

**THE BUSINESS DEPOT LTD.
STAPLES BUSINESS DEPOS (STAPLES)**

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

TO

**THE BUSINESS DEPOT LTD.
OPERATING AS STAPLES BUSINESS DEPOT (STAPLES)**

AND TO

**ANY EMPLOYEE, REPRESENTATIVE, OR AGENT OF
THE BUSINESS DEPOT OR STAPLES BUSINESS DEPOT**

Issues

In August 2004 a consumer, hereafter referred to as Consumer #1, purchased a computer at a Staples store in the city of Calgary. This product was returned to the store and replaced by Staples.

In April 2005 Consumer #1 received notification from another consumer, hereafter referred to as Consumer #2 that she had purchased a computer from Staples, which was sold to her as new and which contained the personal information of Consumer #1.

Prior to this contact Consumer #1 and Consumer #2 were unknown to each other.

Consumer #2 had purchased the computer from Staples in December 2004. At that time, they had requested a new, unused computer. When Consumer #2 took the product home and turned it on they discovered a blank screen and a technical display rather than the normal Windows Splash Screen. Consumer #2 did not receive installation or hardware CDs, as is customary when a new computer is purchased.

Staples was contacted and attended to the computer issues as represented by Consumer #2. It was discovered that a Staples installation CD not intended for public use was present in the drive of the computer.

Consumer #2 state they followed up this inquiry with contacts with Staples and were informed that Staples does not sell used computers.

General Counsel for Staples advised that any product sold with the last value being a "7" in the price, as in this case, denotes a prior history of the product.

The General Counsel disclosed that such a pricing issue is for **internal** use and no disclosure is made to consumers.

Consumer #2 specifically requested a new computer. The invoice does not make any mention of any previous history of the product. No disclosure of a previous history of the product was ever made to Consumer #2.

Legislation

The *Fair Trading Act* RSA 2000 states:

6(1) In this section, "material fact" means any information that would reasonably be expected to affect the decision of a consumer to enter into a consumer transaction.

6(1.1) It is an offence for a supplier to engage in an unfair practice.

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

6(4)(f) a supplier's representation that goods have or have not been used to an extent that is different from fact

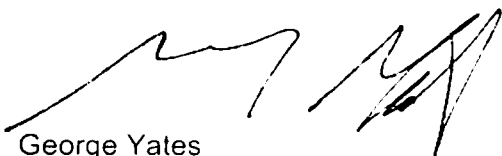
6(4)(h) a supplier's representation that goods have or do not have a particular prior history or usage if that is different from the fact;

Order

The Business Depot Ltd. operating as Staples Business Depot must immediately disclose to consumers the prior history and/or usage of any product sold by them. Further, such disclosure must be clear, concise and specific to the products involved.

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*.**



George Yates
Director of Fair Trading
September 11, 2008