

BLUM'S CONSTRUCTION
AND TO WERNER BLUM
AND TO
ANY EMPLOYEE, REPRESENTATIVE, OR AGENT OF
BLUM'S CONSTRUCTION
AND/OR WERNER BLUM

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 of the *Fair Trading Act*, this Director's Order is part of the public record.

For more information on the Fair Trading Act, business licensing in Alberta or to search for a licensed business, please click here:

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

TO

WERNER BLUM
o/a "BLUM's CONSTRUCTION"

ANY EMPLOYEE, REPRESENTATIVE, OR AGENT
OF WERNER BLUM
o/a "BLUM's CONSTRUCTION"

Issues

Werner Blum, operating as "Blum's Construction", operates a home renovation and new home construction business where contracts or portions thereof are often solicited, negotiated, or concluded at a consumer's home and the consumer is required to pay deposit or progress payments prior to the completion of work.

In July 2011, Werner Blum, operating as "Blum's Construction" was informed in writing of the prepaid contracting license requirement.

In August and September of 2011 several correspondence as well as telephone conversations with Daniel Forbes and Bruce Lennon of Lennon & Barlow Solicitors, lawyers representing Werner Blum were further educated on the prepaid contracting license requirement and penalties for non-compliance.

In October, 2011 a final correspondence from Bruce Lennon, Lennon & Barlow suggested that his client Werner Blum fully intended on entering into voluntary compliance.

Of note, throughout the process of communicating the licensing provisions verbally and in writing to Werner Blum, on more than one occasion he seemed to express some reluctance in accepting the application of the legislation to his business. This raised some question as to his actual intentions respecting voluntary compliance.

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The supplier made it clear in communications with Service Alberta that he normally accepts deposits or progress payments but believed that because they were for "materials" the license requirement shouldn't apply to him. The potential remains that the supplier will at some future time enter into prepaid contracts in Alberta without a license in violation of the *Fair Trading Act*.

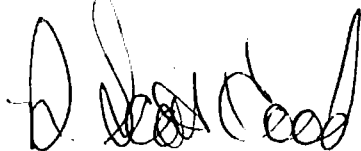
As of November 18, 2011 no further inquiry had been made and no formal license application submitted to Service Alberta.

ORDER

- Werner Blum, operating as "Blum's Construction", must immediately cease entering into prepaid contracts (taking down payments, deposits or progress payments before the work is fully completed) until the licensing and security requirements have been met.
- Individuals who are employed by, representing, acting as agent for or otherwise associated with Werner Blum, operating as "Blum's Construction", must immediately cease entering into prepaid contracts until licensing requirements have been met.

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)
November 21, 2011