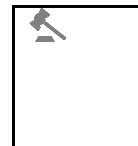


MINUTES OF THE BOARD MEETING OF THE MOTOR VEHICLE DEALERS
COMPENSATION FUND BOARD OF TRUSTEES, HELD AT 9:30 AM ON WEDNESDAY
JANUARY 29, 2003 AT THE SHERATON GATEWAY HOTEL, TORONTO BOARDROOM
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IN ATTENDANCE:

G. Barg (Chair)
W. Steinskrauss (Vice-Chair)
R. Desando (Sec. Treasurer)
D. MacKinnon (Member)
R. Dowler (Member)
R. Drewery (Member)
T. O'Keefe (Member)
A. McDowell (Member)
C. Compton (Ex-officio)
L. Gordon (Staff)
C. Singh (Staff)
Y. Hallitt (Staff)
D. Sanderson (Guest)
H. Ahmed (Guest)

REGRETS:

R. Marostica (Member)

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 G. Barg at 9:50 am

1. **Review of Minutes of December 5, 2002:**

The Board reviewed the minutes and the following amendments were made to reflect a spelling error of OMVC to OMVIC and to insert the word "and" in the decision of a claim from **consumer name removed**. Comments attributed to R. Marositca with respect to warranties were deleted from these minutes. With these amendments the minutes were approved. (msc)

2. **Audit:**

D. Sanderson provided the Board with the draft-audited statements for the year ending October 31, 2002. D. Sanderson made a suggestion to have the year-end moved to December 31 to coincide with the GST return however this would require a change to the Schedule and permission will be needed from Revenue Canada. He also indicated that the Board should consider adding a note to the statements, which clearly indicates the purpose of the Fund and the maximum amount payable per claim. After reviewing the document a motion was made to approve the statements as is. (msc)

3. **Financials:**

C. Singh presented the Board with the financial statements for the two months ending December 31, 2002 and on a motion duly made and carried the statements were approved. (msc)

He also informed the Board that the Officers and Directors Liability insurance has been increased from \$1,000,000.00 to \$3,000,000.00 and suggested that the Board still pursue the possibility to merge its coverage with OMVIC's.

4. **Management Committee Meeting:**

G. Barg advised the Board that the management committee had met a few days ago to discuss a) that

some Trustees are claiming varying amounts as a per diem for preparation time and others are not; b) OMVIC billing and c) nominations.

G. Barg reported that there is currently no provision for payment of per-diem allowance for preparation time. He added that the committee recommends that when a meeting is heavily weighted with claims, the Board should consider whether there should be a per diem payable for the extra time required by trustees to prepare for the meeting. Prior to the start of the meeting the Board should decide this. The Board approved this recommendation.

R. Desando advised the Board that he attended at OMVIC to review the current billing practice. He has asked C. Singh to provide a detailed financial analysis and after review will present his findings to the Board at the March 26th meeting. C. Compton will also review with the OMVIC Board.

L. Gordon informed the Board that in addition to the 3 members seeking reappointment, she has received 17 other indications of interest. Of these 16 are dealer reps and 1 is a consumer rep. A conference call will be scheduled for the Board to review the applications and make a recommendation to the OMVIC Board. It was decided that the current members seeking reappointment would not take part in this review process. It was also agreed that in order to maintain confidentiality and fairness the Board would not be provided with the names of the nominees when reviewing the nominations, which follows a similar policy OMVIC has put in place

5. **Investment Management:**

H. Ahmed of Scotia Cassels, the Fund's investment manager, reviewed with the Board the Fund's current investment strategy and returns and provided an overview of market outlook for the next year.

6. **Administrative Update:**

- Harvard Warranty Corp. has sent letters out to their customers indicating that because of financial difficulties they will no longer be accepting warranty claims and that they should contact the Fund to make a claim. To date no claims have been received. OMVIC is making further inquiries about the situation leading up to failure.
- The Board was informed that there have been some slight changes made to the brochure that will be handed out at the Toronto and Ottawa Auto shows. These brochures are included for consumers making a claim to the Fund. The Board wanted to see a copy of the brochure prior to printing. L. Gordon will send a copy via email to the Board for comment. Due to the time constraints only minor changes will be done and large quantities will not be printed.
- Helmand Auto – Durham police have recently seized numerous stolen cars and parts from the wrecking arm of this dealership. No claim to the Fund yet and there is has been no indication from police of consumer victims.
- **Dealer name removed** – the dealership has not paid for approximately 30 Autoguard warranties. L. Gordon and Y. Hallitt are meeting with a representative from Autoguard on February 18 to discuss this issue.
- LAT Update: S. Assenza has withdrawn both appeals but will be providing the Board with more information to consider regarding his claims
- L. Banack provided the Board with a recent court decision with reference to banks being considered agents for insurance companies where the bank has not forwarded the funds. He suggested that the Board consider this when reviewing warranty claims. The Board may consider using a future claim as a test case for this. The Board also asked that OMVIC refer warranty issues to legislation committee to make changes to address problems.
- The Board was provided with a draft report containing the outcome of claims. This report will show whether a file has been referred to collections or for administrative action by OMVIC. An updated copy of this will be provided to the Board at every meeting. At the Management Committee meeting it was also suggested that the Fund look into forwarding

files to a small paralegal office that specializes in collections.

7. **Review of Claims:**

The Board denied 1 claim and paid 8 claims in the amount of \$43,181.62

The meeting was adjourned at 4:00 pm