

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

TO

FINANCIAL DEBT RECOVERY

Investigations into allegations related to these the collection agency activities of Financial Debt Recovery have determined the following:

1. Financial Debt Recovery failed to create and maintain accurate records with respect to investigations into complaints by debtors. This resulted in breaches of s. 132 of the FTA and s. 4 of the 2000 Undertaking and in Financial Debt Recovery misrepresenting these activities in communications with Service Alberta.
2. Financial Debt Recovery failed to ensure that collectors calling into Alberta were appropriately licensed. This failure represents breaches of s. 111 (3) of the FTA and s. 2 and 3 of the 2000 Undertaking. Financial Debt Recovery has been prosecuted and plead guilty for previously breaching the Undertaking in this regard.

Legislation

The *Fair Trading Act* RSA 2000 states:

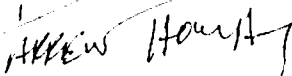
- s. 111 No collection agency may employ or authorize any person to be a collector unless that person is the holder of a collector's licence.
- s. 132 (1) Every licensee and former licensee must create and maintain
- (a) complete and accurate financial records of it's operations in Alberta for at least 3 years after the records are made, and
 - (b) other records and documents described in the regulations for the period specified in the regulations.

Order:

- Financial Debt Recovery must ensure that all collectors contacting Albertans are licensed appropriately to engage in collection activity in Alberta.
- Financial Debt Recovery must ensure that records of contacts with Albertans are appropriately created and maintained by the collection agency and by collectors.

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.



Darren Thomas
Director of Fair Trading (as delegated)

September 5, 2008