
DIRECTOR'S ORDER UNDER SECTION 157
OF THE *CONSUMER PROTECTION ACT* (formerly the *Fair Trading Act*)
TO
STONE MD INC.
AND
DAVID MICHAEL
AND
ANY EMPLOYEE, REPRESENTATIVE, OR AGENT OF THE ABOVE

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](#)

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[Tipsheets](#)

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ISSUE

Service Alberta has investigated allegations related to breaches of the *Consumer Protection Act* (CPA) and found evidence that:

1. A renovation project was negotiated at the complainants' home, away from the place of business of Stone MD. Inc. in July 2019. By doing so, Stone MD. Inc. acted as a prepaid contracting business.
2. Stone MD. Inc. accepted cash payments from the complainants before the work agreed to by the parties had been completed. This also constitutes the actions of a prepaid contracting business.
3. According to Service Alberta records, neither Stone MD. Inc. nor David Michael were licensed to act as a prepaid contracting business at the time the contract was entered into.
4. Any person entering into a prepaid contract with a consumer must do so by way of a contract that is compliant with the requirements of s.35 of the CPA. Stone MD. Inc. did not provide the complainants with a contract that was compliant with the CPA.

LEGISLATION

Consumer Protection Act, RSA 2000, c C-26.3

- 4** If a consumer and a supplier enter into a consumer transaction, or an individual enters into a contract with a licensee and the licensee agrees to supply something to the individual in the normal course of the licensee's business, and
- (a) all or any part of the transaction or contract is evidenced by a document provided by the supplier or licensee, and
 - (b) a provision of the document is ambiguous,
- the provision must be interpreted against the supplier or licensee, as the case may be.

35 A written direct sales contract must include

- (a) the consumer's name and address;
- (b) the supplier's name, business address, telephone number and, where applicable, fax number;
- (c) where applicable, the salesperson's name;
- (d) the date and place at which the direct sales contract is entered into;
- (e) a description of the goods or services, sufficient to identify them;
- (f) a statement of cancellation rights that conforms with the requirements set out in the regulations;
- (g) the itemized price of the goods or services, or both;
- (h) the total amount of the direct sales contract;
- (i) the terms of payment;
- (j) in the case of a sales contract for the future delivery of goods, future provision of services or future delivery of goods together with services, the delivery date for the goods or commencement date for the services, or both;
- (k) in the case of a sales contract for the future provision of services or the delivery of goods together with services, the completion date for providing the services or the goods together with services;
- (l) where credit is extended,
 - (i) a statement of any security taken for payment, and
 - (ii) the disclosure statement required under Part 9;
- (m) where there is a trade-in arrangement, a description of and the value of the trade-in;
- (n) the signatures of the consumer and the supplier.

104(1) No person may engage in a designated business unless the person holds a licence under this Act that authorizes the person to engage in that business.

(2) If required to do so by the applicable regulation, a person who engages in a designated business at more than one location must hold a separate licence issued under this Act for each location that authorizes the person to engage in that business.

157(1) If, in the opinion of the Director

- (a) a person is contravening or has contravened this Act or the regulations,
- (b) a regulated person is using any form, agreement, letter or other document that is misleading or contains a term that misrepresents this Act or the regulations, or

(c) a print, broadcast or electronic publisher, including but not limited to a publisher of telephone directories and Internet listings, is publishing or has published an advertisement that is misleading or contains a term that contravenes this Act or the regulations, the Director may issue an order directed to the person or publisher.

(2) An order may direct the person or publisher

- (a) to stop engaging in anything that is described in the order, subject to any terms or conditions set out in the order, and
- (b) to take any measures specified in the order, within the time specified in the order, to ensure that the and the regulations are complied with.

(3) A person or publisher who is subject to an order under this section may appeal under section 179.

Prepaid Contracting Business Licensing Regulation

10(2) A person who is engaged in the prepaid contracting business must ensure that every prepaid contract that the person enters into

- (a) complies with the requirements of section 35 of the Act, and
- (b) sets out quality or types of materials to be used under the contract and the services and work to be carried out under the contract.

Designation of Trades and Businesses Regulation

3(2) In this section, “direct selling business” means the activities of soliciting, negotiating or concluding in person, at any place other than the seller’s place of business, sales contracts, including direct sales contracts to which Part 3 of the *Consumer Protection Act* applies, for the provision of goods or services, where the buyer is a consumer.

ORDER

Stone MD. Inc., David Michael, and any employee, representative or agent thereof, must:

1. Cease from entering into prepaid contracts (accepting down payments, deposits, or progress payments before the work is fully completed on construction and maintenance contracts solicited, negotiated or concluded in person away from the company’s place of business) with residential consumers until the licensing requirements under Section 104(1) of the *Consumer Protection Act* have been met; and
2. If licensing requirements are met, ensure that all prepaid contracts are in writing and include the terms required by Section 10(2) of the *Prepaid Contracting Business Licensing Regulation* and Section 35 of the *Consumer Protection Act*.

NON COMPLIANCE WITH ORDER

ANY PERSON WHO FAILS TO COMPLY WITH AN ORDER OF THE DIRECTOR UNDER SECTION 157 OF THE *CONSUMER PROTECTION ACT* CONTRAVENES THIS ACT AND IS GUILTY OF AN OFFENCE AND MAY BE PROSECUTED PURSUANT TO SECTION 163 OF THE *CONSUMER PROTECTION ACT*.

A handwritten signature in blue ink, appearing to read 'M Soukoreff', written over a horizontal line.

Monica Soukoreff
Director of Fair Trading (as delegated)
November 2, 2021