
**DIRECTOR'S ORDER UNDER SECTION 157
OF THE *FAIR TRADING ACT*
TO
INJECTION INSULATION SPECIALISTS (IIS) LTD.
AND
JAMES MARTIN DENIS SHERWOOD
AND TO
RONALD ANDREW BOUGHTON
ANY EMPLOYEE, REPRESENTATIVE, OR AGENT OF INJECTION INSULATION
SPECIALISTS (IIS) LTD. OR JAMES MARTIN DENIS SHERWOOD OR
RONALD ANDREW BOUGHTON**

This Director's Order was issued under s. 157(1) of the *Fair Trading Act* in response to, in the opinion of the Director, contraventions of the Act. As mandated by s. 157.1(1) of the *Fair Trading Act*, this Director's Order is part of the public record.

Albertans who have questions or concerns about this business are encouraged to contact the Service Alberta Consumer Contact Centre at 1-877-427-4088.

For more information on the *Fair Trading Act*, business licensing in Alberta or to search for a licensed business, please click here:

[Search for a Licensed Business, Charity or Fundraiser](#)

To view a tipsheet on this business licence category, please click here:

[Tipsheets](#)



Consumer Programs

3rd Floor, Commerce Place
10155 - 102 Street
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TO

INJECTION INSULATION SPECIALISTS (IIS) LTD.

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AND TO

RONALD ANDREW BOUGHTON

AND ANY EMPLOYEE, REPRESENTATIVE, OR AGENT OF INJECTION INSULATION SPECIALISTS (IIS) LTD. OR JAMES MARTIN DENIS SHERWOOD OR RONALD ANDREW BOUGHTON

ISSUE

On or about April 6, 2015 James (Marty) Martin Denis Sherwood attended a consumer's residence representing Injection Insulation Specialists Ltd. where he negotiated and concluded a prepaid contract with the consumer for renovations inside a home. A written contract was not provided or signed.

James (Marty) Martin Denis Sherwood accepted a deposit in the amount of \$4400.00 from the consumer's credit card and \$4000.00 in cash on April 6, 2015 and another \$3500.00 by credit card on April 27, 2015. Mr. Sherwood also asked the consumer to sign a third party loan application for \$19, 738.95 for monthly withdrawals of \$260.74. The first loan payment for the loan was withdrawn from the consumer's account on May 8, 2015. The renovation project was not completed until November 2015.

The name of the company on the loan application is Patron Insulation. Ronald Andrew Boughton is listed as the primary contact and owner of trade name, Patron Insulation, based in British Columbia. Injection Insulation Specialists Ltd. is listed as a "division of Patron Insulation." James Sherwood is the director of Injection Insulation Specialists Ltd. The company is based in Calgary, Alberta.

Mr. Sherwood, Mr. Boughton, Injection Insulation Specialists Ltd. and Patron Insulation did not possess a prepaid contracting business licence at the time of these transactions. On July 23, 2015 the consumer's lawyer sent Mr. Sherwood and Injection Insulation Specialists Ltd. a cancellation notice due to the lack of a prepaid contracting business licence asking for a full refund for the consumer. No funds were received.

This activity constitutes a "prepaid contracting business" requiring a person or business to be licensed under Section 104(1) of the *Fair Trading Act*. A Prepaid Contracting Business means the activities of soliciting, negotiating or concluding in person, at any place other than the seller's place of business, a construction or maintenance contract in which all or part of the contract price is to be paid before all of the goods or services called for in the contract are provided.

When a business enters into a prepaid contract to provide goods and services worth \$200 or more, this contract must be in writing and include specific terms required by the *Fair Trading Act*.

When a supplier enters into a prepaid contract without the proper licence, the consumer can cancel the contract within one year from the date the contract was entered into. If the consumer cancels, the supplier has fifteen days to refund to the consumer all money paid by the consumer.

James (Marty) Martin Denis Sherwood, on behalf of Injection Insulation Specialists Ltd. and Ronald Andrew Boughton has entered into a prepaid contract with a consumer without holding a prepaid contracting business licence, and did not include all required terms in that prepaid contract. As of April 2015 both men were informed of the prepaid contracting license requirement and contract requirements. Although Mr. Sherwood and staff for Injection Insulation Specialists Ltd. have stated they won't operate as a prepaid contractor, there is the potential he or the company may enter into prepaid contracts with residential consumers in the future without a licence, in violation of the *Fair Trading Act*. In addition, neither men nor the company refunded the deposit to the consumer within fifteen days of cancellation, as required.

As of January 10, 2017 neither James (Marty) Martin Denis Sherwood nor Ronald Andrew Boughton nor Injection Insulation Specialists Ltd., possess a prepaid contracting business license with Service Alberta.

Section 6(2)(b) of the Fair Trading Act considers it an unfair practice to take advantage of a consumer as a result of the consumer's inability to understand the character, nature, language or effect of the consumer transaction or any matter related to the transaction. The consumer and her family are deaf, and there is evidence to support that Mr. Sherwood

and Injection Insulation Specialists Ltd. did not make reasonable or sufficient attempts to provide the consumer with written details of the renovation job, the costs involved, or the cancellation policy. The consumer did not understand the documents she was being asked to sign or that she was applying for a large loan.

ORDER

- Injection Insulation Specialists Ltd. must immediately:
 - cease engaging in the activities of a "Prepaid Contracting Business" by soliciting, negotiating, or concluding in person, at any place other than the seller's place of business, a prepaid contract until the licensing requirements have been met;
 - ensure that all prepaid contracts are in writing and include the terms required by the Prepaid Contracting Business Licensing Regulation and *Fair Trading Act*;
 - ensure that refunds are provided to consumers on contracts that are cancelled as allowed under the *Fair Trading Act*;
 - ensure refunds are provided to consumers who cancel as allowed by the *Fair Trading Act*; and,
 - cease engaging in the Unfair Practice of taking advantage of a consumer's inability to understand the character, nature, language or effect of the consumer transaction or any matter related to the transaction.

- James (Marty) Martin Denis Sherwood and Ronald Andrew Boughton either in their own capacity or when acting on behalf of a corporation which they represent, or in which he has an interest, must immediately:
 - cease engaging in the activities of a "Prepaid Contracting Business" by soliciting, negotiating, or concluding in person, at any place other than the seller's place of business, a prepaid contract until the licensing requirements have been met;
 - ensure that all prepaid contracts are in writing and include the terms required by the Prepaid Contracting Business Licensing Regulation and *Fair Trading Act*;
 - ensure that refunds are provided to consumers on contracts that are cancelled as allowed under the *Fair Trading Act*;
 - ensure refunds are provided to consumers who cancel as allowed by the *Fair Trading Act*; and,
 - cease engaging in the Unfair Practice of taking advantage of a consumer's inability to understand the character, nature, language or effect of the consumer transaction or any matter related to the transaction.

- Any employee, representative, agent or associate of James (Marty) Martin Denis

Sherwood, Ronald Andrew Boughton or Injection Insulation Specialists Ltd. must immediately:

- cease engaging in the activities of a "Prepaid Contracting Business" by soliciting, negotiating, or concluding in person, at any place other than the seller's place of business, a prepaid contract until the licensing requirements have been met;
- ensure that all prepaid contracts are in writing and include the terms required by the Prepaid Contracting Business Licensing Regulation and *Fair Trading Act*;
- ensure that refunds are provided to consumers on contracts that are cancelled as allowed under the *Fair Trading Act*; and,
- ensure refunds are provided to consumers who cancel as allowed by the *Fair Trading Act*; and,
- cease engaging in the Unfair Practice of taking advantage of a consumer's inability to understand the character, nature, language or effect of the consumer transaction or any matter related to the transaction.

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)
January 11, 2017