



NEWS RELEASE

TORONTO, ONTARIO – May 28, 2007 Canadians for Properly Built Homes (CPBH) is **again calling on the Government of Ontario** to ensure that at least 50% of the board members of Tarion Warranty Corporation (Tarion) represent incorporated consumer protection organizations and to limit builder representation to one seat. Tarion recently announced its 2007-2008 board. It continues to be builder dominated with no representation from incorporated consumer protection organizations.

Analysis of the Composition of the 2007-2008 Tarion Board – 15 members:

- 8 builders (Brouwer, Cooper, Di Lorenzo, Johnston, Ridley, Saturno, Smith, Basciano)
- 1 Tarion rep (Gee)
- 4 political appointments (Brown, Spiteri, Pitt, Wade) Note: Mr. Wade, Tarion's board chair advised in 2006 that Spiteri and Pitt are "consumer representatives". However, a number of consumers have advised that Ms. Pitt and Mr. Spiteri did not respond to them. Ms. Pitt and Mr. Spiteri have also refused repeated requests from CPBH to meet.
- 1 lawyer (Herskowitz)
- 1 mortgage corporation (Cameron)
- **0 representatives from incorporated consumer protection organizations.**

Boards of directors have taken on increased importance in recent years in relation to governance issues. *"The crisis of confidence and credibility that marked the investment scene in the past few years has increased public criticism of corporate governance practices. Corporate governance refers to the process and structure for overseeing the direction and management of a corporation so that it carries out its mandate and objectives effectively. Recent developments in this matter include the Sarbanes-Oxley Act in the US and the Ontario Security Commission's proposed equivalent in Canada. The board of directors is generally seen as the backbone of corporate governance..."*

(Bozec, R. & Dia, M., Mar. 2007, *European Journal of Operational Research*, 117(3), p. 1734-1750).

Further, according to Tarion's web-site, Tarion's By-laws call for representatives from consumer **organizations**. There are no representatives from consumer organizations on this Tarion board. This also raises the question of whether Tarion is operating within its own By-laws. The Government of Ontario minister responsible for Tarion is Minister Gerry Phillips, and he has advised that, as minister, he has the authority to appoint four board members to the Tarion Board.

Ontarians deserve and need meaningful consumer protection on the largest purchase most of them ever make: a new home. CPBH supports this goal for Ontarians and all Canadians.

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Canadians for Properly Built Homes (CPBH) is a national, not for profit corporation dedicated to healthy, safe, durable, energy efficient residential housing for Canadians, and is the only organization of its kind in Canada. Working for consumer awareness and protection, CPBH is run by a volunteer Board of Directors and is supported by a volunteer Advisory Council of industry experts and other key stakeholders. CPBH has supporters in different parts of Canada, is undertaking projects at the municipal, provincial and federal level and offers a variety of ways for Canadians to get involved. Visit www.canadiansforproperlybulthomes.com .

For further information, media may contact: Connie Cochran, (613) 831-1871; E-mail: media@canadiansforproperlybulthomes.com



Canadians for Properly Built Homes: Backgrounder

Canadians for Properly Built Homes (CPBH) was founded in 2004 by Karen Somerville and Alan Greenberg, a couple who faced serious problems with their newly built home in Ottawa, Ontario. In trying to solve their own home problems, they talked to many homeowners, as well as builders, home inspectors, engineers and others involved in the home construction process. They learned that there are serious problems in Canada from coast to coast. Undoubtedly, the worst housing disaster in Canadian history relates to the "BC leaky condo" crisis, which continues to this day. While there are good builders, there are, unfortunately, also poor builders, and consumers currently have no objective, reliable means of knowing who the good builders are.

CPBH is a national, not for profit corporation dedicated to healthy, safe, durable, energy efficient residential housing for Canadians, and is the only organization of its kind in Canada. Working for consumer awareness and protection, CPBH is run by a volunteer Board of Directors and is supported by a volunteer Advisory Council of industry experts and other key stakeholders. CPBH's Advisors and Board members have diverse backgrounds including the following professions: architecture, engineering, home building, home inspection, real estate, home renovation, environmental medicine, industrial hygiene, insurance, law, academe, political science and business. CPBH has more than 40 volunteers in different parts of Canada.

Consumers from many regions of Canada communicate with CPBH regularly, raising their issues and concerns and asking for assistance. Unfortunately, home construction defects present considerable problems for homeowners at all stages of life: from young adults barely able to scrape together their down payment for their first home through to senior citizens who are often on fixed incomes. While there are builders who will quickly and appropriately address these construction defects, there are also builders who will not. In some of these cases, warranty programs and government officials are unwilling or unable to assist the homeowners, which, unfortunately leaves the homeowners to fend for themselves. Once faced with this situation, homeowners quickly learn that there is insufficient consumer protection for the largest purchase most consumers ever make: a home.

In less than three years, CPBH has already had considerable successes. For example, CPBH representatives have appeared on television, for instance, CTV's *W-Five* in 2005 as well as a variety of appearances on local news broadcasts on CBC and CTV, and radio talk show programs such as Peter Warren's program from Victoria, BC. Articles written by CPBH representatives have been published in national magazines such as *The Canadian Home Inspector* and *Real Estate Marketing*. Numerous newspaper articles have referenced the work of CPBH, including the *Globe and Mail*, the *Toronto Star* and the *Ottawa Citizen*, which, in a Sept. 2006 article, referred to the CPBH web-site (www.canadiansforproperlybuilthomes.com) as "among the most consulted real estate websites in Canada". Further, a number of different organizations seek the input from CPBH as government programs are developed. CPBH was recently advised by the Federal Minister of Health, Minister Clement, that it will be contacted in the near future to provide input relating to the *Clean Air Act*. As well, a CPBH representative recently participated as an expert on a national round table relating to indoor air quality. In addition, CPBH has recently made presentations to officials with Environment Canada and Natural Resources Canada in relation to energy efficiency issues and opportunities in newly built homes. CPBH also received key campaign promises from the Conservative Party of Canada prior to the Jan. 2006 federal election, and is very pleased to see the federal government moving forward to keep these campaign promises.

CPBH enjoys considerable grass roots support from across Canada from many homeowners, and potential homeowners. As well, many professionals working in the home inspection industry, the home construction industry, and government officials have expressed their support for CPBH and its work. CPBH receives no government funding, and relies on donations to cover its operating costs.