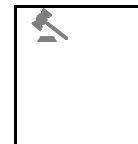


MINUTES OF THE BOARD MEETING OF THE MOTOR VEHICLE DEALERS
COMPENSATION FUND BOARD OF TRUSTEES, HELD AT 9:30 AM ON WEDNESDAY
JANUARY 28, 2004 AT THE AIRPORT HILTON HOTEL IN THE CAWTHRA ROOM



IN ATTENDANCE:

REGRETS:

W. Steinkrauss	(Chair)
R. Marostica	(Vice-Chair)
R. Desando	(Sec. Treasurer)
D. MacKinnon	(Member)
R. Drewery	(Member)
R. Dowler	(Member)
T. O'Keefe	(Member)
J. Huzar	(Member)
J. Wade	(Member)
C. Singh	(Staff)
Y. Hallitt	(Staff)
D. Sanderson	(Guest)

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 10:00 am

1. **Review of Minutes of December 3, 2003:**

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

2. **Draft Audit:**

D. Sanderson, of the accounting firm McGovern, Hurley, and Cunningham, the Fund's auditor presented the draft-audited statements for the year ending October 31, 2003 and read the auditor's report thereon. The statements were accepted as presented. (msc).

D. Sanderson pointed out that at the end of October 2003 one of the investments exceeded the 10% threshold specified in the Fund's investment guidelines. R. Desando indicated that he would discuss this with the Investment Manager.

Responding to a question from R. Marostica, D. Sanderson stated that in his opinion there are no issues arising from the audit that warrant a management letter. D. Sanderson left at 10:30 am.

On a motion duly made, seconded and carried it was resolved that the accounting firm of McGovern, Hurley, and Cunningham be re-appointed as the Fund's auditor's for the fiscal year ending October 31, 2004.

The Board also expressed their appreciation of the OMVIC staff for the clean audit report.

3. **Financials:**

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

He also indicated that he would provide a breakdown of the investment portfolio to verify that the

Investment Manager follows the investment guidelines.

4. **Administrative Update:**

Y. Hallitt provided the Board with a response from S. Merry of Deloitte & Touche the issues of 1) recovering GST on stolen vehicles and 2) recovering PST and GST on claims dealing with warranties or service plans paid for, but not submitted by the dealer. In the first instance Deloitte & Touche indicated that although one can recover PST there is no clear provision that allows for recovery of GST and suggested the Fund request a ruling on this from CCRA. In the second instance, Deloitte & Touche advised that since this is not a sale of goods, a supply of services; there is no provision for the recovery of either PST or GST.

After some discussion the Board decided to ask S. Merry to prepare a letter to CCRA to request a ruling on the recovery of GST involving stolen vehicle provided their fee for this service is reasonable.

R. Desando declared no conflict of interest however, did not participate in the discussion that led to the decision to authorize Deloitte & Touche to seek a GST ruling on behalf of the Fund.

On a motion duly made, seconded and carried it was resolved that the Fund now pay both PST and GST on claims involving stolen vehicles and that the Fund will then file for the recovery of PST from the Ministry of Finance.

The Board asked that the claim forms be revised so that consumers can indicate whether or not they have already applied to the Ministry of Finance for reimbursement.

W. Steinkrauss informed the Board that she had recently presented the Fund's concerns regarding warranties, consignment sales and communications to the OMVIC Board. She indicated that she received an encouraging response from the OMVIC Board on these issues.

The Board was reminded that B. McIntyre, OMVIC's Communications Coordinator, would be in attendance at the next meeting to provide them with an update on communications.

5. **Claims:**

The Board paid 11 claims in the amount of \$30,194.15.

The meeting was adjourned at 1:45 pm