

DESIGNER HOME IMPROVEMENTS INC.

AND TO

ALBERTA ROOFING & EXTERIORS INC.

AND TO

JAMES WARD HEFFERNAN, DIRECTOR

AND TO

**ANY EMPLOYEE, REPRESENTATIVE, OR AGENT OF
DESIGNER HOME IMPROVEMENTS INC.,
ALBERTA ROOFING & EXTERIORS INC., AND/OR
JAMES WARD HEFFERNAN**

This Director's Order was issued under s. 157 of the Fair Trading Act in response to, in the opinion of the Director, contraventions of the Act. As mandated by s. 157 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

DESIGNER HOME IMPROVEMENTS INC.

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EXTERIORS INC., AND/OR JAMES WARD HEFFERNAN**

ISSUE

On June 4, 2012 Designer Home Improvements Inc. entered into a prepaid contract with an Edmonton-area consumer to install a sunroom at the consumer's residence. This contract required a deposit of one-third of the total cost before the work began. Work was not completed within the expected time frame, and the consumer cancelled the contract. Designer Home Improvements Inc. provided a refund for the deposit, but deducted a restocking fee.

On August 20, 2012 Designer Home Improvements Inc., through company director James Heffernan, entered into a contract with an Ardrossan-area consumer to replace roofing and eavestroughs on a personal residence. This contract required a deposit of one-third of the total cost before the work began, and another third after materials were delivered. Work was done on the property, but not all items required by the contract were completed, and Designer Home Improvements Inc. has not returned to fix the issues.

On October 10, 2012 and May 16, 2013 Alberta Roofing & Exteriors Inc., through company director James Heffernan, entered into contracts with an Edmonton-area

consumer and a Morinville-area consumer to replace roofing on their personal residences. In each case, work was completed, but there were disputed deficiencies with the resulting roof. One consumer has cancelled the contract due to the cost of repairs required and received a partial refund, but has not received anything further from Alberta Roofing & Exteriors Inc.

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 contractor enters into a prepaid contract without the proper licence, the consumer can cancel the contract up to one year from the date the contract was signed. If the consumer cancels, the contractor has fifteen days to return all money paid before the work was completed, after which the consumer and contractor can work out the amount owing for work already done.

Designer Home Improvements Inc., Alberta Roofing & Exteriors Inc., and James Heffernan are each aware of the requirements for prepaid contracting licences, as they have been advised by Service Alberta of these requirements. Despite this, evidence shows both companies have entered into prepaid contracts without a licence on at least four occasions, and that Mr. Heffernan participated in at least three of these contracts. As such, there is the potential they will continue to enter into prepaid contracts with residential consumers in the future without a licence, in violation of the *Fair Trading Act*.

ORDER

- Designer Home Improvements Inc. must immediately cease entering into prepaid contracts (taking down payments, deposits or progress payments before the work is fully completed) with residential consumers until licensing requirements have been met and must ensure refunds are provided to consumers who cancel as allowed by the *Fair Trading Act*.
- Alberta Roofing & Exteriors Inc. must immediately cease entering into prepaid contracts (taking down payments, deposits or progress payments before the work is fully completed) with residential consumers until licensing requirements have been met and must ensure refunds are provided to consumers who cancel as allowed by the *Fair Trading Act*.
- James Ward Heffernan, 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) with residential consumers until licensing requirements have been met.
- Any employee, representative, agent or associate of Designer Home Improvements Inc., Alberta Roofing & Exteriors Inc., and/or James Ward Heffernan must immediately cease entering into prepaid contracts (taking down payments, deposits or progress payments before the work is fully completed) with residential consumers 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 29, 2013