

MINUTES OF THE BOARD MEETING OF THE MOTOR VEHICLE DEALERS  
COMPENSATION FUND BOARD OF TRUSTEES, HELD AT 10:00 AM ON WEDNESDAY  
DECEMBER 16, 2009 AT THE CAMBRIDGE SUITES HOTEL IN THE EXECUTIVE BOARD  
ROOM



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IN ATTENDANCE:

A. Silverstein (Chair)  
P. Eatson (Vice-Chair)  
C. Finlay (Member)  
C. Poultney (Member)  
K. Cook (Member)  
J. Kenny (Member)  
P. Raby (Member)  
L. Halbert (Staff)  
C. Singh (Staff)  
J. Ross (Staff)

REGRETS:

J. Holmes (Sec. Treasurer)  
P. Silverman (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 A. Silverstein at 10:00am

**1. Minutes from October 28, 2009:**

The Board reviewed the minutes and a motion was made to accept with a few amendments to grammatical errors and to use additional language in the claims reasons for approval, specifically 'inclusive of tax', whenever applicable, when approving a warranty claim where the taxes are also returned. (msc)

**2. Investment Manager and Trustee Update**

C. Singh provided an update regarding a change in Trustee and change in Investment Manger. He indicated that some minor changes have been requested on the RBC Dexia documents which are being reviewed with counsel. An agreement is also being drafted with the investment manager H. Amad which details the frequency which he will report to the Board and will contain the investment guidelines. These documents arrived shortly before the meeting, and have not been reviewed by staff or the Fund's executive. C. Singh suggested waiting for all documents concerning the change in Trustee and Investment Manager be finalized before proceeding with the termination notice to the current Trustee and Investment Manager.

The Board reviewed a letter received from Scotia Asset Management on December 4, 2009. The letter addressed proposed changes to the investment policy. The Board discussed the timing of the change in trustee, and that the fund should properly be managed during the transition. C. Singh advised he would review the proposed changes to see how they differ from the current guidelines and report back to the Board for the teleconference.

Once the final documents have been completed, it was suggested to have a teleconference to review the agreements, the proposed investment policy, and to formally approve the change. The Board's executive would be required to attend in person to endorse the documents to proceed with the changes. It was suggested to tentatively schedule the teleconference for Wed Dec 30<sup>th</sup> at 10am.

### **3. Financials**

C. Singh indicated that he will not be presenting a financial literacy training today. That we have 2 members absent and considering that there is potential for some more changes in January 2010, it would not be prudent to do the training at this meeting. The Board agreed to postpone the training to the January 2010 meeting.

C. Singh distributed the Statement of Financial Position at year end October 31, 2009. Several areas of the report were identified as having changes from the previous year; new applicants entering the industry is down, there were more claims approved this year, legal costs are down (HOJ related), Board costs are up from last year as the Board is meeting more regularly as a result of additional claims to the Fund, increased professional services are related to governance training. He also indicated that the Fund will have its annual audit in early January, and the findings will be presented at the January 27<sup>th</sup> meeting. A motion was made to accept the financials as is. msc

### **4. Compensation Fund Forms Review**

L. Halbert electronically distributed prior to the meeting the compensation fund forms and FAQ that will be used post implementation. It was agreed that the forms are living documents and can be changed. After review by the management committee, the documents were circulated to the larger group for comment. Some minor changes were suggested and recorded. A motion was made to approve the contents of the forms. (msc)

### **5. Administrative Update**

- The Board reviewed a letter A. Silverstein sent to the Minister regarding the appointment of Trustee's to the Board. L. Halbert reported that OMVIC has not heard through the sector liaison branch about the appointments. After a review of the issue, it was suggested that the OMVIC Board reappoint 3 members prior to the January 27, 2010 meeting if the Minister has not made the appropriate appointments to ensure the Board has quorum.
- Nominations have been mailed for both the OMVIC and Compensation Fund Board vacancies. The Fund is seeking a consumer and dealer representative to replace P. Raby and J. Kenny whose terms expire at the end of May 2010.
- The Board received electronically prior to the meeting two articles concerning the HST which is to be implemented in the summer of 2010. The articles discuss that private vehicle sales will now attract the 13% harmonized tax. L. Halbert reported OMVIC's has the requirement in the MVDA 2002 to refuse renewal of those registrants who owe money and do not have a repayment agreement with the Ministry of Revenue.
- OMVIC invited John Harlovich from KPMG to provide a presentation specific to the appointment of a Receiver Manager. This is an expensive process and carries potential liability concerns.
- L. Halbert distributed a chart that summarizes the changes between the current legislation and the MVDA 2002 as requested by the Board.
- L. Halbert explained that draft policies and procedures will be made available at the January 27, 2010 meeting.
- L. Halbert indicated that John Byers o/a Fleetwood Auto has been sending communication requesting information concerning the claims paid out from the Fund. That this could potentially become a civil law suit.

- L. Halbert expressed some concerns about irrevocable letters of credit sent on behalf of businesses selling extended warranties. That the irrevocable letters of credit have an expiry date, which may not meet the definitions found in the MVDA 2002. Senior management is discussing the issue, the Board will be provided with an update at the January meeting.

**6. Claims:**

The Board denied 1 claim, deferred 2 claims and approved 11 claims in the amount of \$24,992.03

The meeting was adjourned at 2:30 pm. Next meeting is scheduled for January 27, 2009