

IN THE MATTER OF AN APPEAL BY SELECT MOTORS LTD. PURSUANT TO SECTION 179 (1) OF THE *CONSUMER PROTECTION ACT* RSA 2000 c. C-26.3 (the “CPA”)

AND

IN THE MATTER OF A LICENCE REFUSAL ISSUED BY THE ALBERTA MOTOR VEHICLE INDUSTRY COUNCIL (AMVIC) UNDER SECTIONS 104, 127 (b)(i), 127(b)(v) AND 127 (c) of the CPA ON MAY 13, 2022.

### **DECISION OF THE APPEAL BOARD**

#### **APPEAL BOARD PANEL:**

Michael Swanson, KC, Appeal Board Chair  
Dellia Tardif, Appeal Board Member  
Joanne Pawluk, Appeal Board Member

#### **PARTIES:**

Ehab Househ (“Househ”) is the sole director and owner of Select Motors Ltd. (“Select Motors”) Neither Househ nor Select Motors are represented by legal counsel.

Paula Hale is legal counsel for the Respondent (Director of Fair Trading “the Director”), as delegated to the Alberta Motor Vehicle Industry Council (“AMVIC”)

#### **DATE OF HEARING:**

October 7, 2022

#### **DATE HEARING CONCLUDED:**

November 20, 2022

#### **NATURE OF THE APPEAL**

[1] On May 13, 2022, the Director rendered a decision not to grant the business licence renewal application of Select Motors and to cancel the automotive salesperson registration for Househ under s. 104, 127(b)(i), 127(b)(v) and 127(c) of the CPA (“the Director’s decision”).

[2] The Appeal Notice is dated May 19, 2022, and was filed with the Minister of Service Alberta on May 25, 2022.

[3] This is an appeal brought by Househ and Select Motors seeking to quash the Director's decision.

[4] The Appeal Notice claimed amongst other things that the Director's decision was biased, unfair and that the allegations were false.

[5] In addition, the Appeal Notice expressly states the following: "I do everything by the book have all documents to show" and "All issues were resolved with customers and some info not true!"

[6] The Appeal Notice also states that the appeal is filed on behalf of "2230355 Alberta Ltd (Select Motors Ltd)" and includes "Ehab Househ" together with his telephone number and email address.

### **JURISDICTION AND STANDARD OF REVIEW**

[7] The CPA and the Automotive Business Regulation ("ABR") regulate *inter alia*, automotive business licences and salesperson registrations in Alberta.

[8] Section 104(1) of the CPA provides that no person may engage in the automotive sales business unless that person holds a licence that authorizes the person to engage in the business.

[9] In accordance with Section 16(1) of the ABR, a salesperson of an automotive sales business operator must be registered for automotive sales before acting on behalf of the business operator.

[10] The Director's jurisdiction respecting automotive business licences and salesperson registration is found in s 127 of the CPA. Section 127 of the CPA provides that:

"The Director may refuse to issue or renew a licence, may cancel or suspend a licence and may impose terms and conditions on a licence for the following reasons:

- (a) the applicant or licensee does not or no longer meets the requirements of this Act and the regulations with respect to the class of licence applied for or held;
- (b) the applicant or licensee or any of its officers or employees
  - (i) fails to comply with an order of the Director under section 129 or 157, unless, in the case of order under section 129 or 157, the order has been stayed,
    - (i.1) fails to repay a levy of assessment under section 137 in respect of amounts paid out in claims against the licensee,
    - (i.2) fails to pay a levy of assessment under section 136(8) or a levy of assessment for a fund created under section 137,
  - (ii) fails to comply with a direction of the Director under section 151(3),

- (iii) furnished false information or misrepresents any fact or circumstance to an inspector or to the Director,
  - (iv) fails to comply with an undertaking under this Act,
  - (v) has, in the Director's opinion, contravened this Act or the regulations or a predecessor of this Act,
  - (v.1) fails to comply with any legislation that might be applicable,
  - (vi) fails to pay a fine imposed under this Act or a predecessor of this Act or under a conviction or fails to comply with a order made in relation to a conviction,
  - (vii) is convicted of an offence referred to in section 125 or is serving a sentence imposed under a conviction, or
  - (viii) fails to pay, in accordance with the notice of administrative penalty and the regulations, an administrative penalty imposed under this Act;
- (c) in the Opinion of the Director, it is in the public interest to do so."

[11] Section 18 of the ABR further provides that sections 125, 127, and 128 of the CPA also apply to the registration of salespersons.

[12] On May 13, 2022, the Registrar of AMVIC acting as the Director of Fair Trading rendered a decision to refuse to grant the business licence renewal application of Select Motors and to cancel the automotive salesperson registration for Househ under s. 104, s. 127(b)(i), s. 127(b)(v) and s. 127(c) of the CPA.

[13] On May 25, 2022, Househ and Select Motors filed an appeal of the Director's decision pursuant to s. 135(c) and s. 179(1)(c) of the CPA. A notice of appeal was submitted as required under s. 4 of the Appeal Board Regulation, Alta Reg 195/1999 ("Appeal Board Reg").

[14] On June 20, 2022, the Appeal Board was appointed pursuant to s. 179 of the CPA.

[15] On August 16, 2022, the Appeal Board issued a Notice of Hearing to the parties pursuant to s. 6 of the Appeal Board Reg.

[16] This appeal is a new trial of the issues that resulted in the Director's decision as provided in s. 179(8) of the CPA.

[17] Section 14 of the Appeal Board Reg provides that an appeal board is not bound by the rules of evidence and that evidence may be given before an appeal board in any manner that the appeal board considers appropriate.

[18] The Appeal Board may confirm, vary or quash the Director's decision as provided in s. 179(6) of the CPA.

## **THE PROCEEDINGS**

[19] A Pre-Hearing Conference was held by teleconference on August 9, 2022. Both parties were present throughout the call. Househ attended as a self-represented litigant. It was

agreed that disclosure would happen not later than August 12, 2022, and both parties indicated that a hearing date in late September or early October would likely be convenient.

[20] The Appeal Board was subsequently notified in writing by counsel for the Director that on account of the discovery of additional disclosure in the form of 5 investigative files, disclosure to Househ would require additional time.

[21] Disclosure by AMVIC was concluded on September 9, 2022.

[22] Subsequently, the parties agreed that the hearing of this appeal would happen in-person on Friday, October 7, 2022, beginning at 9 am. A Notice of Hearing was issued by the Appeal Board and sent to the parties on August 16, 2022.

[23] On September 14, 2022, counsel acting for AMVIC requested that a Notice to Attend as Witness be issued to require the attendance of “Abdullah Huoseh” to testify at the appeal hearing.

[24] A Notice to Attend as Witness was issued to Abdullah Huoseh by the Appeal Board in accordance with s. 182 of the CPA on September 23, 2022.

[25] On October 7, 2022, both parties stated that they had no objections to the composition of the Appeal Board and the Appeal Hearing was held as scheduled.

[26] During his evidence Househ testified that he never received a copy of the Director’s Order dated April 6, 2020 (“the Order”). At the conclusion of the hearing, counsel for the Director tendered rebuttal evidence in the form of a sworn Affidavit of Service as proof that Househ was served with a copy of the Order on April 7, 2020.

[27] By email dated October 22, 2022, the Appeal Board invited written submissions from the parties (not later than 5 pm Friday November 4, 2022) regarding the admissibility of the Affidavit of Service as rebuttal evidence and whether it should be marked as Exhibit 15 in the hearing.

[28] Written submissions were received on behalf of the Director before 5 pm on Friday November 4, 2022. Nothing was received from Househ before the deadline.

[29] On November 20, 2022 the Appeal Board decided that the Affidavit of Service was admissible as evidence in the hearing and should be marked as Exhibit 15.

[30] Househ confirmed that he would proceed as a self-represented litigant without the benefit of legal counsel, and further that he would conduct the Appeal Hearing both on behalf of himself and on behalf of Select Motors.

[31] No preliminary issues were identified by the parties prior to the Appeal Hearing.

[32] All witnesses were affirmed before they testified at the Appeal Hearing.

## ISSUES

[33] The issues to be determined are: Should the Director's decision issued on May 13, 2022, be confirmed, quashed or varied pursuant to s 179(6) of the CPA?

[34] In other words, whether this Appeal Board should grant or deny the business licence application of Select Motors and whether this Appeal Board should issue or decline to issue the automotive salesperson registration of Househ under sections 104, 127(b)(i), 127(b)(v) and 127(c) of the CPA.

## EXHIBITS

[35] The following records were entered as exhibits:

- 1 AMVIC Application Report re. investigations
- 2 Screen shot of e-transfer to Nick Selin
- 3 Screen shot of AMVIC portal re. Select Motors salesperson registration
- 4 Photo of Abdullah Huoseh
- 5 Jody Moreno document file
- 6 Yoneke Alexander documents
- 7 AMVIC Application Report re. licensing application from Ehab Househ dated April 25, 2022
- 8 Emails between Select Motors and Maurice Brodeur
  - a) February 2, 2022, email from Maurice Brodeur to Select Motors
  - b) February 2, 2022, email from Select Motors to Maurice Brodeur
- 9 Letter dated March 8, 2022, from City of Edmonton to AMVIC re. Select Motors & zoning approval
- 10 Email dated May 16, 2022, from Select Motors to Director of Licensing
- 11 AMVIC message re. quarterly payment of sales levy
- 12 City of Edmonton Business Licence (valid to May 30, 2022)
- 13 Select Motors Sales Agreement re. Dodge Challenger dated April 27, 2022
- 14 Sales Agreement re. 2009 Dodge Challenger dated April 27, 2022
- 15 Affidavit of Service of Donald Belzevick re. service of Director's Order sworn April 8, 2020

## WITNESS EVIDENCE

- **MAURICE BRODEUR ("Brodeur"):**

[36] Maurice Brodeur ("Brodeur") testified as the primary investigator on behalf of the Director. Brodeur provided extensive background concerning this matter. He explained that investigations undertaken by AMVIC are in most cases driven by consumer complaints.

[37] The witness testified that Select Motors was first issued a wholesale business licence on January 24, 2020. The licence was renewed on February 5, 2021. However, it expired on January 31, 2022 (Exhibit 1 Tab O).

[38] He further testified that AMVIC received a renewal application for the wholesale business licence of Select Motors on February 14, 2022. Upon receipt of the renewal application a routine review was performed which identified multiple ongoing investigations indicating that Select Motors was engaged in retail sales without an AMVIC business licence permitting it to do so.

[39] The witness also testified that on January 5, 2022, he sent an email to Househ at [selectmotors780@hotmail.com](mailto:selectmotors780@hotmail.com). In the email he reminded Househ that he does not have a retail licence to sell cars to the public and to promote the sale of vehicles to members of the public on Facebook (Exhibit 1 Tab R). Househ responded by email on January 19, 2022, stating that he believed that he was licenced to sell retail and that AMVIC has an issue at their "end". He added that he has been paying their fees.

[40] Brodeur then asked Househ to send receipts regarding the levy payments because he understood this was what he meant by "fees". Subsequently, Househ telephoned Brodeur and stated that he believed that there were emails with AMVIC stating that he was allowed to sell vehicles to the public. However, Househ added that he cannot access his old email address being [starburst3304@hotmail.com](mailto:starburst3304@hotmail.com) and therefore he is not able to provide any proof that such emails existed (Exhibit 1 Tab R).

[41] The witness subsequently conducted an AMVIC email search and found that there is no mention of any matter concerning retail sales (Exhibit 1 Tab S). He was able to locate twenty emails sent between March 26, 2021, and February 1, 2022, addressed to [starburst3304@hotmail.com](mailto:starburst3304@hotmail.com). He testified that he read through each of them and found that none refer to retail sales (Exhibit 1 Tab T).

[42] The witness also testified that AMVIC had no history with the [selectmotors780@hotmail.com](mailto:selectmotors780@hotmail.com) email address and concluded that Househ had not informed AMVIC that Select Motors was using a new email address. He further conducted a search of the "Levy History" concerning Select Motors. He found that there were no entries of any levies paid for vehicles sold.

[43] The witness further testified that concurrent with the renewal application for the wholesale business licence, Select Motors requested to have the business activity of retail sales added to their AMVIC business licence with a start date of March 21, 2022.

[44] Brodeur further testified that retail sales approval by AMVIC would enable Select Motors to sell vehicles directly to members of the public. However, AMVIC's licensing department did not approve Select Motors for a business licence for wholesale or retail sales in 2022. The

witness emphasized that Select Motors was not licensed for retail sales and is therefore in violation of s 104(1) of the CPA.

[45] The witness further testified that Select Motors has been subject to previous enforcement action by AMVIC. On April 7, 2020, Select Motors was served with a Director's Order ("the Order") to "cease the sale of all motor vehicles while unlicensed to do so" and to "remove all vehicle related advertisements on Kijiji, Auto Trader and/or any other form of mass communication" (Exhibit 1 Tab A).

[46] The witness testified that the Order resulted from a "curbing" complaint made earlier that year on behalf of a consumer. The ensuing AMVIC investigation revealed that between February and March 2020 a total of ten vehicles had been advertised for sale to the public on the internet using Select Motor's contact information.

[47] Brodeur went on to testify that as recent as April 1, 2022, a complaint was received by the Director that Select Motors was still advertising vehicles for sale online. He emphasized that this was two years after the Order. It is also after emails sent to Househ by Brodeur on January 5, 2022, and January 20, 2022, advising Househ that he is not to be actively advertising used vehicles for sale as he is not licensed to sell motor vehicles to the public.

[48] Brodeur further gave evidence that while investigating numerous other unlicensed consumer transactions, it was discovered that Select Motors had also sold vehicles with mechanical issues, misled consumers by claiming to be AMVIC certified, made verbal representations regarding contractual rights or obligations that are not contained in written contracts, completed non-compliant mechanical fitness assessments, and on one occasion failed to disclose the history of a vehicle involved in a collision resulting in loss in excess of \$3000.00. He emphasized that this was in addition to the fact that Select Motors continued to advertise the sale of used vehicles on various internet sites. These business practices are in contravention of s 6(4)(a) and 163(a) of the CPA, s 12(e), 12(o) and 31.1 of the ABR and s 15 of the Vehicle Inspection Regulation Alta Reg 211/2006. Written statements were obtained from Kody Spencer, Leonard Matlock, Kuldipsingh Khuman, and Nicholas Selin and marked as Exhibits during the Hearing (Exhibit 1 Tab F, Exhibit 1 Tab H, Exhibit 1 Tab J, Exhibit 1 Tab K and Exhibit 1 Tab Q).

[49] Brodeur also testified that the Bill of Sale used by Select Motors is problematic for numerous reasons. In some instances, the number of the government issued identification (used to confirm the identity of the consumer) is not included, the business licence number is not included, name and registration number of the salesperson is not included, model year of the vehicle is not included, taxes and levies including GST are not listed, extra options (ie. winter tires) included in the sale are not listed, a disclosure statement respecting the vehicle's previous use, history or condition is not included, and a declaration regarding disclosure of the information required under s 31.1 of the ABR is not included. By continuing to use this form of Bill of Sale, Select Motors is in breach of s 31.2 of the ABR.

[50] Brodeur went on to testify that the Bill of Sale form also includes a box which states “Customer is aware dealer is not responsible for any further repairs. Vehicle is sold as is”. He points out that s 2 of the CPA provides that a consumer cannot waive their rights in this manner. Another part of the form references an “AMVIC Inspection (MFA)” which is misleading and false because an MFA is an assessment only and not an inspection nor can it be referred to as an AMVIC inspection.

[51] Finally, Brodeur testified regarding the matter of a verbal promise of a 30-day warranty given by Abdullah Huoseh on behalf of Select Motors. He testified that the promise was given on three separate occasions to three different individuals (Exhibit 1 Tab C, Exhibit 1 Tab F and Exhibit 1 Tab H). Select Motors did not honour this promise when mechanical issues arose. This was in breach of s 12(e) of the ABR.

[52] Brodeur stated that as the director and business owner of Select Motors, Househ is vicariously liable to ensure that all the salespersons are registered and authorized to work in accordance with s 16(1) and s 20.1 of the ABR. He concluded that whether knowingly or unknowingly, Househ permitted Abdullah Huoseh to conduct at least four known consumer transactions while Abdullah Huoseh was unregistered to do so.

[53] The witness further added that notwithstanding the Order, Select Motors continued to conduct retail sales to members of the public. Between November 2021 and January 2022, AMVIC received five consumer complaints against Select Motors. One of these complaints was made by Jody Moreno (Exhibit 1 and Exhibit 5).

- **JODY MORENO (“Moreno”):**

[54] Moreno was called to testify on behalf of the Director.

[55] She testified that on November 14, 2021, together with her husband (Rodriguez) they purchased a 2007 Chevrolet Malibu from Select Motors. The car was needed to enable her husband to commute to and from work on weekdays.

[56] She identified the salesperson as Abdullah Huoseh (Exhibit 4).

[57] To conclude the transaction, she e-transferred the purchase price of \$3800 to Abdullah Huoseh using his personal email address of [abdullhu780@gmail.com](mailto:abdullhu780@gmail.com) (Exhibit 5 Tab 3). She thought it was strange that she was asked to transfer the purchase proceeds to Abdullah Huoseh rather than Select Motors.

[58] The witness explained that the salesperson recorded the purchase price on the Bill of Sale as “\$3500” instead of the agreed upon \$3800 (Exhibit 1 Tab B). When asked about this, they were told that this would enable them to “get cheaper insurance” and that the “extra \$300.00 was for repairs” incurred within 30 days of the purchase transaction.

[59] She testified that despite having been told that “the tires were fairly new and all season”, new winter tires were needed and were purchased by the Morenos on November 16.

[60] Moreno further testified that the car made a peculiar noise. They subsequently learned that this was a transmission issue. They made an appointment at Canadian Tire and were told that Canadian Tire did not fix transmissions. On December 6 they took the car to Low-Cost Automatic Transmission, and the Morenos were told that the car would need a fully rebuilt transmission at a cost of \$2900 + GST. The car remained idle for three months until they could afford the repair.

[61] Moreno also described subsequent dealings with Abdullah Huoseh concerning the mechanical issues. The subsequent dealings were typically acrimonious and happened by way of text messages exchanged between Moreno and Abdullah Huoseh (Exhibit 5 Tab 4).

[62] Moreno also testified that, during the entire course of her dealings she never had occasion to meet or deal directly with Househ. She testified at the Appeal Hearing that she did not recognize him and did not recall meeting him.

[63] The Bill of Sale is clearly a Select Motors Bill of Sale (Exhibit 1 Tab B). The name and signature of “Ehab Househ” (not Abdullah Huoseh) both appear at the bottom of the Bill of Sale in the space provided and marked “salesman’s name” and “salesman’s signature”. The “total balance due” was recorded as “\$3500 paid in full” (not \$3800 as originally agreed). The written statement provided by Moreno during the investigation was marked as an Exhibit during the Hearing. (Exhibit 5 Tab 1)

- **ABDULLAH HUOSEH:**

[64] Abdullah Huoseh was called as a witness by the Director in accordance with the Notice to Attend as Witness issued on September 23, 2022, pursuant to s 182 of the CPA.

[65] Mr. Huoseh was an approved AMVIC salesperson and business operator from 2014-2016. He acknowledged that both his business licence and salesperson registration were cancelled by the Director in February 2017. He also conceded that the Director’s decision was upheld by an appeal panel in October 2017.

[66] The witness did not deny that he was involved in at least four known consumer transactions while he was unlicensed to do so. He also admitted to having a criminal record and by way of explanation offered that he was young and made mistakes.

[67] He also testified that he scored 100% on his salesperson registration course. The salesperson registration course includes an overview of the rules and regulations that govern the used-car sales industry in Alberta. Abdullah Huoseh resubmitted his application for approval as a licenced salesperson in October 2021.

[68] He explained that he had not received the AMVIC letter dated January 25, 2022, refusing his salesperson registration application. He speculated that this was because he had moved and had not lived at that address for over two years.

[69] During the course of his evidence, he also said that "...everything was good and we fixed it" and further that "...he's by the book...everything." At times he said that he believed that he was an approved salesperson, and at other times he acknowledged that AMVIC had not approved his salesperson licence. Regarding consumer complaints, he said that he offered to pay for the cost of repairs, but that customers chose to have repairs done elsewhere or that they had not purchased the 30-day warranty and for that reason were not entitled to repairs.

[70] This Appeal Board is of the view that Mr. Huoseh's evidence was exaggerated, self-serving and contrived to contradict evidence called by AMVIC. For these reasons his evidence is unreliable.

- **YONEKE ALEXANDER ("Alexander"):**

[71] Alexander served as the manager of licensing and testified on behalf of the Director. She gave evidence specifically concerning transactions that involved Abdullah Huoseh. She further testified that AMVIC investigations revealed that Abdullah Huoseh was involved in at least four unlicensed consumer transactions.

[72] Alexander further testified that Mr. Huoseh has an outstanding court judgment in favor of a consumer in the amount of \$10,712.00. This amount remains outstanding despite an undertaking that he gave to the Director in December of 2016. In February 2017, the Director cancelled the business licence and salesperson registration of Mr. Huoseh after he failed to satisfy the undertaking and other conditions. The cancellation was upheld by a Service Alberta Appeal Board decision in October 2017 (Exhibit 6 Tab 3 para 5).

[73] Alexander added that the AMVIC compensation fund received claims in the amount of \$42,828.73 as a result of Mr. Huoseh's former business. The sum of \$26,740.51 has been paid to consumers from the compensation fund. Mr. Househ has not repaid any of these monies to the fund (Exhibit 6 Tab 3).

[74] The witness also testified concerning Mr. Huoseh's recent criminal history. When Mr. Huoseh's application for a salesperson registration was reviewed, AMVIC became aware that on June 24, 2019, Mr. Huoseh was convicted of theft over \$5,000 for which he was sentenced to 60 days in jail and probation.

[75] She also noted that on November 17, 2021, he was convicted of using a forged document to wit: a forged prescription and was sentenced to a \$1,000 fine, uttering a forged document to wit: a bill of sale and received an \$800 fine, and failed to attend court x 2 for which he was

fined \$100 for each charge. These matters were confirmed by the Justice Online Information Network or JOIN, and by Mr. Huoseh during an administrative review. (Exhibit 6 Tab 3).

[76] Alexander also testified that on October 12, 2021, Abdullah Huoseh applied for a salesperson registration which was refused by the Director on January 25, 2022 (Exhibit 6 Tab 3).

[77] Alexander concluded that as the director and operator of Select Motors, Ehab Househ is vicariously liable to ensure that all salespersons are both registered and authorized to work for the business as provided in s 20.1 of the ABR and s 166 of the CPA.

- **EHAB HOUSEH (“Househ”):**

[78] Househ testified on his own behalf and on behalf of Select Motors. He is the sole director and owner of Select Motors. His AMVIC salesperson registration is valid until January 31, 2023.

[79] The AMVIC Business Licence was originally issued to 2230355 Alberta Ltd on February 5, 2021 (Exhibit 1 Tab O). The mailing address and business address recorded on the AMVIC Licence/Registration Certificate are 12911-154 Avenue, Edmonton, Alberta T6V 1B6 (Exhibit 1 Tab O). The corporation changed its name to Select Motors Ltd. on March 24, 2021 (Exhibit 1 Tab D). For reasons that were not provided the City of Edmonton Business Licence was issued to Select Motors located at 12420-66 Street, Edmonton.

[80] He further testified that on account of property-related crime together with construction in the immediate area of his business he decided to relocate to 8303-118 Avenue. It is not clear that Househ ever notified AMVIC of the new business location.

[81] Househ testified that it wasn't until the latter part of January 2022 that he learned from Brodeur that the business licence issued to Select Motors was for wholesale only. He further explained that during this time, he sold used cars to retail customers because he understood that he was licenced to do so.

[82] Regarding the advertisements placed on Kijiji, Househ explained that he tried to remove them when he realized that Select Motors wasn't properly licenced to sell to retail customers. However, he claimed that the person in charge of Kijiji ads required 30-days notice to remove them.

[83] Househ further testified that in his opinion he has been treated unfairly by AMVIC because of his relationship with Abdullah Huoseh. He acknowledged that Abdullah Huoseh has a criminal record including convictions for theft and forgery. This, however, was not of concern because he thought that with his oversight and guidance any potential risk could be avoided.

[84] Househ also testified that he believed that Abdullah Huoseh was properly licenced by AMVIC and denied any knowledge of the fact that his salesperson registration was cancelled in

2017. He maintained that Abdullah Househ was listed as an approved salesperson on the AMVIC portal, however, did not provide anything further in terms of corroboration.

[85] Househ also professed that he did not fully understand the AMVIC rules and requirements that govern licencing.

[86] Househ denied that he was served with a copy of the Order.

[87] At the conclusion of the Hearing, a sworn copy of the Affidavit of Service regarding service of the Order was entered as rebuttal evidence (Exhibit 15). The Affidavit confirms that an electronic copy of the Order was served on Househ on April 7, 2020, by email addressed to [starburst3304@hotmail.com](mailto:starburst3304@hotmail.com). At the time, this was the only email address that was on the AMVIC file as well as the Government of Alberta's Corporate Registration System concerning the business operations of Househ and Select Motors (Exhibit 1 Tab D & Tab S).

## **FINDINGS**

[88] After reviewing the Notice of Appeal, the evidence, and submissions made at the hearing, this Appeal Board finds the following facts and relies upon them for this decision.

[89] This Appeal Board recognizes the heavy burden on the Director and the AMVIC staff, as established by the statutory scheme, to protect the public and ensure a safe and honest used-car industry for both consumers and drivers.

[90] As an administrative panel, acting as new triers of fact, we believe it is very important to ensure a fair process through the CPA system especially in the case of unrepresented litigants.

[91] At the same time, we recognize that AMVIC is not there to hold a party's hand through the administrative process. Nor is it there to train applicants in terms of being administratively efficient. AMVIC is there to protect the public. The onus is on salespersons and car dealerships to remain current with AMVIC and to comply with the regulatory framework in place at any given time.

[92] Househ is the sole director and owner of Select Motors. His salesperson registration expires on January 31, 2023.

[93] Select Motors was at times also known as 2230335 Alberta Ltd. A change of name was registered in the Corporate Registration System on March 24, 2021 (Exhibit 1 Tab D).

[94] The Order was issued on April 6, 2020, pursuant to s 157 of the CPA. It is specifically directed to "Ehab Househ". Of particular concern to this Appeal Board is that Househ denied that he was ever served with or received a copy of the Order and further denied that he ever acted in non-compliance with the terms thereof. The evidence however is clear, he was served with a copy of the Order on April 7, 2020 (Exhibit 15).

[95] Househ has advertised and conducted retail sales despite being served with the Order. Notwithstanding his belief that he was somehow authorized to act otherwise, he has failed to produce any documentation or other evidence to corroborate this. Presumably he would have a copy of his AMVIC Licence Certificate (expiry date January 31, 2022), which shows that Select Motors was only authorized to engage in the wholesale (not retail) marketing of motor vehicles (Exhibit 1 Tab 0).

[96] In addition, Househ has ignored the fact that he was told (in person and in writing) on numerous occasions that he was not licensed to sell motor vehicles to consumers or members of the public. Notwithstanding however, he continued to advertise online and conduct sales.

[97] This Appeal Board concluded that the evidence of Househ was self-serving, contrived and unreliable.

[98] Similarly, this Appeal Board concluded that the evidence of Abdullah Huoseh was self-serving, contrived and unreliable.

[99] It is clear from the evidence of Brodeur and Alexander (as well as others) that Abdullah Huoseh was engaged in the sale of cars on behalf of Select Motors and did so when he was without a valid AMVIC salesperson registration.

[100] It is clear from the evidence that Abdullah Huoseh was selling cars on behalf of Select Motors. By virtue of s 166 of the CPA the Appeal Board finds that Select Motors is vicariously liable for any acts and omissions committed by Abdullah Huoseh.

[101] There is no evidence before this Appeal Board that the Director's decision was biased, unfair or false.

[102] There is no evidence to support Househ's claim that "I do everything by the book (have all documents to show)" and "all issues were resolved with customers and some info not true!"

[103] In reviewing the evidence, this Appeal Board is of the view, that permitting Househ and Select Motors to continue to operate in the automotive industry in any capacity would not adequately protect the industry, consumers or members of the public.

[104] In a few short months between November 2021 and January 2022, Select Motors had five separate consumer complaints filed with respect to issues arising from motor vehicle purchases.

[105] Both Househ and Select Motors have demonstrated ignorance and disregard for the statutory and regulatory obligations which govern the sale of motor vehicles in the Province of Alberta.

[106] The purpose of the CPA, as described in its preamble, is to protect consumers from unsafe business practices and to give them confidence that they will be treated both fairly and ethically by members of an industry.

[107] To provide Select Motors with a licence at this time, in light of Househ’s actions, would undermine public confidence in the industry and not properly discharge this Appeal Board’s duty to protect consumers and members of the public.

[108] In accordance with the reasons above, it is the decision of this Appeal Board to confirm the Director’s decision dated May 13, 2022. Consequently, the business licence renewal application submitted by Select Motors is denied and the automotive salesperson registration for Househ is cancelled.

[109] It is the conclusion of this Appeal Board that to do otherwise would not be in the public interest.

[110] This Appeal Board was urged by counsel for the Director to impose a prohibition on Househ which would prevent him from applying for an AMVIC business licence for a period of five years.

[111] This is an appeal from the Director’s decision dated May 13, 2022. The Director’s decision was thorough and took into consideration evidence available at the time. Section 179(6) of the CPA grants this Appeal Board the power “to confirm, vary or quash the decision, order or administrative penalty that is being appealed”. The Director’s decision does not provide for a prohibition. It is the decision of this Appeal Board to defer to the Director. Accordingly, a prohibition will not be imposed.

[112] No decision is made as to costs.

ISSUED AND DATED in the Province of Alberta this 3 day of January 2023.

“Michael Swanson”

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Michael Swanson KC, Chair

“Dellia Tardif”

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Dellia Tardif, Member

“Joanne Pawluk”

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Joanne Pawluk, Member