

AAA DEBTMANAGERS INC.
NATIONAL CREDIT COUNSELLORS OF 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.

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

**AAA DEBTMANAGERS.CA INC
AND
NATIONAL CREDIT COUNSELLORS OF CANADA INC.
AND
ANY EMPLOYEE, REPRESENTATIVE, OR AGENT of
AAA DEBTMANAGERS.CA INC or
NATIONAL CREDIT COUNSELLORS OF CANADA INC.**

ISSUE

In April 2005 National Credit Counsellors of Canada Inc. entered into an agreement with an Alberta consumer to set up and administer a debt repayment program on behalf of the consumer.

National Credit Counsellors of Canada Inc. was licenced in Alberta as a debt repayment agency until December 2001. The licence was not renewed. In April 2005 a licence package was sent to the company but was not returned. The company did not hold a valid licence at the time the agreement was entered into with the consumer.

The Website for AAA DebtManagers.ca Inc. contains the statement "AAADebtManagers (Formally National Credit Counsellors) is Canada's largest independent group of consumer credit and debt counseling professionals." The Website further indicates that AAA DebtManagers.ca Inc. provides debt consolidation, debt and credit counseling, credit card consolidation, debt settlement and debt management programs across Canada and names the province of Alberta.

AAADebtManagers.ca Inc. does not hold an existing debt repayment agency licence for the province of Alberta.

LEGISLATION

The *Collection and Debt Repayment Practices Regulation* states:

Section 1 (b) "collection agency means a person, other than a collector or debt repayment agent;

(ii) who carries on the activities of a debt repayment agency;

Section 1 (g) "debt repayment agency" means a collection agency that carries on the activities of offering or undertaking to act for a debtor in Alberta in arrangements or negotiations with the debtor's creditors or receiving money from a debtor for distribution to the debtor's creditors in consideration for a fee, commission or other remuneration that is payable by the debtor;


Section 3 (3) No person may carry on the activities of a debt repayment agency described in s. 1 (b)(ii) unless the person holds a debt repayment agency licence.

ORDER

- National Credit Counsellors of Canada and any employee, representative or agent in must immediately cease entering into new or administrating existing debt repayment agreements on behalf of Alberta consumers until license requirements have been met.
- AAA DebtManagers.ca Inc. and any employee, representative or agent in must immediately cease entering into new or administrating existing debt repayment agreements on behalf of Alberta consumers until license 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.



Darren Thomas
Director of Fair Trading (as delegated)

June 26, 2009