



- (K) The Supplier acknowledges that its employees, \_\_\_\_\_, continued collection attempts against \_\_\_\_\_ a resident of Alberta, after \_\_\_\_\_ had mailed a letter to the Supplier, dated May 17, 2001, suggesting that they verify with the billing department of Reader's Digest that the enclosed cheque for \$65.83 was payment in full, contrary to the prohibited practices set out in Section 116(1)(a) of the *Fair Trading Act*.
- (L) The Supplier acknowledges that an employee, \_\_\_\_\_, did directly threaten \_\_\_\_\_ to proceed with legal action without the lawful authority, contrary to the prohibited practices set out in Section 116(1)(i) of the *Fair Trading Act* and did make telephone calls of such nature as to constitute harassment of \_\_\_\_\_ contrary to the prohibited practices set out in Section 116(1)(j) of the *Fair Trading Act*.
- (M) The Supplier acknowledges that its employee did \_\_\_\_\_ in the ordinary course of his duties give false and misleading information to \_\_\_\_\_ a resident of Alberta, contrary to the prohibited practices set out in Section 116(1)(k) of the *Fair Trading Act*.
- (N) The Supplier acknowledges that in the ordinary course of its business, its collectors did continue collection attempts against \_\_\_\_\_ residents of Alberta, after being informed that they were not the debtors in question, contrary to the prohibited practices set out in Section 116(1)(l) of the *Fair Trading Act*.
- (O) The Supplier acknowledges that an employee, \_\_\_\_\_, contacted the employer of \_\_\_\_\_ a resident of Alberta, and probed for additional employment information about \_\_\_\_\_, contrary to the prohibited practices set out in section 116(1)(m) of the *Fair Trading Act*.
- (P) The Supplier acknowledges that an employee, \_\_\_\_\_, continued to contact the debtor, \_\_\_\_\_ at her place of employment after \_\_\_\_\_ had sent a letter, via facsimile, to the Supplier on December 11, 2001, requesting that no further phone calls be made to her place of employment. \_\_\_\_\_ had provided her residence phone number where she wanted to be contacted. This is contrary to the prohibited practices set out in Section 116(1)(n) of the *Fair Trading Act*.
- (Q) The Director asserts that he has reason to believe that the acts or practices of the Supplier described in recitals (G), (H), (I), (J), (K), (L), (M), (N), (O) and (P) hereof constitute breaches of the *Fair Trading Act* and its predecessor legislation.

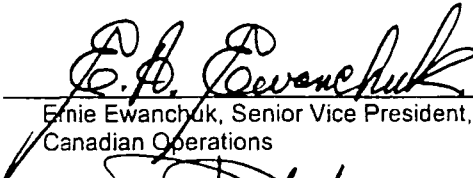
**NOW THEREFORE THIS UNDERTAKING WITNESSES THAT:**


1. The Supplier acknowledges that the current information before the Provincial Court of Alberta will not proceed, and that all matters of concern up to the present date shall be dealt with by way of this Undertaking and agreement with the Director. This does not include actions that may be taken against individual collectors.
2. The Supplier acknowledges that it has failed to comply with the licensing and prohibited practices provisions of the *Fair Trading Act* 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 (G), (H), (I), (J), (K), (L), (M), (N), (O) and (P).
3. The Supplier will not permit any collector employed by it 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 promises to make all efforts to ensure that all employees are familiar with the provisions of Part 11 of the *Fair Trading Act* and the Supplier's corporate policies and code of ethics.
5. It is understood that the Supplier
  - i) will ensure that all NCO collectors who may come into contact with Albertans are licensed with Alberta Government Services;
  - ii) has implemented steps to ensure that collectors are collecting or attempting to collect money for a creditor only on the belief in good faith that the money is due and owing by the debtor to the creditor;
  - iii) has implemented steps to ensure the accuracy of all collection activity records, including incoming/outgoing correspondence and telephone calls;

- iv) has implemented efforts to ensure collection activity ceases until proper steps are taken to verify the identity of the debtor, nature of the debt, and validity of the debt.
  - v) has implemented steps to ensure that the authority to proceed with legal action is in place prior to advising the debtor by telephone or in writing of pending legal action.
6. This Undertaking will be binding upon the Supplier and its successors and assigns unless:
- (i) terminated by the Director or varied with the consent of the Supplier;
  - (ii) 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
  - (iii) 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.
7. 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.
8. The Supplier will pay to the Director, in favour of the Minister of Finance of Alberta, the sum of \$12,700.00 which payment represents 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.
9. The Supplier acknowledges that it has obtained legal counsel, regarding the signing of this Undertaking, and the Supplier acknowledges that it is entering into this Undertaking voluntarily.
10. It is understood that the terms of this Undertaking shall be maintained as a public record pursuant to Section 152(3) of the *Fair Trading Act*. The Director will not actively seek publication of the Undertaking herein except to the extent necessary to comply with the *Fair Trading Act*.
11. The recitals contained in the preamble herein form an integral part of this Agreement.


IN WITNESS WHEREOF the Supplier has on the <sup>4<sup>th</sup></sup> day of April, 2002 caused its common seal to be hereunto affixed and attested by the signatures of its proper officers duly authorized in that behalf.

NCO FINANCIAL SERVICES, INC.  
(formerly Financial Services (International) Inc.  
d/b/a Financial Collection Agencies

PER:   
Ernie Ewanchuk, Senior Vice President,  
Canadian Operations

PER:   
Perry Rombough, District Manager

ACCEPTED by the Director of Fair Trading this <sup>9<sup>th</sup></sup> day of April, 2002.

  
DIRECTOR OF FAIR TRADING