

**RELIABLE ROOFING (2000) LTD.**

**AND**

**DEAN HAGSTROM, DIRECTOR**

**AND**

**ANY EMPLOYEE, REPRESENTATIVE, OR AGENT OF  
RELIABLE ROOFING (2000) LTD. OR DEAN HAGSTROM**

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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Service Alberta

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

**TO**

**RELIABLE ROOFING (2000) LTD.**

**AND**

**DEAN HAGSTROM, Director**

**AND**

**ANY EMPLOYEE, REPRESENTATIVE, OR AGENT OF RELIABLE ROOFING  
(2000) LTD. OR DEAN HAGSTROM**

**ISSUE**

On or about July 18, 2012 Reliable Roofing (2000) Ltd. through its director Dean Hagstrom entered into a contract with a consumer in person at the consumer's residence for work on that residence. The contract was for the replacement of the roof on a house and garage. The total price of this contract was \$14,500 of which \$7,000 was paid before work began. The work required by the contract has not been completed, with only some material being supplied. The consumer sent a cancellation letter to the company on or about December 12, 2012. Reliable Roofing (2000) Ltd. has refunded the balance of the deposit to the consumer, though not within the fifteen days required by legislation.

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 by the consumer, after which the consumer and contractor can work out the amount owing for work already done.

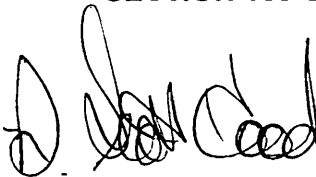
Reliable Roofing (2000) Ltd. has entered into a prepaid contract with a consumer without holding this licence. As of February, 2013 the company was informed of the prepaid contracting licence requirement and confirmed they are looking into the licensing process. Although Mr. Hagstrom verbally advised the company intends to cease operating as a prepaid contractor, they have not provided Service Alberta with written confirmation of this intention. As such, there is the potential they may enter into prepaid contracts with residential consumers in the future without a licence, in violation of the *Fair Trading Act*. In addition, they did not refund the deposit to the consumer within fifteen days of cancellation, as required.

### **ORDER**

- Reliable Roofing (2000) Ltd. must immediately cease entering into prepaid contracts (taking downpayments, 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*.
- Dean Hagstrom, 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 and must ensure refunds are provided to consumers who cancel as allowed by the *Fair Trading Act*.
- Any employee, representative, agent or associate of Reliable Roofing (2000) Ltd. or Dean Hagstrom 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*.

### **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)  
May 13, 2013