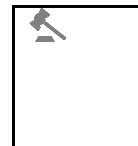


MINUTES OF THE BOARD MEETING OF THE MOTOR VEHICLE DEALERS
COMPENSATION FUND BOARD OF TRUSTEES, HELD AT 12:30 AT THE ROYAL BANK
OFFICE IN THE YORK MILLS CENTRE ON THURSDAY DECEMBER 13, 2001



IN ATTENDANCE:

REGRETS:

V. Smith	(Chair)
L. Sancı	(Vice-Chair)
G. Barg	(Member)
R. Desando	(Member)
R. Dowler	(Member)
D. LaLonde	(Member)
D. MacKinnon	(Member)
A. McDowell	(Member)
W. Steinkrauss	(Member)
L. Gordon	(Guest)
C. Singh	(Guest)
C. Compton	(Guest)
Y. Hallitt	(Administrator)

NOTICE TO READER: For the purposes of these public minutes, reference to legal advice provided to the Board of Trustees and claim's identifying information has been removed, unless the claim has been appealed to LAT.

The meeting was regularly constituted and called to order by L. Sancı at 12:50 pm

1. **Draft MVDA Legislative Changes:**

C. Compton advised that the Ministry has released, for consultation purposes only, the consultation draft of the revised Motor Vehicle Dealers Act. He also advised that the draft only refers to the Act and not the Regulations or the Compensation Fund Schedule. Copies of the draft were distributed to the Board for their review and comments. As several references are made about the Compensation Fund it was suggested that a special meeting or conference call be set up to review the Act, which would allow for comments from the Trustees by January 31, 2002.

2. **Review of Minutes of November 9, 2001:**

The Board reviewed the minutes and the following amendment was made; with respect to Board Self Assessment, R. Dowler provided "examples" from other non-profit Boards. A motion to accept the minutes as amended was made by R. Desando and seconded by W. Steinkrauss.

3. **Review of Claims:**

The Board deferred 1 claim, denied 2 claims and paid 7 claims in the amount of \$32,282.58.

4. **Administrative Update:**

L. Gordon updated the Board on the following information:

- OMVIC recently had two matters heard at LAT that stem from financial responsibility and indebtedness to the Fund. In these cases, LAT decided that former officers or directors should not be held responsible for the financial dealings of their previous dealerships. L. Banack and OMVIC counsel have already been asked to review the decisions and to determine whether or not an appeal would be prudent. The Board felt that because there is a direct relationship to the Fund that they would like to see them appealed. R. Dowler

also brought to the Board's attention that ONHWP has recently received a similar decision from LAT and suggested that counsel for all parties work together on the appeal.

- The Fund is in receipt of a letter sent to MCBS with respect to the Board's request for legislative amendments to allow for the sharing of some information arising from the Compensation Fund claim from the Consumer Council of Canada. It supported the Trustees position as to what information should, or should not be released.

- **LEGAL ADVICE DELETED**

5. **Financials:**

C. Singh presented the year-end financial statements and they were accepted as circulated. He also informed the Board that the audit has been scheduled for January 14, 2002 and the Fund's liability insurance has been increased and the cost of the coverage has gone up. He also presented claim statistics for the past 4 years.

6. **Trustee Update:**

R. Desando informed the Board that there has been a delay in finalizing the new Trustee/Investment Management agreement, as Montreal Trust will not sign an indemnification for Scotia Cassells. It is Montreal Trust's policy not to provide any indemnification, as they would ultimately be held liable for any bad investments. Because of this, R. Desando has approached Scotia Trust and asked if they would be interested in becoming the new Trustee for the Fund, they have agreed and they will sign an indemnification to Scotia Cassells. It should also be noted that the fees and terms, previously negotiated with Montreal Trust would not change. There were some concerns about a non-competition agreement between Scotia Trust and Montreal Trust; however, this is no longer in effect due to the fact that Montreal Trust cannot fulfill the terms of the new Trust agreement. Montreal Trust has been put on notice for the termination of the Fund's current agreement.

Y. Hallitt is to forward to R. Desando a copy of the current Montreal Trust invoices for review.

7. **Nominations:**

Five responses were received regarding the openings on the Board; four were dealer representative and one consumer representative. The Board again agreed that the make up should consist of no more than 5 dealer reps and 4 consumer reps or vice-versa.

Pending background checks and confidentiality agreement being signed, the following individuals were nominated to the Board:

Ronald Marostica – Marostica Motors, Nominated by D. MacKinnon and seconded by L. Sanci
Terry O'Keefe – City TV, Nominated by R. Dowler and seconded by R. Desando
Rosalind Drewery – Cornwall Motor Sales (1989) Ltd., Nominated by A. McDowell and seconded by D. LaLonde

Recommendations for Chair and Vice-Chair to are to be given in confidence to L. Gordon. Once the results have been tabulated they will be passed along to the OMVIC Board for approval.

8. **Board Assessment:**

As not all comments and revisions were received, they will be forwarded to L. Gordon who will revise and distribute at the next Board meeting.

The meeting was adjourned at 5:30 pm