078	254,592
Telecommunications	305,523	295,743
Government oversight fees	198,707	198,707
Industry awareness	102,114	138,034
Amortization of capital assets	212,615	261,676
	13,360,599	12,520,119
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ (151,850)	\$ 634,890

See accompanying notes to the financial statements

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**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL
STATEMENT OF CASH FLOWS**

Year ended December 31	2015	2014
CASH PROVIDED BY (USED IN) FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenue over expenses (expenses over revenue)	\$ (151,850)	\$ 634,890
Items not affecting cash:		
Amortization of capital assets	212,615	261,676
Amortization of deferred lease inducement	96,833	161,501
Unrealized gain on investments	(33,070)	(25,481)
Realized loss on investments	9,389	45,564
Amortization of deferred contributions	(79,227)	(52,818)
Changes in non-cash working capital:		
Accounts receivable	928,507	(932,993)
Prepaid expenses	12,614	30,031
Accounts payable and accrued liabilities	(144,666)	(28,061)
Deferred revenue	58,275	88,888
	<u>909,420</u>	<u>183,197</u>
INVESTING		
Purchase of capital assets	(11,985)	(1,541,229)
Purchase of investments, net	(206,083)	(495,125)
	<u>(218,068)</u>	<u>(2,036,354)</u>
FINANCING		
Amounts received for capital purposes (note 5)	-	871,501
NET INCREASE (DECREASE) IN CASH	691,352	(981,656)
CASH AT THE BEGINNING OF THE YEAR	1,027,531	2,009,187
CASH AT THE END OF THE YEAR	\$ 1,718,883	\$ 1,027,531

See accompanying notes to the financial statements

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**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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. The Council is a not-for-profit organization with the mandate to administer the Ontario Motor Vehicle Dealers Act. This authority was delegated to the Council by the Minister of Consumer and Commercial Relations (the "Ministry") on January 7, 1997 through an Administrative Agreement (the "Agreement") with the Ministry.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

Revenue Recognition

(i) 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 deferred revenue.

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 \$5 for every sale (excluding wholesale transactions), lease, fleet or "as is" transaction as a component of their registration renewal fee. This transaction fee was increased to \$10 beginning in October of 2015. The 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 they are received.

(ii) 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.

(iii) Administrative penalties:

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

**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iv) 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.

(v) Investment income

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

Financial Instruments

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Council has elected to carry its investments at fair value. Transaction costs are expensed as incurred.

Capital Assets

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

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

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

**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Lease Inducement

In 2009, the lease for the original office space was renegotiated and the terms of the lease were modified and the lease term extended. The Council was continuing to account for the lease under the old terms until the term of the original lease contract expired on April 30, 2012. Deferred lease inducements are considered to relate to the lease extension and were amortized over the period from May 1, 2012 to April 30, 2014, the extended lease term.

The Council assumed more space in 2009 and the lease related to the expansion space is for a term of five years. The deferred lease inducements related to this space were amortized over the term of the lease.

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 free rent is being straightlined 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 the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. INVESTMENTS

	2015	2014
Cash	\$ 278,395	\$ 139,060
Fixed income	6,498,443	6,413,696
Other	385,792	380,110
	<u>\$ 7,162,630</u>	<u>\$ 6,932,866</u>

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.

ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

2. INVESTMENTS (CONTINUED)

The Council believes that it is not exposed to significant interest-rate, market, credit or cash flow risk arising from its financial instruments.

Additionally, the Council believes it is not exposed to significant liquidity risk as all investments are held in instruments that are highly liquid and can be disposed of to settle commitments. The fixed income securities yield interest between 2.07% and 7.10% and have maturities ranging from February 2016 to December 2045.

3. CAPITAL ASSETS:

	Cost	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
Computer hardware	\$ 68,382	\$ (51,199)	\$ 17,183	\$ 27,992
Computer software	42,921	(42,921)	-	14,307
Furniture and fixtures	161,051	(87,361)	73,690	105,900
Office equipment	108,647	(76,003)	32,644	54,373
Leasehold improvements	1,337,315	(202,624)	1,134,691	1,256,266
	<u>\$ 1,718,316</u>	<u>\$ (460,108)</u>	<u>\$ 1,258,208</u>	<u>\$ 1,458,838</u>

4. DEFERRED REVENUE

	2015	2014
Registration fees received in advance	<u>\$ 1,521,688</u>	<u>\$ 1,463,413</u>

5. DEFERRED CONTRIBUTIONS - CAPITAL ASSETS

	2015	2014
Balance, beginning of the year	\$ 818,683	\$ -
Amounts received	-	871,501
Amortization of deferred contributions	<u>79,227</u>	<u>52,818</u>
Balance, end of year	<u>\$ 739,456</u>	<u>\$ 818,683</u>

The amounts received during the 2014 fiscal year related to the cash due under the terms of the lease for the new premises to pay for leasehold improvements. It will be amortized into income on the same basis as the related leasehold improvements which is the term of the lease.

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**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

6. INVESTED IN CAPITAL ASSETS

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

	2015	2014
Capital assets, net	\$ 1,258,208	\$ 1,458,838
Less unamortized deferred contributions - capital assets	(739,456)	(818,683)
Balance, end of year	<u>\$ 518,752</u>	<u>\$ 640,155</u>

b) The net change in net assets invested in capital assets is calculated as follows:

	2015	2014
Amortization of deferred contributions	\$ 79,227	\$ 52,818
Less amortization of capital assets	(212,615)	(261,676)
	<u>\$ (133,388)</u>	<u>\$ (208,858)</u>

7. RELATED PARTY TRANSACTIONS

The Council provides office space and administrative services to the Motor Vehicle Dealers' Compensation Fund (the "Fund"). The two organizations are related parties because the Council has representation on the Fund's Board of Trustees. Included in the Council's statement of operations are recoveries from the Fund of \$166,078 (2014 - \$151,435) relating to salaries and benefits and \$53,051 (2014 - \$89,184) relating to general and administrative expenses. At year end \$32,166 (2014 - \$26,942) was receivable from the Fund. Amounts received from the Fund are determined on a cost recovery basis.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. INTERNALLY RESTRICTED OPERATING RESERVE

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 in accordance with the Termination Plan, and for accumulating funds that are available when needed due to unforeseen operating shortfalls.

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**ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

8. INTERNALLY RESTRICTED OPERATING RESERVE (CONTINUED)

This reserve was created through an initial transfer of \$2,000,000 approved by the Board on August 23, 2010. The reserve target balance was approved for approximately \$4,730,000 and the remainder was to be transferred over 60 monthly installments of \$45,500. The monthly reserve transfers were temporarily suspended for the 2014 and 2015 fiscal years.

9. COMMITMENTS

The Council has commitments for its leased premises and equipment. The future minimum annual lease payments are as follows:

2016	\$ 789,385
2017	800,957
2018	815,593
2019	827,994
2020 and thereafter	<u>4,947,312</u>
	<u><u>\$ 8,181,241</u></u>

10. 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.

**MOTOR VEHICLE DEALERS
COMPENSATION FUND**

FINANCIAL STATEMENTS

OCTOBER 31, 2015

**MOTOR VEHICLE DEALERS
COMPENSATION FUND**

FINANCIAL STATEMENTS

OCTOBER 31, 2015

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Statements of Changes in Net Assets	3
Statements of Operations	4
Statements of Cash Flows	5
Notes to the Financial Statements	6 - 9

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Motor Vehicle Dealers Compensation Fund, which comprise the statement of financial position as at October 31, 2015, and the statement of changes in net assets, statement of operations, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Motor Vehicle Dealers Compensation Fund as at October 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

McGOVERN, HURLEY, CUNNINGHAM, LLP



Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
February 24, 2016

MOTOR VEHICLE DEALERS COMPENSATION FUND
STATEMENTS OF FINANCIAL POSITION
AS AT OCTOBER 31, 2015

Page 2

	October 31, 2015 \$	October 31, 2014 \$
ASSETS		
CURRENT		
Cash - operating	30,105	20,398
- investment	6,927	125,882
Accrued interest receivable	20,687	19,558
Prepaid expenses	<u>11,257</u>	<u>11,257</u>
TOTAL CURRENT ASSETS	68,976	177,095
INVESTMENTS (Note 8)	<u>7,476,907</u>	<u>7,175,874</u>
TOTAL ASSETS	<u>7,545,883</u>	<u>7,352,969</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 4)	58,892	40,398
Claims payable	<u>-</u>	<u>122,920</u>
TOTAL LIABILITIES	<u>58,892</u>	<u>163,318</u>
NET ASSETS		
UNRESTRICTED NET ASSETS (Note 2)	<u>7,486,991</u>	<u>7,189,651</u>
TOTAL NET ASSETS AND LIABILITIES	<u>7,545,883</u>	<u>7,352,969</u>
Contingent Liabilities (Note 3)		

APPROVED ON BEHALF OF THE BOARD OF TRUSTEES:

_____, "Dorian Werda", Chair

_____, "Larry Lantz", Vice Chair

See accompanying notes to the financial statements.

MOTOR VEHICLE DEALERS COMPENSATION FUND
STATEMENTS OF CHANGES IN UNRESTRICTED NET ASSETS
FOR THE YEARS ENDED OCTOBER 31, 2015

Page 3

	2015 \$	2014 \$
BALANCE , beginning of the year	7,189,651	7,033,644
Excess of revenues over expenses, for the year	<u>297,340</u>	<u>156,007</u>
BALANCE , end of the year	<u>7,486,991</u>	<u>7,189,651</u>

See accompanying notes to the financial statements.

MOTOR VEHICLE DEALERS COMPENSATION FUND
STATEMENTS OF OPERATIONS
 FOR THE YEARS ENDED OCTOBER 31, 2015

Page 4

	2015 \$	2014 \$
REVENUES		
Investment and other income	704,754	915,262
Participant fees	141,900	144,000
Recoveries	<u>11,609</u>	<u>12,328</u>
TOTAL REVENUES	<u>858,263</u>	<u>1,071,590</u>
EXPENSES		
Claims	183,976	492,335
Salaries and benefits (Note 4)	159,164	150,147
Consumer awareness	73,450	67,885
Governance	50,720	90,570
Investment management fees	43,540	40,769
Statutory trustee fees	11,997	11,398
Professional fees	11,655	11,755
Occupancy (Note 4)	10,721	10,721
Insurance	10,692	10,854
Office and general	5,008	6,644
Repayment of recoveries	<u>-</u>	<u>22,505</u>
TOTAL EXPENSES	<u>560,923</u>	<u>915,583</u>
EXCESS OF REVENUES OVER EXPENSES	<u>297,340</u>	<u>156,007</u>

See accompanying notes to the financial statements.

MOTOR VEHICLE DEALERS COMPENSATION FUND
STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED OCTOBER 31, 2015

Page 5

	2015 \$	2014 \$
CASH PROVIDED BY:		
OPERATING ACTIVITIES		
Excess of revenues over expenses, for the year	297,340	156,007
Non-cash items		
Change in fair value of investments	(413,695)	(652,975)
Change in non-cash working capital		
(Increase) decrease in accrued interest receivable	(1,129)	4,788
Decrease in prepaid expenses	-	162
Increase (decrease) in accounts payable and accrued liabilities	18,494	(19,541)
(Decrease) increase in claims payable	<u>(122,920)</u>	<u>122,920</u>
Cash used in operating activities	<u>(221,910)</u>	<u>(388,639)</u>
INVESTING ACTIVITIES		
Cash provided by investing activities (net)	<u>112,662</u>	<u>487,537</u>
CHANGE IN CASH DURING THE YEAR	(109,248)	98,898
Cash, beginning of the year	<u>146,280</u>	<u>47,382</u>
CASH, end of the year	<u><u>37,032</u></u>	<u><u>146,280</u></u>

See accompanying notes to the financial statements.

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 (the "Participants") where the Participant has refused, failed or been unable to pay a claim registered against the 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 accounting policies consistent with section 1501 and the 4400 series section of the CPA Canada Handbook.

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.

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 contingent liabilities, as detailed in Note 3.

Financial Instruments:

The Fund follows the CPA Canada Handbook Section 3856, "Financial Instruments – Recognition and Measurement" to account for its financial assets, liabilities and equity 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 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...

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments:

Investments consist of fixed income notes bearing interest at rates ranging from 2.35% to 11% with a total fair market value of \$1,765,909, mutual funds in various industries with a fair market value of \$5,226,405 and other investments of \$484,593.

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 by reason of payments or proposed payments to claimants, the Trustee 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. CONTINGENT LIABILITIES

(i) As at October 31, 2015, there was one claim for \$3,900 denied by the Board in which legal advice has been or is currently being sought from in-house counsel for the Ontario Motor Vehicle Industry Council.

(ii) Several motor vehicle dealers declare bankruptcy 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.

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 because the Council has representation on the Fund's Board. Included in the Fund's expenses are shared expenses with the Council of \$159,164 (2014 - \$150,147) relating to salaries and benefits and \$10,721 (2014 - \$10,721) relating to occupancy expenses. At October 31, 2015, \$26,512 (2014 - \$13,436) was payable to the Council. Amounts paid to the Council are determined on a cost recovery basis.

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

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.

Continued...

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 no 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 creditworthiness of its financial institutions. Included in investments are fixed income securities with interest rates ranging from 2.35% to 11% with maturity dates ranging from 2015 to 2016.

(b) Price risk

The Fund is exposed to price risk with respect to equity prices related to its Investments. The Fund invests in equity investments in accordance with the investment policy. Equity price risk is defined as the potential adverse impact on the Fund's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Fund closely monitors individual equity movements, and the stock market movements to determine the appropriate course of action to be taken by the Fund.

The Fund's investments are subject to fair value fluctuations. As at October 31, 2015, if the fair value of the investments had decreased/increased by 25% with all other variables held constant, excess of expenses over revenues for the year ended October 31, 2015 would have been approximately \$1,869,227 higher/lower. Similarly, as at October 31, 2015, reported unrestricted net assets would have been approximately \$1,869,227 lower/higher as a result of a 25% 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 of 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 change to risk exposure during 2015 and 2014.

(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...

8. INVESTMENTS

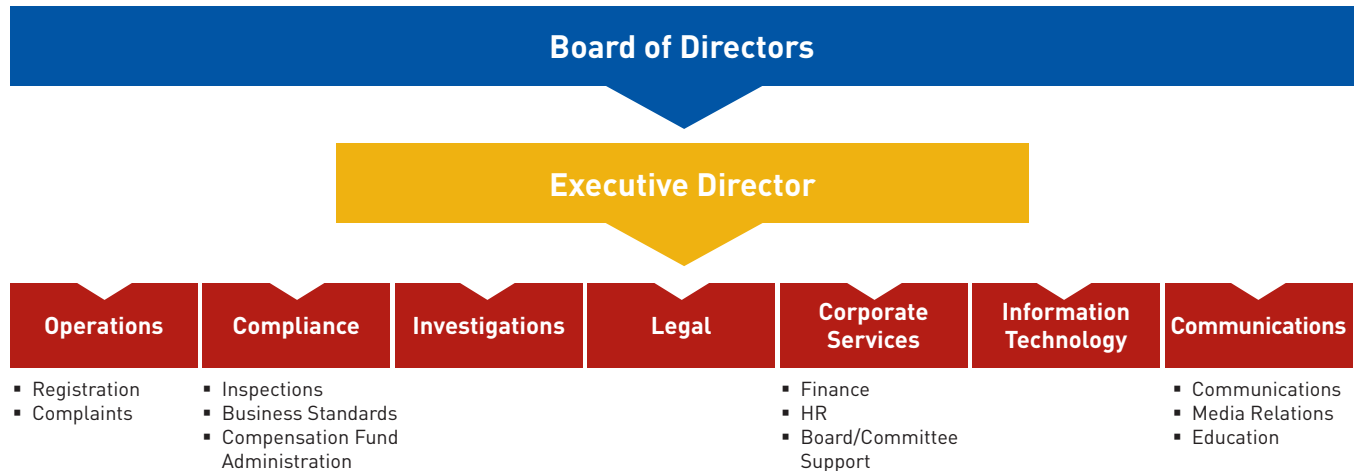
Investments, recorded at their estimated fair value, are comprised of the following:

	2015		2014	
	Cost \$	Fair Value \$	Cost \$	Fair Value \$
Mutual Funds	3,525,555	5,226,405	3,623,518	4,966,434
Fixed Income	1,746,195	1,765,909	1,838,941	1,879,330
Other	476,792	484,593	325,000	330,110
Total	5,748,542	7,476,907	5,787,459	7,175,874

The unrealized gain on investments at October 31, 2015 is \$1,728,365 (2014 - \$1,388,415).

ORGANIZATIONAL STRUCTURE

BOARD OF DIRECTORS



BOARD OF DIRECTORS

The Board is made up of nine dealers drawn from all segments of the industry: large and small dealerships in both the new and used market. These industry representatives are joined by three consumer and government representatives appointed by the Minister of Government and Consumer Services. Dealer members are elected by dealers across the province.

The Executive Director is responsible for OMVIC's day-to-day operations.

Kevin Bavelaar

**2015 President and Chair of the Board,
Ex-officio all Committees**

Auto Showplace, North York

Term expires May 2016

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 OMVIC's secretary-treasurer, vice president, and president and chair of the Board.

Kevin is currently president and chair of OMVIC's Board of Directors and also serves as a member of the Motor Vehicle Dealers Compensation Fund's Board of Trustees.

Meredith Morris

2015 Vice President

Sudbury Hyundai, Sudbury

Term expires May 2017

Meredith's automotive family background has enabled her to accumulate more than 20 years of experience in all aspects of the dealership and automotive industry. She is a graduate of the Automotive Marketing and Business Administration Program at Northwood University in Michigan. Meredith is the president of C.J. Morris Investments, which owns and operates Sudbury Hyundai and Sudbury Used Cars. She was elected to OMVIC's Board of Directors in May 2004 and has served two terms as president and chair.

Meredith is the past chair of the Hyundai Auto Canada National Dealer Advisory Council and the Cambrian

ORGANIZATIONAL STRUCTURE

BOARD OF DIRECTORS

College Automotive Technology Program. Her past involvements include serving on the Board of Directors of the Sudbury Community Foundation, the Sudbury Chamber of Commerce and the Canadian Red Cross. She was also president of the Sudbury Harley Owners Group, Ladies of Harley division.

David Cooke

2015 Vice President;

Member, Executive Committee and Appeals Committee

Consumer Representative

Term expires November 2016

David started practising law in Ontario in 1968, primarily in litigation. As a member of the Ontario legislature from 1985 to 1990, he chaired the Select Committee on Free Trade and played a major role in determining the terms of the auto industry's inclusion in the Free Trade Agreement. Following that, David chaired the first Finance Committee in the Ontario legislature. He has spent a lifetime as an active member of various non-profit boards and commissions in the Kitchener-Waterloo area.

More recently, David served 10 years as a full-time member of a federal tribunal.

Cliff Pilon

2015 Secretary-Treasurer;

Chair, Audit, Finance and Risk Committee;

Member, Executive Committee

Gold Fleet Subaru/Suzuki, North Bay

Term expires May 2018

Cliff entered the automotive industry in 1981. Since 1987, he has been the dealer principal of Gold Fleet Subaru in North Bay. He also owns Gold Fleet North, a used vehicle dealership in New Liskeard, and Rust Check franchises in both cities.

Cliff's hands-on approach, coupled with daily interaction with his businesses, helps keep him in tune with the constant changes in the industry.

Cliff's strong automotive, mechanical and financial knowledge, coupled with his sales expertise and

interpersonal skills, make him a valuable asset to OMVIC's Board of Directors. Cliff has served on the Board since May 2006 and chaired the Communications Committee from 2010 to 2011.

Nazreen Ali

Past Chair; 2015 Chair, Consumer Protections Advisory Committee; Member, Executive Committee

Consumer Representative

Term expires May 2018

Nazreen earned a Master of Business Administration degree from Queen's University and is executive vice president of MiiScan Corporation, a mobile commerce company. She has assisted a number of Canadian firms in developing socially responsible international initiatives. Previous to that, 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 was OMVIC's president and chair of the Board in 2014.

ORGANIZATIONAL STRUCTURE

BOARD OF DIRECTORS

Denis Ayotte

**2015 Chair, Governance Committee;
Member, Appeals Committee and
Nominating Committee**

*Gus Brown Pontiac Buick GMC Ltd., Whitby
Gus Brown Pontiac Buick GMC Ltd., Port Perry
Term expires May 2018*

Denis is a partner in and vice president of Gus Brown Pontiac Buick GMC Ltd. in Whitby and Port Perry, Ontario. He graduated with a Bachelor of Science degree from Trent University with a joint major in computer studies and psychology. He worked in the information technology field for more than 20 years as a department manager, project manager and program manager, leading major implementations across Canada, the United States and parts of Europe.

Denis moved to the automotive industry in 2003 and became a partner of the Gus Brown Group in 2006. He is a hands-on operator who led the top General Motors New Vehicle Retail Sales Operation for six years, from 2004 to 2009.

Denis has been an OMVIC Board member since May 2009. He is the past president of the Central Ontario Dealers Association and he sits on the Board of Directors of the Lakeridge Health Foundation and is the vice chair of the Finance and Audit Committee for the Foundation.

Denis and his business partner, Gus Brown, are active members of the community and are involved in community sports, arts, entertainment and the Chamber of Commerce. Denis has been the co-chair of the Annual Gus Brown Golf Classic, raising more than \$850,000 for the R.S. McLaughlin Durham Regional Cancer Centre and the Lakeridge Health Foundation. The Gus Brown Group of dealerships supports numerous charities in and around the Durham region.

Ron Marostica

**2015 Chair, Stakeholder Relations Committee;
Member, Nominating Committee and
Governance Committee**

*Marostica Motors, Thunder Bay
Term expires May 2017*

Ron has been an automobile dealer for more than 35 years. He operates a Subaru dealership in Thunder Bay, a used-car dealership (Thunder Bay Used Car Superstore) and an automotive leasing company. His dealerships are members of both the Trillium Automobile Dealers Association and the Used Car Dealers Association.

Ron has served seven years on OMVIC's Board of Directors. He was also a member of the Motor Vehicle Dealers Compensation Fund Board of Trustees for six years, on which he also served as chair and secretary-treasurer. He sits on the Canadian Automobile Dealers Association's Industrial Relations Committee, which addresses issues of national importance to new-car dealers and administers the Legal Action Defense Fund. He is a past chair of Hyundai Auto Canada's National Dealer Council.

Ron has served on a number of charitable and community organizations, including the board of a major hospital and as a governor of Lakehead University. He enjoys sports of all kinds, particularly hockey and golf. Ron is married and has four children and four grandchildren.

Ron was OMVIC's president and chair of the Board in 2013.

Harbans Pawan

**2015 Chair, Appeals Committee;
Member, Nominating Committee and
Governance Committee**

*Consumer Representative
Term expires March 2017*

Harbans joined the Indian Air Force Technical College in 1954. He served in the Indian Air Force in Avionics at various locations all over India. Harbans also has an Honours Bachelor of Arts degree in English and Punjabi from the University of the Punjab.

ORGANIZATIONAL STRUCTURE

BOARD OF DIRECTORS

He immigrated to Canada in 1971 and worked in different companies in the electrical field. He served as policy chair and vice president of the Etobicoke-Lakeshore Federal and Provincial Liberal Riding Associations from 1979 to 2000.

While employed at ABB, Harbans introduced a pay for skills program (paid for “what you know, not what you do”) in 1988, which proved to be quite successful. He also served as union president for the salaried employees from 1986 until 1997, when he retired. He is currently involved in not-for-profit organizations such as various senior citizen clubs and the Ontario Khalsa Darbar.

Ken Peterson

**2015 Chair, Regulatory Affairs Committee;
Member, Stakeholder Relations Committee and
Governance Committee**

*Ken Peterson Sales & Leasing, Thunder Bay
Term expires May 2017*

Ken has more than 40 years of experience in the automotive business. For the past 17 years, he has operated Ken Peterson Sales & Leasing in Thunder Bay, building a solid reputation for integrity and outstanding customer service.

Ken is involved in his community and was elected to the Thunder Bay Hydro Commission, serving two terms; he was chair for three years. He was also director and treasurer of Northwest Energy and vice chair of the Municipal Electric Association of Ontario.

First elected to OMVIC’s Board of Directors in June 2001, Ken brings a strong analytical and proactive problem-solving approach to the business of OMVIC. He served as OMVIC’s president in 2003 and 2005, providing consistent use of leading governance practices, innovative solutions and a commitment to getting the job done. Ken actively engaged in effective and focused advocacy with the government to gain support for initiatives and to address issues that are important to automobile dealers.

Matt Rispin

**2015 Chair, Nominating Committee;
Member, Governance Committee**

*North Toronto Auction, Innisfil
Term expires May 2018*

Matt is a proud graduate of the University of Toronto and has enjoyed the automotive auction business for the past 18 years. In 2003, he and his partners opened North Toronto Auction and they have succeeded in developing it into the largest independent auction in Canada.

North Toronto Auction is recognized as a pioneer hybrid auction model specializing in both wholesale and public auctions. North Toronto Auction celebrated its 11th anniversary in 2014 and was recognized by *Canadian Business* magazine as one of Canada’s fastest growing companies.

Most recently, Matt and his partners launched AutoGavel Inc. and AGX, a multifaceted online remarketing solution and lease grounding tool that will complement their current business model. Matt was OMVIC’s president and chair of the Board from 2010 to 2012.

John Slaughter

**2015 Chair, Communications Committee;
Member, Stakeholder Relations Committee and
Consumer Protection Advisory Committee**

*Hyundai, Pembroke
Term expires May 2016*

John graduated from McMaster University with Bachelor of Arts and Bachelor of Education degrees. After holding various positions in education and administration, he became a partner in a Chrysler franchise in the early 1990s. He participated in the Chrysler Ontario Dealers Advertising Association for eight years.

The Ottawa Valley is now home for John and his wife, Janet; they own a Hyundai store in Pembroke.

John has served on the OMVIC Board since May 2007.

SENIOR MANAGEMENT & COMMITTEES

SENIOR MANAGEMENT

Kim Lambert

Executive Director

Mary Jane South

Registrar and Director, Operations

Laura Halbert

Deputy Registrar and Director, Compliance

Chandar Singh

Director, Corporate Services

Michael Rothe

Director, Legal Services

Joe Scarfo

Director, Information Technology

Terry O'Keefe

Director, Communications, Media Relations and Education

Tom Girling

Director, Investigations

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 held four meetings in 2015.

Membership: Same as the Executive Committee (elected officers).

COMMUNICATIONS COMMITTEE

Chair: John Slaughter

Working with staff and in collaboration with the Motor Vehicle Dealers Compensation Fund, 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 2015.

Membership: All OMVIC board members.

COMMITTEES

APPEALS COMMITTEE

Chair: Harbans Pawan

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 in the most effective and expeditious manner. There were two appeals in 2015.

Membership: A minimum of three OMVIC directors.

AUDIT, FINANCE AND RISK COMMITTEE

Chair: 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 terms of reference of

CONSUMER PROTECTION ADVISORY COMMITTEE

Chair: Nazreen Ali

The Consumer Protection Advisory Committee (CPAC), created by the OMVIC Board of Directors, was established to provide both the Ministry of Government and Consumer Services and the OMVIC Board with expert advice on consumer issues. At least half of its members are non-industry consumer representatives.

The committee held two meetings in 2015 and discussed issues such as vehicle recalls, consumer financing issues and advertising.

Membership: Four OMVIC Board members and five non-Board consumer representatives. The majority of membership must be non-industry. The committee is chaired by a consumer representative from OMVIC's Board.

COMMITTEES

EXECUTIVE COMMITTEE

Chair: Kevin Bavelaar

The Executive Committee assists the Board of Directors in fulfilling its governance role. Responsibilities include providing guidance and direction to the Executive Director and the Director of Corporate Services as needed; helping management ensure appropriate financial and operational controls are in place; liaising with the provincial government, trade associations and consumer groups on industry matters; reviewing management reports regarding statutory and ethical compliance; reviewing quarterly and annual financial statements; 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 10 meetings in 2015.

Membership: Four OMVIC Board members (elected officers) and the immediate past president.

GOVERNANCE COMMITTEE

Chair: Denis Ayotte

The Governance Committee regularly reviews the governance of the Board of Directors. This includes reviewing the effectiveness of Board committees and their chairs; determining whether committees should be merged, disbanded or created; and thoroughly examining all procedures related to the effective operation of meetings. The committee also ensures the Board has an annual governance refresher.

The committee held six meetings in 2015.

Membership: Five OMVIC Board members (four dealer representatives and one consumer representative).

NOMINATING COMMITTEE

Chair: Matt Rispin

The Nominating Committee carries out duties assigned in the OMVIC bylaws and assigned to it by the Board of Directors. Responsibilities include developing and recommending selection criteria for new Board

members, seeking nominees for vacancies on the Board and developing selection criteria for membership on committees of the Board and for the Compensation Fund Board of Trustees.

The committee held two meetings in 2015.

Membership: Same as the Governance Committee.

REGULATORY AFFAIRS COMMITTEE

Chair: Ken Peterson

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 met once in 2015.

Membership: All OMVIC Board members.

STAKEHOLDER RELATIONS COMMITTEE

Chair: Ron Marostica

The Stakeholder Relations Committee provides a forum for stakeholder groups and OMVIC to share points of view on various issues relevant to the sector. The committee meets on an ad hoc basis but not less than twice per year.

The committee held two meetings in 2015.

Membership: Includes representatives from

- Used Car Dealers Association
- Trillium Automobile Dealers Association
- Automobile Protection Association
- Car Help Canada
- Consumers Council of Canada
- Georgian College Automotive Business School of Canada
- ADESA Canada (wholesale auction)
- Vehicle manufacturer associations (declined participation)

CONTACT

CONTACTING OMVIC

Registration Services

Email: registration@omvic.on.ca

Telephone: 416-226-4500 ext. 5104

Registration kits can be downloaded from omvic.on.ca.

Complaints and Inquiries

Email: consumers@omvic.on.ca

Telephone: 416-226-4500 ext. 5105

Complaints can also be submitted online at omvic.on.ca.

Reporting Curbsider Activity

Email: nocurbs@omvic.on.ca

Telephone: 1-888-NOCURBS (662-8727)

Motor Vehicle Dealers Compensation Fund

Email: compfund@omvic.on.ca

Telephone: 416-226-3661

Media Relations

Terry O'Keefe

Email: terry.okeefe@omvic.on.ca

Telephone: 416-226-4500 ext. 3525

Privacy Officer

Michael Rothe

Email: privacy@omvic.on.ca

Telephone: 416-512-3165

OMVIC's privacy policy is available at omvic.on.ca.

Address

65 Overlea Blvd., Suite 300

Toronto, ON M4H 1P1

Telephone: 416-226-4500

Fax: 416-226-3208

Toll-free: 1-800-943-6002

Website: omvic.on.ca

Email: omvic@omvic.on.ca

APPENDIX A

THE BOARD'S ROLE

1. Work with the Executive Director in providing overall business direction through strategic planning, determining priorities and setting policy guidelines.
2. Ensure financial and functional viability of OMVIC by exercising fiscal oversight and determining fee-setting policies.
3. Ensure that OMVIC's operational and financial controls are operating properly.
4. Work with the Executive Director to ensure OMVIC has the necessary resources, competence, tools and organization to effectively fulfil its mandate.
5. Communicate and market the benefits OMVIC offers to consumers, registrants and the government.

COMPOSITION

OMVIC's Board of Directors is composed of 12 individuals:

- two directors who are members of the Used Car Dealers Association
- two directors who are members of the Trillium Automobile Dealers Association
- three directors who are members of both the Used Car Dealers Association and the Trillium Automobile Dealers Association
- one dealer who is not a franchised dealer and who may or may not be currently a member of the Used Car Dealers Association
- one franchised dealer who may or may not be currently a member of the Trillium Automobile Dealers Association
- three directors who are appointed by the Minister of Government and Consumer Services

The term of office for a Board member is three years from the date of the annual and general meeting at which the member is elected. Although not a requirement, Board members are encouraged to complete OMVIC's Automotive Certification Course.

BOARD REQUIREMENTS AND SELECTION CRITERIA

To qualify as a candidate for election to OMVIC's Board of Directors, a nominee must meet specific criteria:

1. Be registered as a vehicle dealer, in good standing, under the MVDA,
 - a. whose registration is not currently subject to terms and conditions imposed by LAT,
 - b. who is not currently the subject of a Proposal of the Registrar and
 - c. who has been registered under the MVDA for at least the two-year period prior to the date of nomination.
2. Be a person of good character, honesty, integrity and financial responsibility.
3. Agree to completion of any reasonable background checks and inquiries that may be required at the sole discretion of the Nominations Committee in its determination of the nominee's honesty, integrity, financial responsibility and suitability to be a director, including, but not limited to, OMVIC inspection findings, complaint history and a Canada-wide criminal record check.
4. Agree to permit the Registrar to share with the members of the Nominations Committee the results of the background checks referred to above.
5. Commit to attending 75 per cent of scheduled meetings of the Board of Directors in each year, and commit to active participation on committees.
6. Commit to reviewing relevant materials prior to Board and committee meetings.
7. Commit to the objects and purposes of OMVIC as listed in its letters patent.
8. Be an Ontario resident.
9. Be at least 18 years of age.
10. Not be an undischarged bankrupt.

APPENDIX A

11. Be supported by two other registrants in good standing who have endorsed the nominations form by affixing their signatures where noted.
12. Satisfy such other qualifications or criteria, which are established by the Nominations Committee from time to time, including the endorsement of nominees by the appropriate trade association (i.e., UCDA, TADA, UCDA-TADA) and the desirability of maintaining regional representation.
13. Sign agreements relating to confidentiality, conduct and conflict of interest.

RESPONSIBILITIES OF A DIRECTOR OF OMVIC

- Remain well-informed about the work of the council and its stated objectives.
- Understand the role of the council, its goals and its services.
- Be thoughtful and objective in all deliberations.
- Make decisions in consideration of the council and its stated objectives.
- Place regulation of the vehicle industry and protection of the public above any special interest, or geographic or personal constituency.
- Attend and participate in, at minimum, three-quarters of Board meetings, committee meetings and subcommittee meetings (if applicable). Failure to consistently attend meetings will result in a request for resignation.
- Complete tasks and projects assigned and accepted.
- Be prepared to accept at least one Board committee assignment and actively participate in committee meetings.
- Inform the Board of the needs and concerns of stakeholders.
- Self-evaluate performance as a director each year.
- Understand that the Board's role is to set policies. Recognize the role of the Registrar, Executive Director

and OMVIC staff and refrain from involvement in administrative decision-making or program implementation.

BOARD MEMBERS AGREE TO NOT DO THE FOLLOWING

- Authorize the use of, or use for the benefit or advantage of any person, the name, emblem, endorsement, services or property of the council except in conformance with council policy.
- Accept, or seek on behalf of another individual, any financial advantage or gain of other-than-nominal value offered as a result of council affiliation.
- Use any council affiliation in connection with the promotion of partisan politics, religious matters or positions on any issue not in conformity with the position of the council.
- Disclose any information available because of Board membership to any person not authorized by law or the bylaws of the council to receive such information.
- Knowingly take any action or make any statement intended to influence the conduct of the council in such a way as to confer any financial benefit on any corporation or entity in which there is a significant interest or affiliation.
- Operate in any manner that is contrary to the best interests of the council or the vehicle industry or the public.
- Make public statements about the council and its policies, the Board or other Board members or about council or Board administrative matters, without the express authorization of the council.

BOARD MEMBERS UNDERSTAND AND AGREE TO SUPPORT THE FOLLOWING MAJOR FUNCTIONS OF THE BOARD

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

BOARD OF DIRECTORS SKILLS PROFILE

Board Skills and Experience

OMVIC has a mandate to protect and serve the public interest. 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 nomination 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 consists of respected members of the community with a high level of integrity who collectively possess a mix of skills and experience that add strategic value to OMVIC.

Board members should

- demonstrate a positive attitude toward the public interest
- actively participate when they have something to offer
- listen to other points of view and support consensus-building
- promote consumer protection and industry professionalism
- possess diverse perspectives, including those of business, government and consumers
- be strategic thinkers
- understand the governance role of a Board member and the Board's responsibilities and limitations
- demonstrate a willingness to actively support OMVIC's mandate and vision
- be sensitive to the economic and ethnic diversity of the retail automotive sector

The Board will seek to achieve diversity in its membership.

Individual Knowledge and Experience

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

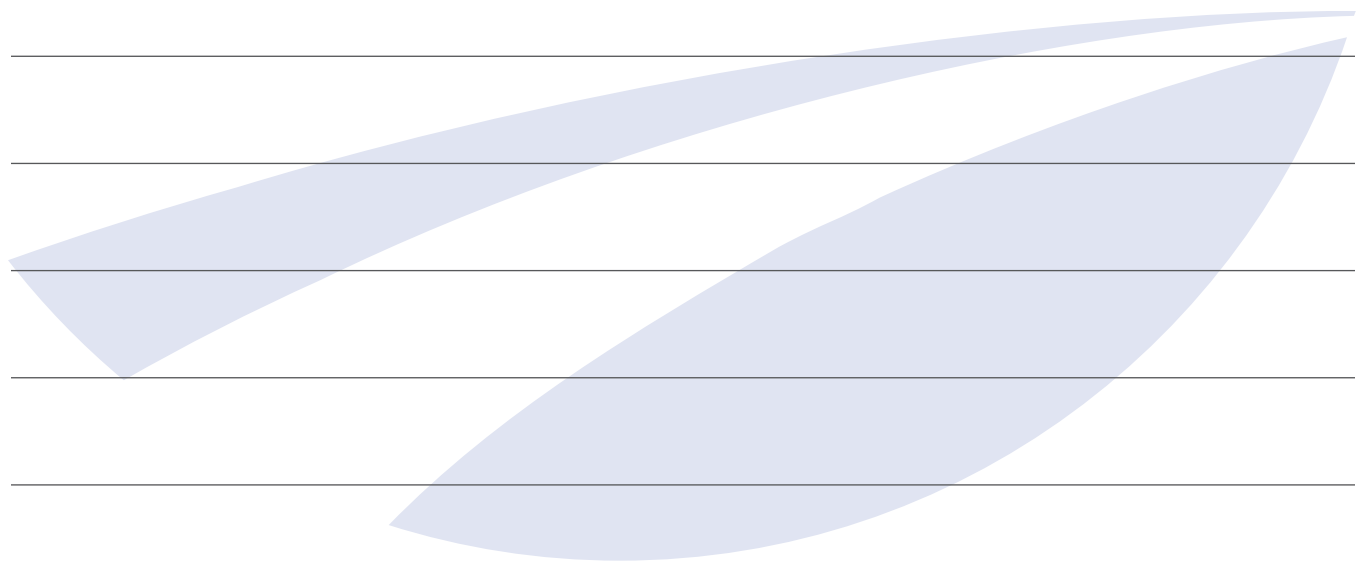
- knowledge of the retail automotive sector: new, used, leasing
- membership on boards, including not-for-profit boards
- public policy and regulatory environments, especially pertaining to consumer law
- customer service delivery
- financial literacy
- marketing, public relations and communications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

APPENDIX A

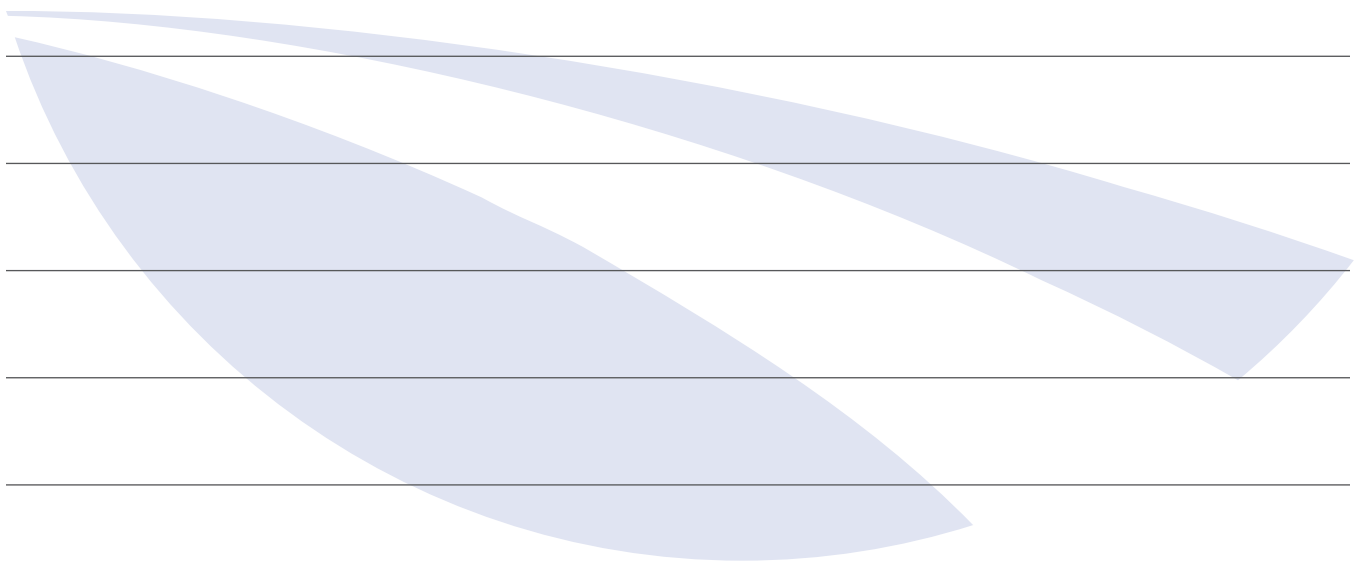
The Nominating Committee reviews and updates this profile periodically to ensure that it reflects the current needs of the Board, consistent with the achievement of OMVIC's mandate and vision.



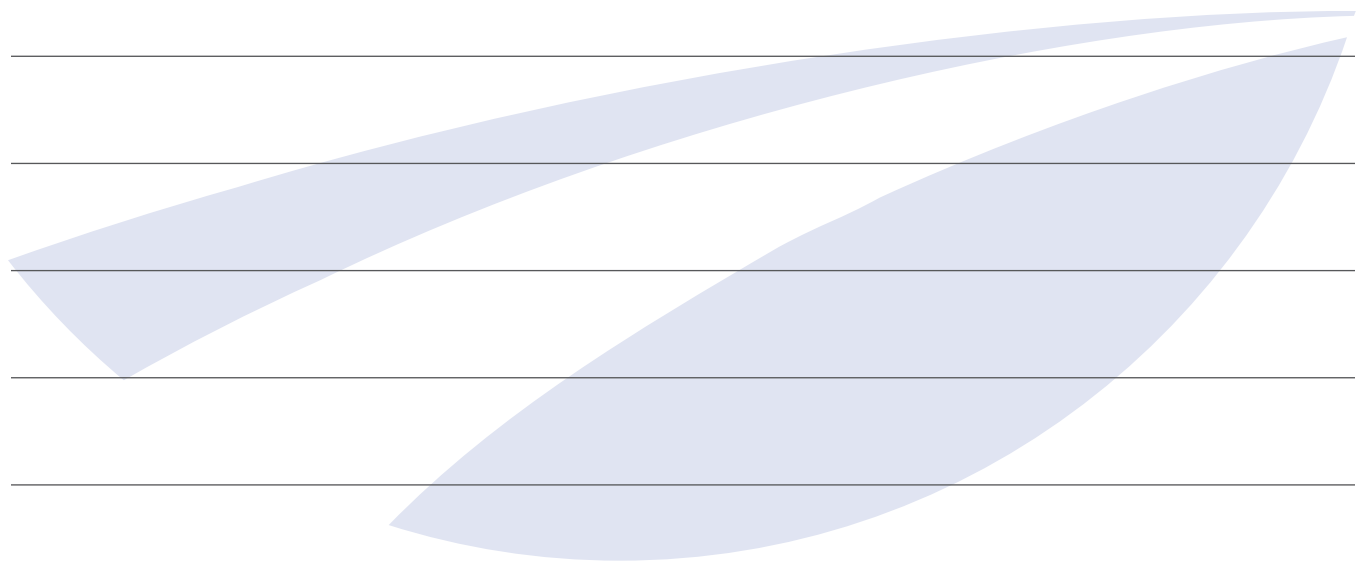
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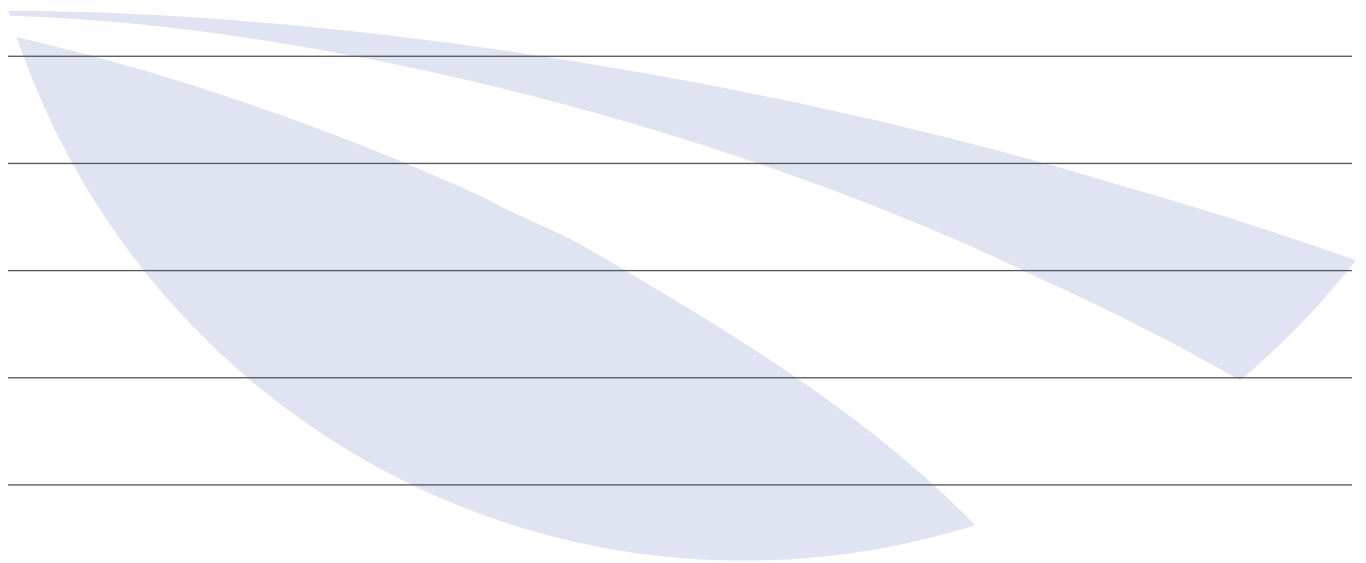
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Ontario Motor
Vehicle Industry
Council

Conseil ontarien
du commerce des
véhicules automobiles

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