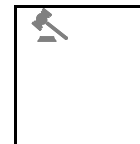


MINUTES OF THE BOARD MEETING OF THE MOTOR VEHICLE DEALERS  
COMPENSATION FUND BOARD OF TRUSTEES, HELD AT 9:30 AM ON WEDNESDAY  
JULY 16, 2003 AT THE AIRPORT HILTON HOTEL IN THE DIXIE ROOM



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IN ATTENDANCE:

W. Steinkrauss (Chair)  
R. Marostica (Vice-Chair)  
R. Desando (Sec. Treasurer)  
D. MacKinnon (Member)  
R. Drewery (Member)  
R. Marostica (Member)  
R. Dowler (Member)  
T. O'Keefe (Member)  
J. Huzar (Member)  
J. Wade (Member)  
C. Compton (Ex-officio)  
L. Gordon (Staff)  
C. Singh (Staff)  
Y. Hallitt (Staff)  
H. Ahmed (Guest)

REGRETS:

R. Drewery (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 W. Steinkrauss at 9:45 am

1. **Review of Minutes of May 21, 2003:**

The Board reviewed the minutes and a motion was made to accept as is. (msc)

2. **Financials:**

C. Singh presented the Board with the financial statements for eight months ending June 30, 2003 and on a motion duly made and carried the statements were approved. (msc)

R. Desando reported to the Board that he had spoken with the Investment Manager to express the concern of the Board with respect to the performance of the portfolio.

3. **OMVIC Billing:**

A written summary of the billing process and amounts was provided to the Board for review. The Board approved the process and amounts and requested that this be reviewed on a yearly basis to coincide with OMVIC's annual salary review, which takes place in April. (msc)

4. **Administrative Update:**

- As a result of reading the minutes from the March meeting in which it was reported that Y. Hallitt had met with Autoguard and they had offered to allow the Fund to purchase warranties on behalf of consumers at dealer cost, the UCDA sent a letter to W. Steinkrauss. The UCDA had concluded that the Fund had actually purchased uninsured third party warranties and went on to point out that this contravened the Schedule of Regulation 801. W. Steinkrauss

has written a response to them indicating that the Board did not purchase these warranties, but understood why, while reviewing the minutes only, they may have jumped to this conclusion.

- LAT Update: the Board was informed that a pre-hearing had taken place with respect to the appeal being made by J. Kersnik and the outcome was that the consumer was to have withdrawn his appeal by Jul. 11/03, however, this had not been done. There was some discussion with respect to the claim and on a motion made and duly accepted the Board has agreed to review the claim again. (msc)
- Two dealers have been charged in connection with re-vinned stolen vehicles, which may result in some consumer impact. L. Gordon will be meeting with the Peele Police regarding this issue.

5. **Investment Management:**

H. Ahmed from Scotia Cassels, the Fund's investment manager, reviewed with the Board the Fund's current investment strategy and the portfolio performance for the 2<sup>nd</sup> quarter of 2003. He also provided an overview of market outlook for the next year. He acknowledged the Board's concern about the asset mix and offered to host a meeting with the Board to review this further. Responding to questions with respect to indexes and appropriate benchmarks, he said that he would revise some of the presentation charts in the future to allow a better comparison of the portfolio results. He also advised the Board that the initial goal, over a four-year term, was to get a 6 – 7% return on the portfolio.

6. **Communications:**

B. McIntyre, OMVIC's communications person provided the Board with an overall review of the recent and future communications that OMVIC has been and will be involved with. These include the Toronto and Ottawa auto shows, ads in newspapers, ads in the Auto Trader and Auto Mart, and the Dealer Standard. She also provided the Board with a draft of the proposed window decal and brochure that may be sent to all dealers for display, but it was pointed out that the OMVIC Board has not approved this. The Board has also asked the W. Steinkrauss to stress to the OMVIC Board, the need for more aggressive or fulsome consumer awareness campaigns through OMVIC.

7. **Collections:**

The Board was provided with a year to date claims list that shows what further action has been taken with respect to the outcome of claims, i.e. collections/OMVIC referral. The Board was satisfied with the listing. They suggested that the balance owing to the Fund should reflect the net amount owing after allowing for fees to the collection agency. The Board also agreed that we should look at a more aggressive collection strategy. It was agreed that the Board would provide L. Gordon with a list of names in order to send out a new RFP. Once the RFP's have been returned, R. Marostica, J. Wade, and D. MacKinnon will review and report recommendations to the rest of the Board. (msc)

8. **Claims:**

The Board denied 2 claims and paid 11 claims in the amount of \$35,582.28.

The meeting was adjourned at 3:00pm