

DIRECTOR'S ORDER UNDER SECTION 157 OF THE FAIR TRADING ACT

TO

1200191 ALBERTA LTD.

and

TREVOR LAND

OR

**ANY EMPLOYEE, REPRESENTATIVE,
OR AGENT OF 1200191 ALBERTA LTD.
AND TREVOR LAND**

Issues

1200191 Alberta Ltd. and director Trevor Land operates a home renovation business where contracts or portions thereof are often solicited, negotiated, or concluded at a consumer's home and a consumer is required to pay deposit or progress payments prior to the completion of work.

In May 2009, 1200191 Alberta Ltd. and Trevor Land were informed in writing of the prepaid contracting business license requirement.

In June 2009 a formal prepaid contracting license package was forwarded to legal counsel Paul Kraus. A follow conversation led the Department to believe that a license application and full compliance was pending.

As of October 19, 2009 no further inquiry has been made and no formal license application has been submitted to Service Alberta.

The supplier's legal representative Paul Kraus initially acknowledged that his client accepted deposits and progress payments but stated the opinion that since money was only accepted for materials or completed portions of renovation projects, it was not deemed to be prepaid contracting and no license was required.

The legislation was fully explained as was the fact that all progress payments are deemed to be deposits as defined in the Act and that without a license, no payment could be accepted until all work pursuant to a contract was fully completed.

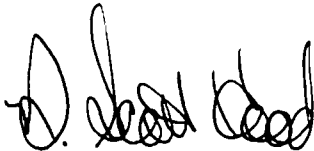
In view of the aforementioned legal interpretation of solicitor Paul Kraus, it is very likely that the supplier will continue to enter into prepaid contracts in Alberta without a license in violation of the *Fair Trading Act*.

Order

- 1200191 Alberta Ltd. and Trevor Land must immediately cease entering into prepaid contracts (taking down payments, deposits or progress payments before the work is fully completed) until the licensing requirements have been met.
- Individuals who are employed by, representing, acting as agent for or otherwise associated with 1200191 Alberta Ltd. and Trevor Land must immediately cease entering into prepaid contracts until licensing requirements have been met.

NON COMPLIANCE WITH ORDER

ANY PERSON WHO FAILS TO COMPLY WITH AN ORDER OF THE DIRECTOR UNDER SECTION 157 OF THE *FAIR TRADING ACT* CONTRAVENES THIS ACT AND IS GUILTY OF AN OFFENCE AND MAY BE PROSECUTED PURSUANT TO SECTION 163 OF THE *FAIR TRADING ACT*.



Scott Hood
Director of Fair Trading (as delegated)
October 27, 2009