
DIRECTOR'S ORDER UNDER SECTION 157
OF THE *CONSUMER PROTECTION ACT* (formerly the *Fair Trading Act*)
TO
CHAD SHAADY FAWZI HAMZEH AND 1806369 ALBERTA LTD.

**AND TO ANY EMPLOYEE, REPRESENTATIVE, OR AGENT OF CHAD SHAADY
FAWZI HAMZEH AND 1806369 ALBERTA LTD.**

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](#)

To view a tipsheet on this business licence category, please click here:

[Tipsheets](#)

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ISSUE

On or about September 10, 2016 a consumer made a purchase for what he believed to be a free trial product from an online website. The website, operated by Mr. Chad Shaady Fawzi Hamzeh, Director of 1806369 Alberta Ltd., was selling the products of Supreme Garcinia Cambogia and Pure Slim Cleanse. The websites to purchase these products utilized a recurring billing method of payment. The websites included an 'upsell' page. On this page, customers who placed an order for one product would have the second product added to their order for the initial cost of shipping without their consent or request. A large button at the bottom of the screen reads 'Complete Checkout' with a noticeably smaller print option below that reads, 'No thanks, I decline this offer'.

This activity constitutes a 'negative option' business practice which means a consumer transaction in which a supplier (a) provides goods or services to a consumer, including the enhancement of a service that a consumer is already receiving, that the consumer did not request, and (b) requires the consumer to pay for the goods or services unless the consumer informs the supplier that the consumer does not want the goods or services.

The websites used to market Supreme Garcinia Cambogia and Pure Slim Cleanse utilized phrases and wording such as, "*Claim your trial*", "*Hurry! While quantities last!*", and "*Rush my Trial*". These and other statements combined with the messaging on the websites gives consumers the impression that the product will be free for a period of time and does not reference the continuation of service beyond the trial period.

The website advertising constitutes an 'unfair practice' which occurs when a supplier does or says anything that might reasonably deceive or mislead one or more potential consumers.

The consumer did not receive a copy of an internet sales contract and subsequently sent a cancellation request to the company within 30 days. A refund of the funds paid was not provided.

When a business enters into an internet sales contract, the supplier must provide the consumer with a copy of the contract in writing or electronic form within 15 days after the contract is entered into and the contract must include specific terms as required by the Internet Sales Contract Regulation. When a supplier does not meet these requirements, the consumer may cancel the contract within 30 days from the date the contract is entered into. If a consumer cancels the contract, the supplier must refund to the consumer all consideration paid within 15 days from the date of cancellation.

Mr. Chad Shaady Fawzi Hamzeh has entered into an internet sales contract with a consumer without providing a copy of the contract to the consumer and did not refund all monies paid by the consumer upon cancellation of the contract, as required.

The websites operated by Mr. Chad Shaady Fawzi Hamzeh have been found to utilize both negative option business practices and misleading and deceiving marketing language.

There is the potential that Mr. Chad Shaady Fawzi Hamzeh will continue to operate online businesses without complying with the requirements of the *Consumer Protection Act* and the Internet Sales Contract Regulation.

ORDER

- Chad Shaady Fawzi Hamzeh, Director of 1806369 Alberta Ltd. must immediately:
 - cease engaging in the activities of a “Negative Option Selling” by provides goods or services to a consumer, including the enhancement of a service that a consumer is already receiving, that the consumer did not request, and (b) requires the consumer to pay for the goods or services unless the consumer informs the supplier that the consumer does not want the goods or services; and
 - cease the unfair practice of ‘misleading and deceiving’ advertising for any and all products sold and marketed; and
 - ensure refunds are provided to consumers who cancel an internet marketing contract as allowed by the Internet Sales Contract Regulation.

- Any employee, representative, agent or associate of Chad Shaady Fawzi Hamzeh, Director of 1806369 Alberta Ltd. must immediately:
 - cease engaging in the activities of a “Negative Option Selling” by provides goods or services to a consumer, including the enhancement of a service that a consumer is already receiving, that the consumer did not request, and (b) requires the consumer to pay for the goods or services unless the consumer informs the supplier that the consumer does not want the goods or services; and
 - cease the unfair practice of ‘misleading and deceiving’ advertising for any and all products sold and marketed; and

- ensure refunds are provided to consumers who cancel an internet marketing contract as allowed by the Internet Sales Contract Regulation.
- Any employee, representative, agent or associate of 1806369 Alberta Ltd. must immediately:
 - cease engaging in the activities of a “Negative Option Selling” by provides goods or services to a consumer, including the enhancement of a service that a consumer is already receiving, that the consumer did not request, and (b) requires the consumer to pay for the goods or services unless the consumer informs the supplier that the consumer does not want the goods or services; and
 - cease the unfair practice of ‘misleading and deceiving’ advertising for any and all products sold and marketed; and
 - ensure refunds are provided to consumers who cancel an internet marketing contract as allowed by the Internet Sales Contract Regulation.

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*.**



Scott Hood
Director of Fair Trading (as delegated)
June 13, 2018