

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

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

BY:

Corporate Recovery Services Limited.,
2070 Hadwen Road,
Mississauga, Ontario
Registered Office, 10235 101 Street, Suite 2000
in the City of Edmonton, in the Province of Alberta,

(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 employs collectors that require licensing if and when they are contacting Albertans.
- (C) The Supplier acknowledges that it has been advised previously that all collectors contacting Albertans require licensing.
- (D) The Supplier admits that some of its collectors did contact Albertans at a time these collectors, while in the employment of the Supplier, were unlicensed to operate in Alberta.
- (E) The Supplier acknowledges that it has through its agent, employee or representative, provided assurances to the Government of Alberta that there would be no further incidences of unlicensed collectors employed by the supplier calling Albertans and that these assurances were made in July 1998.
- (F) The Supplier acknowledges that in the ordinary course of its business, Ms. _____ an unlicensed collector employed by the Supplier, did contact _____ a resident of Alberta. Contact(s) were made on or about February, 1999.
- (G) The Supplier acknowledges that in the ordinary course of its business, Ms. _____ an unlicensed collector employed by the Supplier, did contact _____ a resident of Alberta. Contact(s) were made on or about February 16, 1999.
- (H) The Supplier acknowledges that in the ordinary course of its business, _____ an unlicensed collector employed by the Supplier did contact _____ a resident of Alberta. Contact(s) were made on or about February, 1999 and May, 1999.
- (I) The Director asserts that he has reason to believe that the acts or practices of the Supplier described in recitals (D), (F), (G) and (H) hereof constitute breaches of the Fair Trading Act and its predecessor legislation.


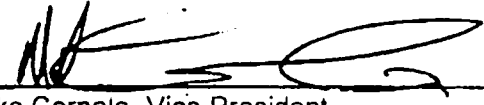
NOW THEREFORE THIS UNDERTAKING WITNESSES THAT:

1. The Supplier acknowledges and admits that it has failed to comply with the licensing provisions of the Fair Trading Act and its predecessor legislation and undertakes to the Director that this Supplier will not, at any time hereafter, engage in acts or practices similar to those described in recitals (D), (F), (G) and (H).
2. The Supplier to the best of its ability will ensure that all collectors contacting Albertans while in its employment will be properly licensed prior to them contacting Albertans.
3. The Supplier will to the best of its ability not permit any collector while in its employment to carry on or engage in the collection of debts, solicit business, realize on a security, deal with or locate debtors unless the collector is licensed to do so in the Province of Alberta.
4. The Supplier will, to the best of its ability, ensure that all of its officers, partners, employees, representatives and agents are forthwith acquainted with the requirements of the Fair Trading Act especially as it pertains to Part 11 - Collection Practices.
5. It is understood that the Supplier has
 - i) taken steps to ensure that all collectors that are in their employ will be licensed in Alberta when contacting Albertans;
 - ii) established a process whereby any inbound calls from Albertans will not be transferred unless a licensed Alberta collector is available to take the call;
 - iii) established a process of daily review of all new Alberta accounts to insure they are on the appropriate calling list;
 - iv) implemented a monthly review by its Human Relations division to monitor the number of Alberta accounts and the number of licensed collectors required to handle the inventory;
 - v) increased the number of Alberta collectors
 - vi) corrected system distribution problems and has introduced a warning on all non-Alberta queues in order to ensure a reoccurrence of the events described in recitals (D), (F), (G) and (H) does not reoccur.
 - vii) implemented a management review program to provide additional safeguards.
6. The Supplier understands that this Undertaking becomes part of the Public Record, maintained pursuant to the Fair Trading Act.
7. This Undertaking will be binding upon the Supplier and its successors and assigns unless:
 - (a) termination 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 termination or variance.
8. The Supplier acknowledges that the Director may, upon breach by the Supplier of any term of the Undertaking, institute such proceedings and take such action under the Fair Trading Act as he may consider necessary.

- 9. The Supplier will pay to the Director, for deposit with the Provincial Treasurer of Alberta, the sum of Two Thousand One Hundred (\$2,100) Dollars which represents a portion of the costs of investigations in these matters to the date of this Undertaking. Such payment shall be made within ten (10) days of the signing of this Undertaking.
- 10. The Supplier acknowledges that it was advised by Alberta Government Services, and is aware that it is entitled to seek independent professional advice regarding the signing of this Undertaking, and the Supplier acknowledges that it is entering into this Undertaking voluntarily.
- 11. Inclusive of Fax item attached and Dated November 9, 1999.

IN WITNESS WHEREOF the Supplier, has on the eleventh (11) day of November, 1999, caused its common seal to be hereunto affixed and attested by the signatures of its proper officers duly authorized in that behalf.

CORPORATE RECOVERY SERVICES LIMITED
PER: 
Michael A. Cornale, President
PER: 
Mike Cornale, Vice President

ACCEPTED by the Director of Fair Trading this 18 day of November, 1999.



DIRECTOR OF FAIR TRADING

Docket Number 06797252P
06798052P
06776199P

IN THE PROVINCIAL COURT OF ALBERTA
JUDICIAL DISTRICT OF EDMONTON

Between:

Her Majesty the Queen

And

Corporate Recovery Services

AGREED STATEMENT OF FACTS

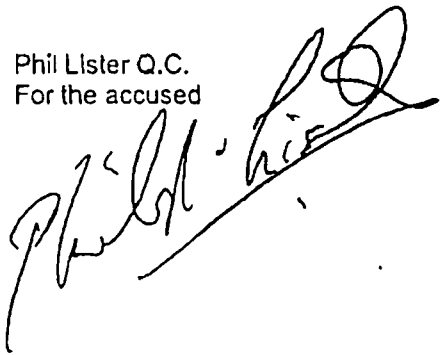
1. On November 18, 1999, the accused corporation (the "supplier") signed an undertaking pursuant to section 152 of the Fair Trading Act R.S.A. Chap F-1.05, in which the supplier acknowledged that it had been warned by Alberta Government Services ("AGS") that its collectors required licences.
2. The supplier admitted in the said undertaking that two of its collectors had continued to contact Albertans, despite the warning by AGS. The supplier agreed in the undertaking to take steps to ensure that its collectors would be licensed as well as complying with other provisions of the Fair Trading Act, in particular Part 11, Collection Practices.
3. The supplier paid a \$2100.00 administration fee for the undertaking. There were no convictions arising out of those circumstances.
4. The supplier is today pleading guilty to failing to comply with the undertaking and admits that:
 - (a) on or about March 18, 2000, a collector who identified himself as _____, and representing the supplier, sent a letter to _____ of Edmonton, Alberta, demanding payment of \$2,776.61. There was no collection licence for anyone of that name at that time;
 - (b) on or about April 25, 2000, a consumer named _____ of Edmonton, Alberta, received a phone call on his telephone answering machine from a person who identified himself as Ms. _____. This caller stated that she was calling from the legal department of the supplier regarding a Rogers Cantel collection file. It is contrary to the Fair Trading Act to represent oneself as a collector from a legal department.;
 - (c) On or between May 15 and 18, 2000, two telephone calls were received by _____ of Millet, Alberta, from _____ who represented the supplier. Mr.

suggested that \$140.13 was owing for a debt to Rogers Cantel, when the debt had been paid. Written proof had been sent to the supplier but the calls continued. On the relevant dates no licence existed for a person of that name in Alberta;

- (d) On April 27, 2000, [redacted] received a letter from the supplier which stated "final notice before suit", contrary to the Fair Trading Act of Alberta;
- (e) Between May 31 and September 6, 2000, the supplier made numerous phone calls to [redacted] to St. Paul, Alberta, in an attempt to collect \$230.13 for an apparent debt to Rogers Cantel. The consumer insisted on numerous occasions that she did not owe the money as the account had been set up by someone else in the consumer's name without her consent. This message was communicated to the supplier on at least three different occasions, including in affidavit form. A representative of the supplier told the consumer that she would be telephoned every day until the debt was paid. These phone calls in fact occurred throughout the summer of 2000, and are described as harassing by the consumer and lead investigator.

The supplier has substantially improved its compliance with the Fair Trading Act and has paid \$2500.00 towards investigation costs.

Phil Lister Q.C.
For the accused



Geoff R. Green
Crown Prosecutor

