



Citation: 16036171 Canada Inc. v. Registrar, *Motor Vehicle Dealers Act, 2002*, 2026 ONLAT MVDA 17600

Licence Appeal Tribunal File Number: 17600/MVDA

Appeal from a Notice of Proposal to Refuse Registration issued by the Registrar under the *Motor Vehicle Dealers Act, 2002*, S.O. 2002, c. 30, Sch. B.

Between:

16036171 Canada Inc. o/a Motor Home Travel

Appellant

and

Registrar, *Motor Vehicle Dealers Act, 2002*

Respondent

ADJUDICATOR: Laura Hodgson, Member

APPEARANCES:

For the Appellant: Jonathan Gross, Counsel

For the Respondent: Zachary Kowalsky, Counsel

Heard by videoconference: December 8, 2025

OVERVIEW

- [1] The appellant, 16036171 Canada Inc. o/a Motor Home Travel, appeals a Notice of Proposal (NOP) issued by the respondent, the Registrar under the *Motor Vehicle Dealers Act, 2002*, S.O. 2002, c. 30, Sch. B (the “Act”) to refuse its registration as a motor vehicle dealer.
- [2] Ms. Seema Patel is the sole director, officer and shareholder of the appellant corporation. The respondent submits that Ms. Patel’s husband, Harishbhai Patel (Harry Patel), is an interested person and/or an officer to the appellant company and that:
- Because of Harry Patel’s financial position, the appellant can not be expected to be financially responsible in the conduct of business under to s. 6(1)(d)(i) and (ii) of the *Act*; and
 - Pursuant to s. 6(1)(d)(iv) of the *Act*, Harry Patel, as an officer of the corporation made a false statement on an application for registration.
- [3] It is the appellant’s position that Harry Patel is neither an officer nor an “interested person” in relation to the appellant company, there was no false statement and that any concerns with respect to Harry Patel’s involvement can be mitigated with conditions on the registration.

ISSUES

- [4] The issues to be determined are:
1. Is Harry Patel an “interested person” whose financial history provides reasonable grounds to expect the appellant will not be financially responsible in the conduct of its business?
 2. Should the appellant company be disqualified from registration because Harry Patel made a false statement?
 3. If the answer to either of the above questions is yes, can registration reasonably be granted subject to terms and conditions?

RESULT

- [5] The Tribunal substitutes its opinion for that of the registrar. The registration is reinstated with the conditions set out at paragraph 39.

Evidence and Analysis

Harry Patel's financial history provides a basis for refusal of registration

- [6] Under section 6 (1) of the *Act* an applicant that meets the prescribed requirements is entitled to registration unless,
- ...
- (d) the applicant is a corporation and,
- (i) having regard to its financial position or the financial position of an interested person in respect of the corporation, the applicant cannot reasonably be expected to be financially responsible in the conduct of its business,
- (ii) having regard to the financial position of its officers or directors or an interested person in respect of its officers or directors, the applicant cannot reasonably be expected to be financially responsible in the conduct of its business,
- ...
- [7] Under s. 6(4) of the *Act*, a person is deemed to be an interested person in respect of another if the person is "associated" with the other person or if the person "in the opinion of the registrar" may have a beneficial interest in the business, may exercise control or may have provided financing.
- [8] The respondent submits that pursuant to s. 6(4) of the *Act*, Harry Patel is an interested person with respect to the corporate appellant and its Director Seema Patel because he:
- a) was listed as an officer in the application so is "associated" pursuant to s. 1(2) 1 of the *Act*;
- b) may exercise control either directly or indirectly over the appellant company;
- c) may have a beneficial interest in the appellant company business; or
- d) may have provided financing either directly or indirectly.
- [9] The appellant rents and services motor homes and retails new and used trailers. It was incorporated on May 14, 2024, with Seema Patel listed as Director. Ms. Patel is currently registered as a motor vehicle salesperson under the *Act*. The appellant applied for registration as a motor vehicle dealer under the *Act* on July 20, 2024.
- [10] Harry Patel, Ms. Patel's husband owned and operated a separate company, Motor Home Travel Canada Inc (MHTCI). Similar to the appellant, this company rented and serviced motor homes, it also retailed new and used trailers and motorhomes. This company was first registered as a dealer under the *Act* in 2007. On or about

August 9, 2024, MHTCI filed an assignment into bankruptcy. As part of the bankruptcy, it reported a \$1.8 million debt. On August 23, 2024, MHTCI applied for renewal of its dealer registration.

- [11] Seema Patel has acknowledged that Harry Patel, assisted with the appellant's application for registration in June 2024. She also testified that she gave the Ontario Motor Vehicle Industry Council ("OMVIC") representative authority to speak with Harry Patel about the application and to answer questions related to his personal and business finances.
- [12] The Senior OMVIC registration officer who processed the appellant's application testified that, after determining that MHTCI had filed for bankruptcy, she made further inquiries with Seema and Harry Patel. She testified that Harry Patel provided the requested information with respect to his personal finances and the bankruptcy of MHTCI.
- [13] In his exchanges with the OMVIC representative, Harry Patel explained that the appellant was a new entity with a new lease, but it planned to use the existing business model of MHTCI. The OMVIC representative testified that OMVIC was concerned that Harry Patel was opening a new legal entity under his wife's name because the other dealership, MHTCI, had declared bankruptcy.
- [14] Ms. Patel testified that in 2022, Harry Patel had a significant medical issue requiring him to be away from MHTCI for an extended period. As a result, Seema Patel assisted with various aspects of the company and, as of April 2024 was a registered salesperson. Without speaking to the details of her husband's personal or business bankruptcy, Ms. Patel testified that it related to her husband's extended absence and also to a personal guarantee he gave with respect to another business.
- [15] Ms. Patel testified that she decided to incorporate her own company and that she had "different views" as to how the new appellant corporation should be run. Currently, the appellant rents and services motor homes and trailers. Ms. Patel seeks registration as a dealer so that the appellant can also sell motor homes on a small scale.
- [16] Ms. Patel testified that, when she applied for registration, she did not foresee that there would be concern with her spouse's involvement with the appellant. The appellant's application for registration as a motor vehicle dealer indicated that, if registration was granted, Harry Patel would be an officer and person in charge of operations of the appellant.

- [17] Ms. Patel testified that while this was the original plan, Harry Patel was never made an officer and now has a limited role with the appellant. Since its incorporation in May 2024, Seema Patel remains the sole director and shareholder with no other officers. Harry Patel currently does the bookkeeping data entry, but all accounting is done by a firm which, according to Ms. Patel, assess the books daily. Ms. Patel testified that Harry Patel has no control over the appellant's finances and is no longer a registered salesperson.
- [18] Ms. Patel acknowledged that she previously relied on Harry Patel's knowledge of certain aspects of the business. Since his illness in 2022 she has gained business knowledge and has recently hired a Service Manager. Ms. Patel testified that she was open to terms of registration that would limit her husband's involvement with the appellant, but the Registrar did not propose any.
- [19] I find that for the purposes of the "interested person" analysis, Harry Patel can be considered an officer of the appellant, and also find that he may exercise control either directly or indirectly over the appellant. The appellant's application for registration indicated that, if granted, Harry Patel would be an officer and in charge of operations. While I appreciate that Harry Patel is not now an officer or director of the appellant and is not listed as such on the OMVIC Director's Certificate dated September 30, 2025, at the time of the June 20, 2024, application he was listed as an officer.
- [20] Furthermore, I find that, based on the evidence, the respondent has established Harry Patel is an interested person because he may exercise control over the appellant. As noted by the respondent, the threshold for finding an 'interested person' under the *Act* is relatively low. The Registrar must form "the opinion" that the person "may" have a beneficial interest, may exercise control, or may have provided financing.
- [21] Harry Patel assisted with the appellant's application and communicated directly with OMVIC with respect to this application. This signals an element of control. In fairness to Ms. Patel, she testified that, while she wished to be included on communications respecting the appellant's application, she was at some point, dropped by OMVIC from the email correspondence. Ms. Patel testified that, in the past, she relied on her husband's business experiences and, according to the appellant's business plan submitted with the application in June 2024, planned for Harry Patel to be the manager of the new company. Again, this is clear indicia that Harry Patel may exercise control and meets the criteria to be considered an "interested person" to the appellant.

- [22] I would note that there is no evidence, except the fact that Seema and Harry Patel are married and have a shared personal bank account, that Harry Patel has a beneficial interest in or provides any financing to the appellant. Under this specific legislation, marriage does not, on its own, render an individual automatically an “interested person”.
- [23] Having found Harry Patel to be an interested person under the *Act*, I must consider the impact of his financial history. Harry Patel filed a consumer proposal in 2010 that was finalised in September 2015. On July 31, 2024, he filed an assignment into bankruptcy. As part of the bankruptcy, Harry Patel reported a \$3.4 million debt. As noted above, on August 9, 2024, the company MHTCI, that Harry Patel was the Director of, filed an assignment into bankruptcy reporting a \$1.8 million debt. I find, on the evidence, that Harry Patel’s financial history provides a basis to conclude that the appellant cannot reasonably be expected to be financially responsible in the conduct of its business.

No false statement on Appellant’s Application

- [24] Under section 6(1) (iv) of the *Act* an applicant can be refused registration if an officer or director of the corporation makes a false statement or provides a false statement in an application for registration. As noted above, the appellant’s application indicated that Harry Patel would be an officer of the appellant.
- [25] On the appellant’s application, the response “no” was made to the following question: “Has the applicant ever been involved in bankruptcy proceedings, filed a consumer proposal, a commercial proposal or had a petition filed under any bankruptcy or insolvency legislation, in any jurisdiction?”.
- [26] The OMVIC representative testified that this question was answered correctly as there were no bankruptcy proceedings with respect to the appellant company. There was no false statement on the appellant’s application.
- [27] On MHTCI’s application for renewal of registration, the response “no” was also given to the same question. This was false as bankruptcy proceedings had been initiated for this company.
- [28] The respondent does not dispute that the appellant’s statement on its application was correct, but, rather, in closing submissions suggested that registration could be refused because an officer of the appellant at the time of registration, Harry Patel, provided a false statement on another application to the Registrar.

- [29] It is not clear to me that subsection 6(1)(iv) of the *Act* applies to *any* application or *any* statement ever made by an officer to the Registrar. I note that provisions elsewhere in the *Act* specifically refer to “any information” (section 26) and “any application” (subsection 32(1)(a)). In contrast, subsection 6(1)(iv) does not specify “any” application. In any event, even if I were to find that Harry Patel’s false statement on a subsequent application could disentitle the appellant to registration, I would still find, as set out below, that registration with conditions and not full refusal is the appropriate remedy here.

Terms and Conditions to be Attached to Registration

- [30] The Tribunal has the statutory discretion to consider an appellant’s circumstances and determine whether the public interest requires outright refusal of the registration, as proposed in the NOP, or whether the consumer protection purpose of the *Act* can be adequately protected through granting registration with conditions.
- [31] It is the respondent’s submission that there is no realistic way in which Harry Patel will not have interest in or exercise control over the appellant company. It submitted that Ms. Patel has only now removed Harry Patel from operations for the purpose of registration. Quite simply, the respondent’s position is that nothing short of refusing registration can sufficiently protect the public interest.
- [32] The appellant’s position is that terms and conditions can address any concerns with respect to Harry Patel’s involvement in the appellant company. As an example, counsel for the appellant points to the case of *11792 v. Registrar, Motor Vehicle Dealers Act, 2002*, 2019 CanLII 32275 (ON LAT) where conditions were imposed prohibiting an individual’s participation as an interested person.
- [33] I agree with the appellant and find that the NOP should not be carried out. I do not accept that only outright refusal can mitigate the risk to the public. Instead, I find that the public can adequately be protected through the addition of terms and conditions to the appellant’s registration.
- [34] Seema Patel, currently the sole owner and officer of the appellant company, presented as capable of continuing to run the operations of the appellant company with limited involvement of her spouse Harry Patel. She testified that, since her husband’s illness in 2022, she has learned the business and now, with the incorporation of the appellant company, has different views as to how it should be run. Ms. Patel has now hired a manager and retained qualified financial professionals. I accept her evidence that, going forward, Harry Patel will not participate in the management of the appellant.
- [35] John Krohnert is currently the chair of the Ontario RV Dealers Association and sits on the Board of the National RV Dealers Association. He owns two RV dealerships

in Ontario. Mr. Krohnert testified that he has known Seema Patel for over eight years, is familiar with her business and refers work to her company. He testified that he recently worked closely with Ms. Patel at a trade fair, trusts her, and supports the appellant's application for registration to sell motor homes.

- [36] As noted, the OMVIC representative testified that she was not aware of any concerns with respect to either Seema Patel or the appellant's financial history. Ms. Patel testified that she has never been involved in any bankruptcy proceedings under any bankruptcy or insolvency legislation in any jurisdiction. Further, I find that there was no evidence of any past conduct by Ms. Patel or disciplinary history that would render the appellant ineligible for registration.
- [37] In sum, the evidence establishes that Seema Patel is capable of and motivated to operate the appellant in a financially responsible manner and without the control or influence of Harry Patel. Any concerns with respect to financial responsibility and industry professionalism can be addressed by conditions that limit Harry Patel's involvement as an interested person.

CONCLUSION

- [38] The respondent has established that Harry Patel is an "interested person" to the appellant and the appellant can not reasonably be expected to be financially responsible in the conduct of business. I find, however, that in the circumstances here, the public interest can adequately be protected through the addition of terms and conditions to the appellant's registration.

ORDER

[39] The Tribunal substitutes its opinion for that of the registrar. The registration is reinstated with the following conditions:

16036171 Canada Inc. o/a Motor Home Travel and Seema Patel shall not allow Harry Patel to be an interested person (as defined in section 6(4) of the *Act*) in respect of 16036171 Canada Inc. o/a Motor Home Travel's business as a motor vehicle dealer.

For clarity, Harry Patel shall not:

- a. have a beneficial interest in 16036171 Canada Inc. o/a Motor Home Travel;
- b. exercise control either directly or indirectly over 16036171 Canada Inc. o/a Motor Home Travel; or,
- c. provide financing either directly or indirectly to 16036171 Canada Inc. o/a Motor Home Travel.

These conditions shall expire two (2) years from the date that these conditions come into effect.

Released: January 5, 2026



Laura Hodgson
Adjudicator