

**BACKUP CONSTRUCTION INC.
AND
KEITH SEVERSON, DIRECTOR
AND TO
ANY EMPLOYEE, REPRESENTATIVE, OR AGENT
OF
BACKUP CONSTRUCTION INC. OR KEITH SEVERSON**

This Director's Order was appealed and an appeal hearing was held on April 23, 2014. On May 6, 2014 the Appeal Board issued its written decision. The Appeal Board ruled the Director's Order be amended (added wording is underlined). In all other respects, the Appeal Board confirmed the Director's Order of June 28, 2013.

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**AMENDED DIRECTOR'S ORDER UNDER SECTION 157 OF THE
FAIR TRADING ACT**

TO

BACKUP CONSTRUCTION INC.

AND

KEITH SEVERSON, DIRECTOR

AND TO

**AND ANY EMPLOYEE, REPRESENTATIVE, OR AGENT OF BACKUP
CONSTRUCTION INC. OR KEITH SEVERSON**

ISSUE

On or about March 16, 2012 Backup Construction Inc., through its director Keith Severson, provided a quote to a consumer in person at the consumer's residence for work on that residence. The quote was for a home renovation, including work on walls, floors, electrical systems, and plumbing. The total price of this quote was \$38,718.75. On or about June 6, 2012 a verbal contract was made between Backup Construction Inc. and the consumer based on the terms of the quote. No written contract was completed for this job. The consumer made three payments of \$10,500 each, on June 22, July 6, and August 13, 2012. Each of these payments was made before all work called for in the contract was complete. All work called for in the contract was completed, though the consumer is disputing the cost of some additions made to the work.

This activity constitutes a "prepaid contracting business" requiring a person or business to be licensed under Section 104(1) of the *Fair Trading Act*. A Prepaid Contracting Business means the activities of soliciting, negotiating or concluding in person, at any place other than the seller's place of business, a construction or maintenance contract in which all or part of the contract price is to be paid before all of the goods or services called for in the contract are provided. When a business enters into a prepaid contract to provide goods and services worth \$200 or more, this contract must be in writing and include specific terms required by the *Fair Trading Act*.

Backup Construction Inc., through company director Keith Severson, has entered into a prepaid contract with a consumer without holding this licence, and did not include all required terms in that prepaid contract. As of February 2013 the company was informed of the prepaid contracting licence requirement. Despite being aware of the licence requirement, the company has not made application for a prepaid contracting licence. As such, there is the potential they may enter into prepaid contracts with residential consumers in the future without a licence, in violation of the *Fair Trading Act*.

ORDER

- Backup Construction Inc. must immediately cease entering into prepaid contracts (taking down payments, deposits or progress payments before the work is fully completed) at any place other than the seller's place of business with residential consumers until licensing requirements have been met and must ensure all prepaid contracts include the terms required by the *Fair Trading Act*.
- Keith Severson, either in his own capacity or when acting on behalf of a corporation in which he has an interest or by which he is employed, must immediately cease entering into prepaid contracts (taking down payments, deposits or progress payments before the work is fully completed) at any place other than the seller's place of business with residential consumers until licensing requirements have been met and must ensure all prepaid contracts include the terms required by the *Fair Trading Act*.
- Any employee, representative, agent or associate of Backup Construction Inc. or Keith Severson must immediately cease entering into prepaid contracts (taking down payments, deposits or progress payments before the work is fully completed) at any place other than the seller's place of business with residential consumers until licensing requirements have been met and must ensure all prepaid contracts include the terms required by the *Fair Trading Act*.

NON COMPLIANCE WITH ORDER

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



Scott Hood
Director of Fair Trading (as delegated)
May 6, 2014