

1981 BILL 72

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Third Session, 19th Legislature, 30 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 72**

**CONSUMER AND CORPORATE AFFAIRS  
STATUTES AMENDMENT ACT, 1981**

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MR. LITTLE

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First Reading .....

Second Reading .....

Committee of the Whole .....

Third Reading .....

Royal Assent .....

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*Bill 72*  
*Mr. Little*

## **BILL 72**

1981

### **CONSUMER AND CORPORATE AFFAIRS STATUTES AMENDMENT ACT, 1981**

*(Assented to \_\_\_\_\_, 1981)*

HER MAJESTY, by and with the advice and consent of the  
Legislative Assembly of Alberta, enacts as follows:

#### **Business Corporations Act**

*1(1) The Business Corporations Act is amended by this section.*

*(2) Section 188(2) and (3) are amended by striking out "section"  
and substituting "Part".*

*(3) Section 254(1) is amended by adding the following after clause  
(e):*

*(f) respecting the circumstances under which a corporation or  
extra-provincial corporation is prohibited from being incorpo-  
rated or registered with, having, carrying on business under,  
identifying itself by or changing its name to a specified name or  
kind of name.*

## **Explanatory Notes**

### **Business Corporations Act**

1(1) This section will amend chapter B-15 of the Statutes of Alberta, 1981.

(2) Section 188(2) and (3) presently read:

*(2) If within the time limited in a take-over bid for its acceptance or within 120 days after the date of a take-over bid, whichever period is the shorter, the bid is accepted by the holders of not less than 90% of the shares of any class of shares to which the take-over bid relates, other than shares of that class held at the date of the take-over bid by or on behalf of the offeror or an affiliate or associate of the offeror, the offeror is entitled, on the bid being so accepted and on complying with this section, to acquire the shares of that class held by the dissenting offerees.*

*(3) The rights of an offeror and offeree under this section are subject to any unanimous shareholder agreement.*

(3) Lieutenant Governor in Council may make regulations.

## **Direct Sales Cancellation Act**

*2(1) The Direct Sales Cancellation Act is amended by this section.*

*(2) Section 3(3) is amended by adding the following after clause (b):*

(b.1) to a sales contract where the buyer intends to use the goods or services supplied under the contract primarily for business purposes,

*(3) Section 5 is repealed.*

*(4) Section 6(1) is repealed and the following is substituted:*

**6(1)** A buyer may rescind a sales contract by giving a notice of cancellation

(a) not later than the fourth day after the date on which the copy of the sales contract is received by him by personal delivery or by mail,

(b) not later than one year after the date on which the copy of the sales contract is received by him by personal delivery or by mail, if

(i) all of the goods or services to be supplied under the sales contract are not supplied within 120 days after the date the sales contract was signed by the buyer and no date for delivery or performance is specified in or ascertainable from the sales contract, or

(ii) the seller was, during the period in which the sales

## Direct Sales Cancellation Act

2(1) This section will amend chapter 110 of the Revised Statutes of Alberta 1970.

(2) Act not to apply to certain sales contracts.

(3) Section 5 presently reads:

*5(1) A sales contract is void if with respect thereto the seller gives, or offers to give, a rebate or discount to the buyer in consideration of his giving the seller the names of prospective purchasers or otherwise aiding the seller in making a sale to another person, if the earning of the rebate, discount or other value is contingent upon the occurrence of an event subsequent to the time the buyer agrees to buy.*

*(2) A sales contract is void unless*

*(a) it is signed by the buyer,*

*(b) it contains a notice in the form in the Schedule to this Act and completed as to paragraph 5 thereof, and the notice is at least as prominent as the rest of the contents of the sales contract, and*

*(c) a copy of it is received by the buyer, by personal delivery or by mail, within seven days after the day the sales contract was signed by the buyer.*

(4) Section 6(1) presently reads:

*6(1) A buyer may rescind a sales contract by giving a notice of cancellation in accordance with this section*

*(a) not later than the fourth day after the date on which the copy of the sales contract was received by him by personal delivery or by mail, or*

*(b) not later than one year after the date on which the copy of the sales contract was received by him by personal delivery or by mail, if*

*(i) all of the goods or services to be supplied under the sales contract are not supplied within 120 days after the date the sales contract was signed by the buyer and no date for delivery or performance is specified in or ascertainable from the sales contract, or*

*(ii) the seller was during the period in which the sales contract was solicited, negotiated and concluded, required to be licensed*

contract was solicited, negotiated and concluded, required to be licensed under the *Licensing of Trades and Businesses Act* but was not so licensed,

(c) not later than 180 days after the date on which all of the goods or services are to be supplied under the sales contract where

(i) the date is ascertainable

(A) as a fixed day stated in the sales contract, or

(B) by reference to the fulfilment of the buyer's obligations to the seller,

and

(ii) all of the goods or services are not supplied within 30 days after that date,

(d) not later than

(i) 180 days after the date on which the copy of the sales contract is received by him by personal delivery or mail, in a case where all of the goods or services are not supplied within that 180 day period, or

(ii) 30 days after all of the goods or services are supplied,

whichever occurs first, if,

(iii) with respect to the sales contract, the seller gives or offers to give a rebate or discount to the buyer in consideration of his giving the seller the names of prospective purchasers or otherwise aiding the seller in making a sale to another person, and the earning of the rebate, discount or other value is contingent on the occurrence of an event subsequent to the time the buyer agrees to buy, or

(iv) the sales contract is not signed by the buyer,

(e) not later than

(i) 120 days after the date on which the copy of the sales contract is received by him by personal delivery or mail, in a case where all of the goods or services are not supplied within that 120-day period, or

(ii) 30 days after all of the goods or services are supplied,

whichever occurs first, if the sales contract does not contain

*under The Licensing of Trades and Businesses Act but was not so licensed, or*

*(iii) any salesman was, at any time while dealing with the buyer, required to be licensed under The Licensing of Trades and Businesses Act but was not so licensed,*

*or*

*(c) not later than six months after the date on which all of the goods or services are to be supplied under the sales contract where*

*(i) the date is ascertainable*

*(A) as a fixed day stated in the sales contract, or*

*(B) by reference to the fulfillment of the buyer's obligations to the seller,*

*and*

*(ii) all of the goods or services have not been supplied within 30 days after that date.*

(5) The Schedule presently reads:

**SCHEDULE  
THE DIRECT SALES CANCELLATION ACT  
STATUTORY NOTICE**

**Right of Cancellation by Buyer**

1. This is a sales contract to which The Direct Sales Cancellation Act of Alberta applies.
2. The buyer may cancel this contract by giving notice of cancellation within four days after the date on which the buyer's copy of this contract is received by him, by personal delivery or by mail, without giving reasons for cancellation.
3. The buyer may cancel this contract by giving notice of cancellation within one year of the date on which the buyer's copy of this contract is received by him, by personal delivery or by mail, in any of the following cases:

If the goods or services to be supplied under this contract are not supplied within 120 days after the date this contract was signed by the buyer and no date for delivery is specified in or ascertainable from this contract.

OR

If the seller herein was during the period in which this contract was solicited, negotiated and concluded, required to be licensed under The Licensing of Trades and Businesses Act, but was not so licensed.

OR

If any salesman who conducted or participated in the soliciting, negotiating or arranging for the signing of this agreement by the buyer, was required to be licensed under the said Act but was not so licensed.

4. The buyer may cancel this contract by giving notice of cancellation



a notice in the form in the Schedule that is at least as prominent as the rest of the contents of the sales contract, or

(f) not later than

(i) 120 days after the sales contract is signed by the buyer, in a case where all of the goods or services are not supplied within that 120-day period, or

(ii) 30 days after all of the goods or services are supplied,

whichever occurs first, if the buyer does not receive a copy of the sales contract by personal delivery or by mail within 10 days after the date it is signed by him.

(5) *The Schedule is amended*

(a) *by striking out the following:*

OR

If any salesman who conducted or participated in the soliciting, negotiating or arranging for the signing of this agreement by the buyer, was required to be licensed under the said Act but was not so licensed.

(b) *by adding the following after paragraph 4:*

**4.1** The buyer also has a right to cancel this contract by giving notice of cancellation within a period of time prescribed in the Act if any of the following circumstances exist:

If the seller gives or offers to give a rebate or discount to the buyer in consideration of his giving the seller the names of prospective purchasers or otherwise aiding the seller in making a sale to another person, and the earning of the rebate, discount or other value is contingent on the occurrence of an event subsequent to the time the buyer agrees to buy.

OR

If the sales contract is not signed by the buyer.

OR

If the sales contract does not contain the Notice referred to in section 6(1)(e) of the Act.

OR

If the buyer does not receive a copy of the sales contract by personal delivery or by mail within 10 days after the date it is signed by him.

*(c) in paragraph 5 by striking out “or 4” and substituting “, 4 or 4.1”.*

### **Licensing of Trades and Businesses Act**

*3(1) The Licensing of Trades and Businesses Act is amended by this section.*

*(2) Section 5(1)(j3)(ii) is amended by striking out “licensed” and substituting “registered”.*

*4(1) Section 1 comes into force on the date the Business Corporations Act comes into force.*

*(2) Section 2 comes into force on Proclamation.*

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*In accordance with section 4(1) of The Interpretation Act, 1980, section 3 of this Bill comes into force on the date it receives Royal Assent.*

within six months after the date on which all of the goods or services are to be supplied under this contract where that date is a fixed day stated in this contract or is ascertainable by reference to the fulfillment of the buyer's obligations to the seller and where the goods or services are not supplied within 30 days after that date.

5. A notice of cancellation under paragraph 2, 3 or 4 may be delivered to or sent by mail to .....  
.....  
(insert name and address of the seller or other person)  
and if sent by mail, is deemed to be given at the time of mailing.

6. The buyer is advised to make and keep a copy of the notice of cancellation for his own use and to note the date on which it was delivered or mailed, if it is not sent by registered mail.

7. This statutory notice indicates in a general way only the buyer's rights of cancellation. The Direct Sales Cancellation Act should be consulted as to the right of cancellation and other rights of the buyer in respect of this contract.

### **Licensing of Trades and Businesses Act**

**3(1)** This section will amend chapter 207 of the Revised Statutes of Alberta 1970.

(2) Section 5 presently reads in part:

*5(1) The Minister may*

*(j3) make regulations prohibiting the sale within Alberta of bedding or of upholstered or stuffed articles,*

*(ii) unless the manufacturer of the bedding or the upholstered or stuffed article is licensed under this Act or the regulations and a label or other marking in a form prescribed by the Minister is affixed to the bedding or the upholstered or stuffed article,  
or*