

## FEDERAL AUCTION SERVICE

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. 157.1 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**

**FEDERAL AUCTION SERVICE**

**and to**

**ANY EMPLOYEE, REPRESENTATIVE, AGENT OR ASSOCIATE OF**

**FEDERAL AUCTION SERVICE**

**Issues**

Federal Auction Service (Federal) has been licensed as an auction sales business since October 2002. Investigation by Service Alberta into allegations that Federal was using misrepresentations and ambiguity in their advertising practices has convinced the Director that:

1. Federal has used advertising, supported by a 2004 Ontario Court Order to identify the provenance of merchandise offered for sale at auction to consumers contrary to sections 6(2)(c), 6(4)(a), 6(4)(j) of the *Fair Trading Act*.
2. Federal has used advertising and engaged in activities that are contrary to section 6.1(4)(a)(i) of the *Public Auctions Regulation*, Alberta Regulation 196/99.

**LEGISLATION:**

The *Fair Trading Act* RSA 2000 states:

"It is an unfair practice for a supplier, in a consumer transaction or a proposed consumer transaction to use exaggeration, innuendo or ambiguity as to a material fact with respect to the consumer transaction."

"It is an unfair practice for a supplier doing or saying anything that might reasonably deceive or mislead a consumer."

"It is an unfair practice that a suppliers representation that goods or services have been made available in accordance with a previous representation if they have not."

The Public Auctions Regulation - Alberta Regulation 196/99 states:

'No auctioneer or auction sales business may in any form of advertising or when holding or conducting a sale by public auction make statements or announcements that are inaccurate or misleading or that misrepresent in any way the quality, quantity, use, size , origin or content of any goods intended for sale by public auction."

**ORDER:**

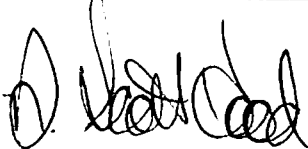
Federal Auction Service is to immediately cease adverting using Ontario Court Order # 04-CV-263840CM2 or any such or similar order if the provenance of the items offered for sale are not clearly and unequivocally described to confirm the origin of the items offered for sale.

Federal Auction Service is to cease using exaggeration, innuendo, ambiguity or doing or saying anything that might reasonably mislead or deceive a consumer.

Federal Auction Service is to immediately gain and maintain compliance with all pertinent legislation, be they statutes or regulations relating to Public Auctions in the province of Alberta.

**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)  
February 26, 2010