



**MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE
MOTOR VEHICLE DEALERS COMPENSATION FUND
HELD VIA VIDEOCONFERENCE ON MARCH 20, 2024**

IN ATTENDANCE:

GUESTS:

W. Lee	(Chair)
J. Raymond	(Vice Chair)
P. Stock	(Secretary Treasurer)
M. Rispin	(Past Chair)
J. Suraski	(Member)
G. Nikolov	(Member)
M. A. Lamb	(Member)
G. Vigliatore	(Member)
C. Biggs	(Member)
J. Beaton	(Staff)
D. Dailly	(Staff)
A. Khuu	(Staff)
T. Lee	(Staff)

NOTICE TO THE READER: For the purposes of these public minute, reference to legal advice provided to the Board of Trustees and claimant's identifying information has been removed, unless the claim has been appealed to LAT.

1. Call to Order

The meeting was regularly constituted and called to order by W. Lee at 10:01 a.m.

2. Approval of Agenda

The agenda was approved as presented.

Moved: J. Raymond

Seconded: G. Vigliatore

3. Statutory Reporting by Management

No questions arose concerning the statutory reporting by management.

4. Declaration of Conflict of Interest

No conflicts of interest with respect to the agenda were declared.

5. Verification of Minutes

The minutes of January 30, 2024 were approved.

Moved: G. Nikolov

Seconded: C. Biggs



6. Business Arising from Previous Meeting

A discussion on Board member recruitment and potential conflicts with referrals was held. D. Dailly confirmed there were no referrals among the ten candidates that were narrowed down. He also confirmed that referrals from members can still be made. The posting and call for nominations were provided to the trustees. Management will email the 10 short-listed candidates to inquire whether they are interested in being considered for a role on the board of trustees. Management will also vet resumes received in response to the website ad and those received as referrals. The Management Committee will meet in April to review resumes and decide upon which candidates to invite to participate in a virtual interview.

P. Stock joined the meeting at 10:14 a.m.

7. Operations

a) December 31, 2023, Financial Statements and Dashboard

P. Stock provided an overview of the December 31, 2023 financial statements and dashboard. The financial statements were approved as presented.

Moved: G. Nikolov

Seconded: M. Rispin

b) Investment Policy Progress

M. A. Lamb provided a progress update regarding revisions to the investment policy. She confirmed there would be further changes made to the policy for consideration. Once revisions are completed and the policy will be reviewed by the Management Committee. M. Rispin expressed concern regarding the 7% that Yorkville Asset Management put back into their long-term healthcare fund and inquired about the penalty for an early withdrawal. A. Khuu stated that depending on the outcome of the RFP for a new investment manager the 7% could either be carried over or liquated with a penalty. A general discussion was held about the current 2014 policy outlining the allowance of alternative asset classes and Trustees' minimal involvement with the investment manager's decisions regarding such funds. There was general agreement that an updated investment policy should be completed before the RFP is released.

c) Investment Manager RFP – Options and Next Steps

A. Khuu advised that the current agreement in place with Yorkville ends December 2024. The RFP can be issued in May 2024 with the search process taking ~2-3 months. A brief outline was given of the scoring, interview, and decision process on choosing an asset manager.

A. Khuu advised that both the Compensation Fund and OMVIC currently use Yorkville, but going forward, both could potentially have different investment managers, depending on whether a joint RFP is conducted in 2024 or whether each entity will conduct its own RFP.

d) Cash/GIC Update

A. Khuu provide an update that as of December 2023, cash stands at \$1.1 million. This is higher than the prior year mainly due to the letter of credit received in relation to Carone.



In January 2024, a \$700K GIC was purchased at 4.75% through Scotia Bank with no fees. It was noted that GIC's were purchased in 2019 when cash exceeded the million-dollar mark. A general discussion took place regarding the long-term healthcare fund. A suggestion was made that with the new investment policy, there could be conditions related to investments in alternative asset classes made in the last year of the contract that have withdrawal penalties, that Trustees have more involvement in these decisions as to avoid withdrawal fees. A. Khoo confirmed he will confirm the penalty. M. A. Lamb advised that the cost for an early buyout of the health fund may be ~1.5%.

A. Khoo left the meeting at 10:43 a.m.

8. Governance

a) Board Recruitment – Industry member vacancy – List of potential candidates

W. Lee reminded that M Rispin's term will be ending June 2024 and that March 28, 2024 is the closing date for potential candidates to apply. J. Beaton presented the candidate summary, noting that the candidates were previously interested in openings for the OMVIC Board and the Industry Advisory Council in 2023. Out of the 30 listed, 10 of those were considered A-list candidates by staff. Trustees were provided an opportunity to comment on management's assessment, which was based on the skills grid, with an emphasis on applicants with used car industry experience to complement the current board.

Discussion ensued and 9 of the 10 short-listed candidates will be contacted by staff and asked if they are interested in being considered for the open trustee position. In the meantime, management will vet any resumes received in response to the website ad, which closes on March 28, 2024.

General discussion took place regarding the necessity of having the A-list candidates' dealerships inspected by OMVIC as part of the recruitment process. Inspections are quite tedious and time-consuming, so removing the inspection requirement for dealerships that have been inspected within the year will be an action point for management.

b) Risk Report Update

J. Beaton reviewed the Risk Report that had been pre-circulated. She explained that the Report had been reviewed by the Management Committee in January. Risks can emerge and change throughout the year, but the top three of the nine risks identified are: cyber risks, the volume of Compensation Fund claims and their effect on cash flow and the lack of letters of credit on file. Staff will continue to monitor the volume of letters of credit, following the new policy that was released in December 2023.

A general discussion took place regarding how some other regulatory bodies such as Alberta, take some of the transaction fee to fund their Compensation Fund, suggesting OMVIC could adopt this. It was pointed out that it may not be feasible as Alberta may not



have an initial fee directed toward the Compensation Fund upon registration as Ontario does.

It was further noted that funding for the compensation fund is legislated by way of the \$300 fee for new registrants. A discussion was held with respect to the upcoming ending of the five-year agreement for OMVIC to cover Fund costs and the potential impact it could have on the fund. It was suggested that a risk named “risk of fund’s sustainability” should be added to monitor the impact of the loss of OMVIC funding.

W. Lee presented a motion to approve the Risk List subject to this requested amendment.

Moved: M. Lamb
Seconded: G. Nikolov

9. OMVIC Board Update:

J. Beaton provided an update on recent OMVIC board-related activities.

10. Claims

D. Dailly provided an overview of the fiscal year’s claim activity.

Dealer	Criteria	Amount Claimed	Amount Approved
Carone	Bankruptcy	\$2,333.89	\$2,333.89
Carone	Bankruptcy	\$548.56	\$548.56
Carone	Bankruptcy	\$4,898	\$871.78
Carone	Bankruptcy	\$3,505.70	\$4,806.31
Carone	Bankruptcy	\$5,024.78	\$2,386.14
Echo Auto Group	Proposal	\$2,500	\$588.55
Echo Auto Group	Proposal	\$3,500	\$706.25
Echo Auto Group	Proposal	\$4,645.87	\$2,847.05
Drivetime	Bankruptcy	\$1,499	\$1,693.87

10. Management Committee Elections

D. Dailly confirmed that M. Lamb has removed her name from the Secretary-Treasurer ballot therefore elections are not necessary. P. Stock was acclaimed as Secretary-Treasurer, J. Raymond was acclaimed as Vice-Chair and W. Lee was acclaimed as Chair. All terms will be approximately one-year commencing April 19, 2024 until the 2025 Management Committee election date which is yet to be determined.

Moved: G. Vigilatore
Seconded: C. Biggs

11. Other Business

No other business was declared arising.



12. Next Meeting

The next meeting is scheduled for May 8, 2024 (via videoconference).

13. In-Camera

On a motion duly made (G. Nikolov), and seconded (M. Rispin) and carried unanimously, the meeting went in-camera at 11:45 a.m.

14. Termination

On a motion duly made (G. Nikolov) and seconded (M. Rispin) and carried unanimously, the meeting was terminated at 12 noon.