

MDG CALGARY INC.
MDG EDMONTON
PREDRAG (PETE) NINKOVIC, DIRECTOR
GORAN PANIC, DIRECTOR
GORAN VARAKLIC, DIRECTOR
MDG COMPUTERS CANADA 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.

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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To view a tipsheet on this business licence category, please click here:

[Tipsheets](#)

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

TO

MDG CALGARY INC.

TO

MDG EDMONTON

TO

PREDRAG (PETE) NINKOVIC, DIRECTOR

TO

GORAN PANIC, DIRECTOR

TO

GORAN VARAKLIC, DIRECTOR

TO

MDG COMPUTERS CANADA INC.

AND TO

ANY EMPLOYEE, REPRESENTATIVE, AGENT, OR ASSOCIATE OF MDG CALGARY
INC. OR MDG COMPUTERS CANADA INC.

ISSUES:

Service Alberta, Consumer Services Branch, received and investigated several consumer complaints against MDG Calgary Inc. And MDG Canada Inc. (hereinafter referred to as MDG). These complainants said they responded to advertising for computers and when they

tried to purchase these computers they were not available for purchase at the advertised price. To verify these complaints, SA Investigators posed as consumers and made several unsuccessful attempts to buy computer packages at MDG's advertised prices. These complaints and purchase attempts by SA Investigators involved both Edmonton and Calgary MDG locations.

During the SA Investigators attempts to purchase these computer systems, enquiries were made at the store about the free Microsoft XBOX 360 offer. The advertising stated that this was a special offer with all desktop & notebook "+models". Whenever our investigators asked about the XBOX offer they were told that the system they were trying to purchase did not qualify for this offer. When the investigators asked what constitutes a "+model", they were given a variety of answers. No where in the advertisements or website does MDG advertise a "+ model" computer. The only reference made to "+model" in the advertisement or website is. "add \$249 to any regular priced models to get all the benefits of MDG's +models." Even when the investigators offered to pay the extra \$249, they were told by MDG staff that the regular priced system they were looking at still did not qualify. MDG does not intend to provide any X-Box game system to consumers with their purchase of a computer system and this constitutes a breach of Section 6(4)(c) of the Fair Trading Act.

MDG advertisements in the March 07, 14 and 19, 2007 editions of the Calgary Sun advertised the Horizon LC Model at \$599 (this week), above the price it says "Last Week \$899" and below the advertised price it says "Next Week \$899". The February 28, March 07 and 28, 2007 editions of the Calgary Sun list the regular price of the Horizon LC Model at \$599.00. The price did not change from \$599. This style of advertising gives the consumer a false sense of urgency to take advantage of a price advantage that does not exist. This constitutes an unfair practice under section 6(4)(o) of the Fair Trading Act.

MDG invoiced one consumer \$35.99 for an "Ethernet Card" that was never provided. Analysis of this consumer's computer shows the motherboard has a built-in Ethernet or LAN (Local Area Network). This LAN is built into the motherboard by way of circuits and components and is not a card at all. The work order and invoice for this computer state that an added expansion card such as a PCI network card is installed in the system. No such card was present. This constitutes an unfair practice under section 6(4)(c) of the Fair Trading Act.

It should be noted that the MDG locations in both Edmonton and Calgary have ceased operations. However, I believe it is still important to proceed with this issuance of this Director's Order as MDG Canada Inc. is still operating across Canada and Albertans may still be disadvantaged by MDG Canada Inc. through telephone and internet sales of these computer systems. In addition, the Directors of MDG Calgary and Edmonton should be subject to the conditions of this Director's Order should they decide to enter into this business in Alberta in the future.

LEGISLATION:

The following sections are taken from the Fair Trading Act and refer to this situation.

Section 6 (4) Without limiting subsections (2) and (3), the following are unfair practices if they are directed at one or more potential consumers:

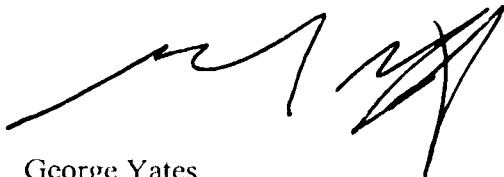
- (a) a supplier's doing or saying anything that might reasonably deceive or mislead a consumer;
- (k) a supplier's representation that the supplier can supply goods or services if the supplier cannot;
- (m) a supplier's representation that goods are available in a particular quantity if they are not;
- (n) a supplier's representation that goods or services will be supplied within a stated period if the supplier knows or ought to know that they will not
- (y) a supplier's representation that goods or services are available at an advantageous price if reasonable quantities of them are not available at such a price, unless it is made clear that quantities are limited

ORDER:

MDG Calgary Inc., MDG Computers Canada Inc., Predrag (Pete) Ninkovic (Director), Goran Panic (Director), Goran Varaklic (Director), employees, representatives, agents and associates must immediately stop advertising goods that they are unable to provide. Unless specified in advertising, goods advertised must be available or capable of being assembled in reasonable quantities for purchase by consumers. Any commitments made to consumers with regards to filling orders must be filled in the time period specified. In addition, a price cannot be advertised as a sale price when it does not differ from the regularly advertised price. Finally, a consumer may not be invoiced for additional hardware that is already built into the computer system.

NON COMPLIANCE WITH ORDER:

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



George Yates
Director of Fair Trading

Consumer Services Branch
Consumer Programs

3rd Floor, Commerce Place
Mail Station 3C, 10155 - 102 Street
Edmonton, Alberta
Canada T5J 4L4

Telephone (780) 427-5210
Fax (780) 427-3033

Sent by Registered Mail

December 15, 2008

File No. 18263

Predrag (Pete) Ninkovic
MDG Calgary Inc.

Dear: Mr. Ninkovic

Re: Order to comply with the Fair Trading Act

It has been brought to my attention that MDG Calgary Inc. has not been in full compliance with the *Fair Trading Act* (FTA).

Based on the findings of an investigation completed by Investigation Services of the Consumer Services Branch I believe you were involved in Unfair Practices. Pursuant to section 157 of the FTA I order that all future business be conducted in compliance with the FTA.

You have the right to appeal the Order under section 179(1)(d) of the FTA. A notice of appeal must be served to the Minister within 30 days of the receipt of this letter.

Please note that pursuant to section 157.1 of the FTA this Order is a public record and may be viewed by all interested parties.

Yours truly,



for: George Yates
Director of Fair Trading

Attachment

cc: Trevor Schulz, Case Assessment Officer

Consumer Services Branch
Consumer Programs

3rd Floor, Commerce Place
Mail Station 3C, 10155 - 102 Street
Edmonton, Alberta
Canada T5J 4L4

Telephone (780) 427-5210
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December 15, 2008

File. 18263

Goran Panic
MDG Calgary Inc.

Dear: Mr. Panic

Re: Order to comply with the Fair Trading Act

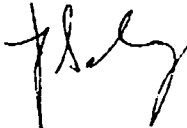
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cc: George Yates
Director of Fair Trading

Attachment

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Sent by Registered Mail

December 15, 2008

File. 18263

Goran Varaklic
MDG Computers Canada INC.

Dear: Mr. Varaklic

Re: Order to comply with the Fair Trading Act

It has been brought to my attention that MDG Computers Canada INC. has not been in full compliance with the *Fair Trading Act* (FTA).

Based on the findings of an investigation completed by Investigation Services of the Consumer Services Branch I believe MDG Computers Canada INC. was involved in Unfair Practices. Pursuant to section 157 of the FTA I order that all future business be conducted in compliance with the FTA.

You have the right to appeal the Order under section 179(1)(d) of the FTA. A notice of appeal must be served to the Minister within 30 days of the receipt of this letter.

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Yours truly,



for: George Yates
Director of Fair Trading

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cc: Trevor Schulz, Case Assessment Officer