

789 Don Mills Road, Suite 800 Toronto, Ontario M3C 1T5

Q. What is the Compensation Fund?

A. The Motor Vehicle Dealers Compensation Fund is a consumer protection fund that was introduced in July of 1986.

Q. Who participates in the Fund?

A. All registered Ontario Motor Vehicle Dealers must participate in the Fund.

Q. What is the purpose of the Fund?

A. The Motor Vehicle Dealers Compensation Fund was established in 1986 as a "Court of Last Resort" to reimburse consumers for motor vehicle transactions with a registered dealer that involved proven fraud, theft or false pretenses under the specific circumstances described in the Motor Vehicle Dealers Act. Each case is considered individually on its own merits. Consumers are expected to have exhausted other legal remedies prior to making a claim against the Fund and to provide full documentation as evidence of their claim.

Q. Under what conditions may I make a claim against the Compensation Fund?

A. There are several possible conditions. A consumer may make a claim against the Fund based on a trade in a motor vehicle on:

- a court judgment which remains unpaid for 90 days;
- a deposit on an undelivered motor vehicle;
- a proven claim in bankruptcy;
- a liquidated amount where the dealer has been convicted of an offence involving fraud, theft, or false pretences;
- an extended warranty or service plan sold by the dealer where such a plan is not provided by the manufacturer or underwritten by an insurer.

Q. Who is not eligible to make a claim against the Fund?

A. No claim may be made against the Fund where the claim is based on a judgment obtained by:

- a motor vehicle salesperson;
- motor vehicle dealers, suppliers, auctions and commercial creditors;
- banks, trust companies, or other financial institutions.

Q. Is there any limit on the amount I can claim?

A. The maximum amount is \$15,000 per transaction, based on your actual loss.

Q. Is there a time limit wider which I may submit my claim?

A. Yes. The Motor Vehicle Dealers Act says a Customer may make a claim to the Fund within 2 years of the Participants' (Registered Motor Vehicle Dealers') refusal or failure to pay.

Q. Who determines whether my claim is eligible or not?

A. The Fund's Board of Trustees determine the eligibility of claims.

Q. Can I appeal the Board's decision?

A. Yes. Where a claim is refused, or not honoured to the full amount claimed, the claimant may request a hearing before the Licence Appeal Tribunal (LAT).

Q. If the Compensation Fund honours my claim, can I seek any further compensation from the Dealer?

A. Only when the amount claimed exceeds the amount paid out by the Fund. In such a case, if payment from the dealer is received, the Fund will ascertain rights for repayment of the original claim.

Q. Where can I receive further information and claim forms?

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A. Please contact:

Motor Vehicle Dealers Compensation Fund

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