

IN THE MATTER OF
Direct Sellers Act
S.N.B. 2011, c. 141, as amended

– and –

IN THE MATTER OF
Steeped Fine Loose Teas & Accessories Inc.
(Respondent)

REASONS FOR DECISION & ORDER OF THE DIRECTOR OF CONSUMER AFFAIRS

Date of Suitability Notice : **July 13, 2026**

Date of Opportunity to be Heard : **Hearing waived as Licensee did not respond**

Date of Reasons for Decision : **September 10, 2026**

Heard Before

Alaina M. Nicholson
Director of Consumer Affairs

INTRODUCTION

- [1] This matter came to the Director of Consumer Affairs (Director) as a result of a recommendation by Commission Staff (Staff) of the Financial and Consumer Services Commission (Commission) that Steeped Fine Loose Teas and Accessories Inc. (Licensee) were not suitable for licensure.
- [2] Subsection 17(1) of the *Direct Sellers Act*, R.S.N.B. 2011, c. 141 (Act) provides that the Director may suspend or cancel a licence if the person who holds the licence violates a provision of the Act, or if in the opinion of the Director, has demonstrated the person's incompetency or untrustworthiness to carry on the business in respect of which the licence of that person was granted.
- [3] Under subsection 17(1.1) of the Act, the Director shall not suspend or cancel a licence without giving the holder of the licence an opportunity to be heard.
- [4] On June 17, 2026, Staff contacted the Licensee to request a list of all salespersons employed or engaged by the Licensee to conduct direct sales in New Brunswick. The information was requested to support the Commission's compliance review of vendor and salesperson licensing requirements under the Act. The Licensee was asked to provide a response by June 30, 2026.
- [5] On June 19, 2026, Staff received a response email from the Licensee's sales department. The email advised that Steeped Fine Loose Teas & Accessories Inc. had filed an assignment in bankruptcy on April 30, 2026, and that The Fuller Landau Group Inc. (Trustee) had been appointed as Licensed Insolvency Trustee.
- [6] On June 25, 2026, Staff responded to the June 19, 2026, email to seek clarification regarding its intentions with respect to its New Brunswick direct seller vendor licence.
- [7] On June 26, 2026, and June 27, 2026, Staff received automated emails indicating that the June 25, 2026, email was undeliverable.
- [8] On July 13, 2026, Staff sent a letter by mail to both the Licensee and the Trustee following unsuccessful attempts to communicate with the Licensee by email. The letter addressed the following:
 - a. that the Licensee continued to hold a vendor licence under the Act, with an expiry date of February 28, 2027, and requested clarification regarding the Licensee's intentions with respect to that licence.
 - b. that licensed vendors enter into contracts directly with consumers and are responsible for fulfilling obligations arising from those contracts. It further advised that the Licensee's assignment in bankruptcy raised concerns regarding its continued suitability to hold a vendor licence, including its financial capacity to carry on the business for which it was licensed and to meet its obligations to consumers.
 - c. the letter presented the Licensee with two options:
 - i. the Licensee could submit a written request for cancellation of its vendor licence by July 27, 2026; or
 - ii. if the Licensee did not request cancellation, Staff would recommend to the Director of Consumer Affairs that the licence be cancelled.

- [9] The letter further advised the Licensee of the right to an opportunity to be heard, including:
- a. that it was an opportunity for them to provide any additional information or rationale to aid the Director in reviewing suitability for licensure;
 - b. that they had a right to bring legal counsel to the opportunity to be heard; and
 - c. that they had a right to disclosure of all information considered by Staff in determining they were unsuitable for licensure and all information put before the Director for consideration.
- [10] The Licensee did not submit a written request for voluntary cancellation of its licence and did not request an opportunity to be heard by the July 27, 2026, deadline.

COMMISSION MANDATE

- [11] The *Financial and Consumer Services Act*, in subsection 2(a), provides that the purpose of the Act is to “*enable the Commission to provide regulatory services that protect public interest and enhance public confidence in the regulated sectors...*”.
- [12] The *Financial and Consumer Services Act*, in paragraph 12(2)(b), provides that “*the Commission shall ... administer financial and consumer services legislation,*” which as per subsection 1(i) includes the *Direct Sellers Act*.
- [13] Consumer protection is a fundamental consideration and a key purpose of the Commission’s mandate. It is a key responsibility of the Director, as the gatekeeper to the industry, to determine suitability of an applicant or a licensee to operate in the sector.

THE PROCESS OF DETERMINING SUITABILITY

- [14] The Commission’s role in protecting the public and enhancing public confidence in the financial marketplaces which it regulates includes ensuring that those carrying on business in the industry are competent and trustworthy. It also includes ensuring that when a licence is granted and/or held, any potential risks to consumers are minimized.
- [15] For the protection of the public and to maintain confidence in regulated consumer markets, the Director must be satisfied that a licence holder remains suitable to conduct business under the Act.
- [16] Honesty, integrity and trustworthiness are essential character traits in Direct Sales licensing. Ensuring these character traits are present provides consumers with confidence in the industry. It is important that consumers feel assured that a licensed vendor will act with honesty and integrity they are being solicited in their home.
- [17] Section 17 of the Act provides grounds for which the Director may suspend or cancel a licence:

17(1) The Director may suspend or cancel a licence held under this Act if the person who holds the licence

[...]

(d) in the opinion of the Director, has demonstrated the person's incompetency or untrustworthiness to carry on the business in respect of which the licence of that person was granted.

- [18] Under paragraph 17(1)(d), a determination may be made that a licensee is unsuitable for licensure where the licensee has demonstrated incompetence or untrustworthiness in carrying on business under the licence, and permitting the licensee to continue operating would expose consumers to a risk of harm or exploitation.

ANALYSIS

- [19] A licence approved by the Commission provides assurance to New Brunswick consumers that the licensee is reputable and may be trusted in their given profession. The question being asked is, if a licensee is continued to be licensed does it leave consumers exposed to potential harm or exploitation.
- [20] The Licensee's assignment in bankruptcy raises concerns regarding its ability to continue carrying on the business for which it is licensed and to meet its obligations to consumers. As licensed vendors enter into contracts directly with consumers and are responsible for fulfilling those obligations, the Licensee's financial circumstances create a risk of consumer harm and support a finding that the Licensee is no longer competent to carry on the business in respect of which the licence was granted.
- [21] The Licensee's failure to respond or request a hearing left the identified concerns unanswered.

DECISION

- [22] I have considered the facts of this matter, including the Licensee's assignment in bankruptcy, combined with the Licensee's failure to clarify its intentions or participate in the process. I find that these factors have created a concrete consumer protection concern and demonstrate grounds for cancellation. The Licensee has not informed me of any stays of proceedings that would apply to this matter.
- [23] Accordingly, in the interest of the public, the vendor licence issued to the Licensee shall be cancelled pursuant to paragraph 17(1)(d) of the Act.
- [24] Pursuant to subsection 17(2) of the Act, where the licence of the vendor is cancelled, the licences of all salespersons of the vendor are also cancelled.
- [25] If the Licensee is dissatisfied with this decision, they have the right to appeal to the New Brunswick Energy and Utilities Board (Tribunal) as provided in subsection 21(1) of the Act. The

deadline for filing an appeal is 30 days from the issuance of the Decision. The Tribunal can provide their Rules of Procedure or answer any questions regarding the hearing process.

DATED at Fredericton, New Brunswick, this 10th day of September, 2026.

Original decision signed by Alaina M. Nicholson

Alaina M. Nicholson
Director of Consumer Affairs
Financial and Consumer Services Commission of New Brunswick