

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

THIS UNDERTAKING is made pursuant to Section 152 of the *Fair Trading Act*.

By: **COLLECTCORP INC.**
415 Yonge Street, Suite 2000
Toronto, ON M5B 2E7
Registered Office:
2500, 10104 – 103 Avenue
Edmonton, AB T5J 1V3

(hereinafter called the "**Supplier**")

To: **THE DIRECTOR OF FAIR TRADING**

(hereinafter called the "**Director**")

WHEREAS:

- (A) The Supplier is a licensed collection agency authorized to conduct business in Alberta.
- (B) The Supplier acknowledges that in the ordinary course of its business, an automated dialing system of the Supplier, contacted Mr. _____ on 24 occasions between April 15, 2004 and May 15, 2004, with a recorded message stating, this is not a marketing call, this is an important business matter for Mr. _____ asking him to quote a specified account number when calling their toll free number. The Supplier acknowledges that when Mr. _____ called their toll free number, he would be connected to their answering machine with a message asking callers to leave their name and account number. The Supplier's customer had provided the telephone number for Mr. _____ to the Supplier.
- (C) The Supplier acknowledges that in the ordinary course of its business on or about May 15, 2004, Mr. _____ advised a licensed collector employed

by the Supplier that he was not the debtor they were seeking, although his was the telephone number the debtor had provided to the Supplier's customer.

- (D) The Supplier acknowledges that Mr. _____ phone information was not properly removed from its automatic dialing system and as such, a licensed collector employed by the Supplier again contacted Mr. _____ via the telephone number the debtor had provided to the Supplier's customer.
- (E) Mr. _____ phone information was then properly removed from the Supplier's automatic dialing system.
- (F) The Supplier acknowledges that licensed collectors had advised the secondary cardholder of record, Ms. _____, that her payment or non-payment of the Citibank MasterCard account on which _____ was the primary cardholder (the "MasterCard Account") would affect her personal credit report.
- (G) The Supplier acknowledges that its licensed collectors advised Ms. _____ that Citibank MasterCard secondary cardholders would be reported to credit reporting agencies, however this was believed to be true at the time stated. The licensed collectors subsequently became aware that Citibank MasterCard does not report credit information for the secondary cardholders to credit reporting agencies.
- (H) Ms. _____ paid a settlement of \$6,835.06 on the MasterCard Account based on the information provided by the Supplier. Over a month after such payment, Ms. _____ made allegations regarding her consent to become the second cardholder on the MasterCard Account, however the evidence the Supplier obtained does not support her allegations.

- (l) The Director alleges that he has reason to believe that the acts or practices of the Supplier described in recitals (B), (C), (D), (F), (G) and (H) constitute contraventions of the *Fair Trading Act*.

NOW THEREFORE THIS UNDERTAKING WITNESSES THAT:

1. The Director alleges that in these isolated instances described above, the Supplier failed to comply with the prohibited practices provisions of the *Fair Trading Act*, Part 11, Sections 116(1)(k) and 116(1)(l) and the Supplier undertakes to the Director that it will not knowingly nor intentionally, at any time hereafter the date of execution of the present Undertaking, engage in acts or practices similar to those described in recitals (B), (C), (D), (F), (G) and (H) or any other acts or practices prohibited by the *Fair Trading Act*.
2. The Supplier will ensure that all employees, representatives and agents are forthwith acquainted with the requirements of the *Fair Trading Act*, especially as it pertains to Part 11 - Collection Practices.
3. The Supplier provided, and will continue to provide training sessions for new collectors to ensure that all collectors are aware of the *Fair Trading Act*, Part 11, Collection Practices and in particular, Section 116, Prohibited Practices, prior to contacting debtors in Alberta.
4. The Supplier included, and will continue to include, in the training sessions specific instruction on how to properly remove a person's telephone information from the dialing system of the Supplier.
5. It is the practice of the Supplier's customer to provide the most current debtor telephone numbers that they have on their files to the Supplier.
6. The Supplier will pay to _____ the sum of \$6,835.06. Such payment shall be made within 10 days of the signing of this Undertaking.
7. The Supplier will pay to the Director, for deposit with the Finance Minister of Alberta, the sum of \$2500.00. These funds represent a portion of the costs associated with investigating this matter. Such payment shall be made within 10 days of the signing of this Undertaking.
8. This Undertaking will be binding upon the Supplier and its successors and assigns unless;
 - (a) terminated by the Director or varied with the consent of the Supplier;
 - (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; or

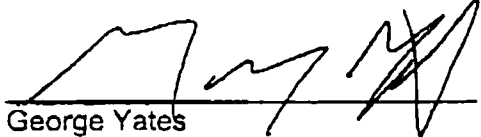
- (c) terminated by an Order of a Judge of the Court of Queen's Bench where the Judge is satisfied that the act or practice that the Supplier has undertaken to refrain from engaging in was not unfair; however, in any such case, the termination or variance does not invalidate anything done under this Undertaking prior to the termination or variance.
9. The Supplier acknowledges that the Director may, upon breach by the Supplier of any terms of the Undertaking, institute proceedings and take such action under the *Fair Trading Act*, as he may consider necessary.
10. The Supplier acknowledges that they were advised by Alberta Government Services, and are aware that they are entitled to seek independent professional advice regarding the signing of this Undertaking, and the Supplier acknowledges that it is entering into this Undertaking voluntarily.

IN WITNESS WHEREOF the Supplier, has on the 7 day of ^{April}~~March~~ 2005, caused its seal to be affixed and attested by the signature of its proper officers duly authorized in that behalf.

COLLECTCORP INC.

Per: 

ACCEPTED BY the Director of Fair Trading this th6 day of April, 2005.


George Yates
DIRECTOR OF FAIR TRADING
PROVINCE OF ALBERTA