

**IN THE MATTER OF
THE FAIR TRADING ACT**

THIS UNDERTAKING is made pursuant to Section 152 of the Fair Trading Act (FTA).

BY:

Royal Crown Resorts Ltd.
o/a Royal Club International
17021 - 105 Avenue
in the City of Edmonton, in the Province of Alberta
(Hereinafter called Supplier A)

And

Chateau World Vacations Inc.
10455-172 Street
In the City of Edmonton in the Province of Alberta
(Hereinafter called Supplier B)

And

Andre Muran (Director of Supplier A)
#2 Juniper Ridge
in the Town of Canmore, in the Province of Alberta

And

Gerard D'Souza (Director of Supplier B)
c/o 348 - 14 Street
in the City of Calgary, in the Province of Alberta

Earl Fernandes (Director of Supplier B)
c/o 348 - 14 Street
in the City of Calgary, in the Province of Alberta

TO: **THE DIRECTOR OF FAIR TRADING**

(Hereinafter called the "**Director**")

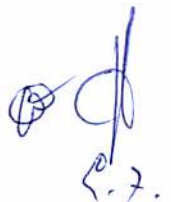
WHEREAS:

- (A) Supplier A no longer carries on the business of selling time shares in the Province of Alberta, and ceased doing so on or about July 2005.



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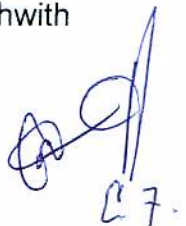
- (B) Supplier B commenced carrying on the business of selling time shares in the Province of Alberta, on or about April 1, 2006.
- (C) Recitals F, G, H, and I hereof shall be collectively referred to as the Complaints.
- (D) The Director acknowledges that Suppliers A and B, did eventually, provide full refunds to the complainants that are the subject of this Undertaking.
- (E) The Director asserts that he has reason to believe that the acts or practices of Suppliers A and B described in recitals F, G, H, and I hereof, constitute breaches of the FTA and the Time Share Contracts Regulation. The Director and Suppliers A and B cannot agree that the said practices were inadvertent or unintentional.
- (F) Between the period of August 2004 and July 2005, and the period of May 14, 2006 and May 19, 2006, Suppliers A and B respectively, in the ordinary course of their business, through their agents, employees, or representatives did not refund monies to consumers within 15 days of the date the consumer cancelled the contract, contrary to section 39(1) of the FTA.
- (G) Between the period of August 2004 and July 2005, Supplier A, in the ordinary course of its business, through its agents, employees, or representatives, mislead consumers by representing that before a cancellation request could be processed, the consumers were required to return all of the documents and other materials that had been provided to them by Supplier A, contrary to section 6(4)(a) of the FTA.
- (H) Between the period of August 2004 and July 2005 Supplier A, in the ordinary course of its business, through its agents, employees, or representatives, represented that their refund cheques had been mailed to them when the cheques had not been mailed on the specific date represented, contrary to section 6(4)(a) of the FTA.

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- (l) Between the period of August 2004 and July 2005, Supplier A, in the ordinary course of its business, through its agents, employees, or representatives, failed to comply with contract requirements as set out in section 3 of the Time Share Contracts Regulation.

NOW THEREFORE THIS UNDERTAKING WITNESSES THAT:

1. Suppliers A and B acknowledge the Director's belief that they, through their agents, employees, or representatives, failed to comply with the FTA as recited in the recitals and undertake to the Director that they will not, at any time hereafter, engage in acts or practices similar to those described in the recitals hereof.
2. Suppliers A and B will, to the best of their ability, acting reasonably, ensure that in all capacities, either in their name or in their capacity as employee, director or shareholder of a corporation or as agent for another or parent, or subsidiary or another corporation, will comply with the time share provisions and Unfair Practices section of the FTA, and the Time Share Contracts Regulation, for contract requirements and legislated cancellation and refund requirements.
3. Suppliers A and B shall not withhold refund monies from consumers who exercise their legislated cancellation rights, even if those consumers fail to return to the Suppliers A and B documents and other material that were provided to them by Suppliers A and B.
4. Suppliers A and B shall provide full refunds to consumers within 15 days of the date that the consumers exercise their legislated cancellation rights.
5. Suppliers A and B will to the best of their ability, acting reasonably, ensure that all of their officers, partners, employees, representatives and agents are forthwith

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acquainted with the requirements of the FTA, especially as it pertains to Part 2 – Unfair Practices, and will not engage in business activity contrary to the FTA.

6. Suppliers A and B shall pay to the Director, for deposit with the Minister of Finance for Alberta, the sum of \$ 8,500.00 which represents a portion of the costs associated with investigating the Complaints and such payment is to be made forthwith at the time of the signing of this Undertaking.
7. This Undertaking will be binding upon the Supplier A and B and their successors and assigns unless:
 - a. terminated by the Director or varied with the consent of the Suppliers;
 - b. varied by an Order of the Judge of the Court of Queen's Bench where the Judge is satisfied that the circumstances warrant varying the provisions of the Undertaking;
 - c. terminated by an Order of a Judge of the Court of Queen's Bench where the Judge is satisfied that the act or practice that the Suppliers have undertaken to refrain from engaging in was not unfair; however, in any such case, the termination or variance does not invalidate anything done under this Undertaking prior to termination or variance.
8. It is understood that the terms of this Undertaking shall be maintained as a public record pursuant to Section 152(3) of the FTA.
9. The Suppliers A and B acknowledge that the Director may, upon breach by Suppliers A and B of any term of the Undertaking, institute such proceedings and take such action under the Fair Trading Act as he may consider necessary.



L.7.

10. Suppliers A and B acknowledge that they were advised by Consumer Services, and are aware that they are entitled to seek independent professional advice regarding the signing of this Undertaking, and Suppliers A and B acknowledge that they are entering into this Undertaking voluntarily.

IN WITNESS WHEREOF the Suppliers, have on this 11 day of APRIL 2007 agreed to the terms of this Undertaking.

**Royal Crown Resorts Ltd.
o/a Royal Club International**

PER:



Andre Muran (Director)

Chateau World Vacations Inc.

PER:



Gerard D'Souza (Director)

PER:



Earl Fernandes (Director)

ACCEPTED by the Director of Fair Trading this 19th day of APRIL 2007.


DIRECTOR OF FAIR TRADING