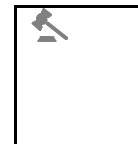


MINUTES OF THE BOARD MEETING OF THE MOTOR VEHICLE DEALERS
COMPENSATION FUND BOARD OF TRUSTEES, HELD AT 9:30 AM ON WEDNESDAY
MARCH 26, 2003 AT THE AIRPORT HILTON HOTEL IN THE CAWTHRA ROOM



IN ATTENDANCE:

G. Barg (Chair)
W. Steinkrauss (Vice-Chair)
R. Desando (Sec. Treasurer)
D. MacKinnon (Member)
R. Drewery (Member)
R. Marostica (Member)
A. McDowell (Member)
C. Compton (Ex-officio)
L. Gordon (Staff)
C. Singh (Staff)
Y. Hallitt (Staff)

REGRETS:

T. O'Keefe (Member)
R. Dowler (Member)

NOTE 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 January 29, 2003 & March 6, 2003:**

January 29, 2003: The Board reviewed the minutes and a motion was made to accept as is. (msc)

March 6, 2003: The Board reviewed the minutes and a motion was made to accept with an amendment to reflect the first initial and last name of Trustee rather than only first name. (msc)

2. **Board Succession:**

C. Compton informed the Board that OMVIC's nominations committee has recently met to discuss the Board's recommendations for succession. He advised that after careful review the OMVIC committee recommended that R. Desando be reappointed in addition to those candidates that the Board recommended, namely, Joan Huzar, a consumer representative and Joe Wade, a dealer representative. The rationale behind the replacement of G. Barg and A. McDowell, is that if they were to continue to serve on the Board, their terms would have been for nine years. In the case of R. Desando, his second appointment would mean a combined appointment of approx. 7 yrs. and due to his direct involvement of the Investment strategy, they felt it would prudent for him to still play an active role in the investment management of the Fund.

The OMVIC committee supported the recommendation of W. Steinkrauss and R. Marostica, as Chair and Vice-Chair respectively. In addition, there was also discussion-involving changes to the current by-laws with respect to retirement dates of Trustees. The OMVIC Committee in keeping with the Board's recommendation supported the appointment dates to coincide with OMVIC's process therefore the new appointments to the Board will be effective as of June 1 as will the changes in Chair and Vice-Chair. The OMVIC committee agreed with limiting terms of the Trustees to no more than 2 terms or six years as per the Board's request.

It was agreed that the two new members be invited to observe at the next meeting, provided they sign an Oath of Confidentiality and participate in an orientation session with staff before hand. They will receive a full board package to review but won't be in a position to vote. The rationale behind this is to

provide “on the job training” seeing that the Fund will be losing two of its longest sitting members.

It was also agreed that the meeting that was scheduled for May 28th be moved to May 21st to coincide with OMVIC’s AGM. This will also allow the incoming and outgoing members the opportunity to meet OMVIC’s Board of Directors.

3. **Financials:**

C. Singh presented the Board with the financial statements for three months ending January 31, 2003 and on a motion duly made and carried the statements were approved. (msc)

R. Desando has asked that in future reporting a line should be added to reflect what the realized loss is compared to the capital gains.

4. **Regulatory Review:**

C. Compton informed the Board that over the last month, staff has provided recommendations for the new regulations to the MVDA, which in turn will be provided to the Minister’s office for review. Staff incorporated the Board’s recommendations from prior special meetings to review regulation. He indicated that once the proper wording has been developed for this there will be a consultation process.

C. Compton advised that the OMVIC Board meeting dealing with regulation changes had been moved up to March 31st, 2003. As a result it was agreed that C. Compton would review the draft compensation fund regulations in his presentation but indicated that due to the timing of the OMVIC meeting the Board hasn’t had the opportunity to review or comment on them yet.

In order for the Board to have an opportunity to review the recommendations for the Fund and to provide feedback prior to the final copy being sent to the Ministers office staff will circulate a copy of the draft via email for comments. G. Barg asked that he be copied on the responses. If there is a lot of discussion and emails about the content a special meeting either in person or conference call will be convened in April.

5. **OMVIC Billing:**

R. Desando advised the Board that he received a confidential written analysis of the OMVIC billing he had requested from OMVIC. Overall, he indicated he was quite satisfied with the information and it appears that currently the Fund is being slightly under billed. He advised he had a couple of follow up questions which he hadn’t had the opportunity to discuss fully yet with OMVIC. He’d be in a position to give a more fulsome report at the next meeting.

6. **Administrative Update:**

- Backyard Auto Sales has had its dealer’s license revoked and there are approximately 50 Autoguard warranties that were sold to consumers, but the dealer did not remit the money on their behalf. Y. Hallitt has met with a representative from Autoguard who has agreed to allow the Fund to purchase warranties on behalf of these consumers at dealer cost.
- The Board was provided with an updated list of the claims summary, which includes the outcomes of those claims that have been paid.

7. **Communications:**

There was some discussion with respect to whether or not the Board should be taking an active role with respect to communications via OMVIC. The Board discussed briefly 1) who should be the compensation fund media contact? 2) If the Fund decides it wants to participate in developing the communication message how should that process work? 3) Since the Fund isn’t contributing any

monies toward communications should they be directly involved at all? The Board decided to make this a separate agenda item for the May meeting to give the Trustees some time to think of suggestions for a communications policy.

8. **Review of Claims:**

The Board deferred 1 claim, denied 5 claims and paid 14 claims in the amount of \$29,669.74

The meeting was adjourned at 3:00pm