



16 July, 2007

## High profile Victoria case resolved

Earlier this year, BC-CTV's consumer program *Olsen On Your Side* aired a series of in-depth stories concerning a Victoria dealer, SRG Enterprises Ltd. (doing business as SRG Auto) and its business practices. Mr. Gillies and SRG Auto had been under investigation by the Motor Vehicle Sales Authority (previously known as Motor Dealer Council) concerning the sale of a 2005 Honda Odyssey van that he had imported from California. The investigation ultimately revealed that Mr. Gillies knew or should have known that this van had been in a serious accident but he had failed to disclose this information to buyers.

SRG Auto and this particular van were tracked by VSA, the vehicle search service CarProof, a determined consumer in Victoria and the investigative journalistic work of BC CTV's Chris Olsen and his team.

It was established that Mr. Gillies sold the same Honda Odyssey three times, and each time he was ultimately forced to reverse the transaction and provide a full refund to the consumer. In each

instance, the dealer relied upon a CarFax search report that showed no accident in the vehicle history. A CarProof report, however, revealed that the vehicle had been in an accident in California and sustained serious frame damage.

The *Olsen On Your Side* program continued to track the vehicle and discovered that SRG Auto, through the Internet, was able to find a buyer in Alberta. This too was exposed and a refund was obtained by this third buyer.

VSA investigators provided evidence of this dealer's misconduct to Crown Prosecutors, citing the Business Practices and Consumer Protection Act (BPCPA). Crown Counsel decided that since full restitutions were provided to the buyers, justice would not further be served by an expensive court action.

At this point, the VSA investigators asked SRG Auto and Robert Scott Gillies to attend a hearing scheduled before the Registrar and to show cause why his licences to do business should not be suspended or cancelled.

Following the hearings before the Registrar on May 2, 2007 and June 8, 2007, Mr. Gillies' salesperson license was suspended. However, as part of an Undertaking signed on July 11, 2007, under the BPCPA, his licence was reinstated. In the Undertaking Mr. Gillies acknowledged the following:

### Teamwork gets results

The SRG Auto case illustrates that if we want to build a motor vehicle sales culture in British Columbia that is the envy of the world, with the most professional industry and an informed, confident consumer, everybody must help, particularly the public.

In this case, justice came as a result of determined consumers who would not be deceived, the Regulator, the vehicle search firm CarProof, the media and, finally, a dealer who chose to admit error, pay the costs and work toward a constructive solution.

"Consumers have to take responsibility in the purchase of their vehicles and should carefully research used vehicle histories before buying," said Judy McRae, VSA's Manager, Corporate Services and Communications.

"We would also like to commend Chris Olsen and his team at BC CTV who were instrumental in exposing the misconduct of this dealership."

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*"During the course of these transactions the subject motor dealer and Robert Scott Gillies made representations that had the tendency and effect of deceiving and misleading the aforementioned consumers contrary to Section 4 of the Business Practices and Consumer Protection Act."*

It was agreed that Mr. Gillies would pay an administrative assessment of \$10,000 under the BPCPA; \$3,133.42 for VSA's investigation cost recovery, and comply with the acceptable standards of business practices in the future. The matter of SRG Enterprises Ltd. dba SRG Auto of Victoria and its dealer principal Robert Scott Gillies is now concluded.

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