
DIRECTOR'S ORDER UNDER SECTION 157

OF THE *FAIR TRADING ACT*

TO

GROUP OF GOLD LINE INC.

AND TO

ANY SUBSIDIARY OF GROUP OF GOLD LINE INC.

AND TO

ANY EMPLOYEE, REPRESENTATIVE, OR AGENT OF GROUP OF

GOLD LINE INC.

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.

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INC.**

ALLEGATION

Service Alberta has investigated allegations related to breaches of the requirements of the Gift Card Regulation under the *Fair Trading Act* and found evidence that:

1. Group of Gold Line Inc. has continued to offer for sale prepaid phone cards which include an expiry date in violation of s. 2 of the Gift Card Regulation.
2. Group of Gold Line Inc. has continued to deduct administrative or maintenance fees from the balance remaining on prepaid phone cards in violation of s. 4(b) of the Gift Card Regulation.

Based on the available evidence, the Director has reached the opinion that Group of Gold Line Inc. has breached the Gift Card Regulation under the *Fair Trading Act*.

KEY LEGISLATION

The Gift Card Regulation 146/2008 states:

- s. 2 Prohibition against expiry dates
- (1) No supplier shall offer for sale or sell a prepaid purchase card that has an expiry date.

s. 3 Fees

- (1) A supplier may charge a purchaser a one-time fee for activating a prepaid purchase card at the time the prepaid purchase card is purchased.
- (2) A supplier may charge a fee for replacing a lost or stolen prepaid purchase card.
- (3) A supplier may charge a fee to customize a prepaid purchase card.
- (4) No supplier may charge a fee other than those authorized in this section.
- (5) Subsection (4) applies to prepaid purchase cards sold before, on or after the day on which this Regulation comes into force.

s. 4 Unfair practices

The following activities are unfair practices for the purposes of the Act:

- (a) the offering for sale and the sale of prepaid purchase cards in contravention of section 2;
- (b) the charging or deduction of a fee from the balance remaining on a prepaid purchase card in contravention of section 3;

ORDER

- Group of Gold Line Inc. must immediately:
 - Cease offering for sale or selling prepaid purchase cards with an expiry date;
 - Cease charging fees on prepaid purchase cards, other than a one-time fee to activate the prepaid purchase card at the time the prepaid purchase card is purchased, a fee for replacing a lost or stolen prepaid purchase card, or a charge to customize a prepaid purchase card.
- Any subsidiary of Group of Gold Line Inc., including any corporation or business owned by, managed by, or controlled by Group of Gold Line Inc., must immediately:
 - Cease offering for sale or selling prepaid purchase cards with an expiry date;
 - Cease charging fees on prepaid purchase cards, other than a one-time fee to activate the prepaid purchase card at the time the prepaid purchase card is purchased, a fee for replacing a lost or stolen prepaid purchase card, or a charge to customize a prepaid purchase card.

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*.**



Karen Carruthers
Director of Fair Trading (as delegated)
June 8, 2014