

Court File No. \_\_\_\_\_

**COURT OF ONTARIO  
SUPERIOR COURT OF JUSTICE**

**(Toronto Region)**

**BETWEEN:**

**HER MAJESTY THE QUEEN**

**APPLICANT**

**- and -**

**CASCADES FINE PAPERS GROUP INC./CASCADES GROUPE PAPIERS FINS INC.  
DOMTAR INC.  
UNISOURCE CANADA, INC.**

**RESPONDENTS**

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**PROHIBITION ORDER**

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**UPON THE APPLICATION** of the Attorney General of Canada for an order pursuant to subsections 34(1) and 35(1) of the *Competition Act*, R.S.C. 1985 c. C-34 (as amended), and upon having registered a conviction this day against the Respondents for having committed indictable offences, contrary to paragraph 45(1)(c) of the *Competition Act*, and upon hearing counsel for the Attorney General of Canada and counsel for the Respondents, and upon reading the Statement of Facts, filed, and on consent:

- 1. THIS COURT DOES PROHIBIT** for a period of ten years from the date of this Order, the doing of any act or thing by the Respondents and each and every of the Respondents' directors, officers, employees and agents directed towards the continuation, commission or repetition of the said offences, including any disciplinary or materially discriminating acts or retaliation against any person due to that person having revealed the commission or repetition of the said offences or by reason of having co-operated with the Commissioner in the course of her inquiry.

2. **AND THIS COURT DOES FURTHER PROHIBIT** the continuation and repetition of said offences or the commission of any offence contrary to sections 45 or 61 of the *Competition Act* by the Respondents for a period of ten years from the date of this Order.
3. **AND THIS COURT DOES DIRECT** each of the Respondents to:
- (a) provide on or before March 20, 2006, to the extent that it has not already done so, to each of its directors, officers, employees and agents responsible for the sale, distribution, marketing and supply of fine and carbonless paper in its paper merchant business in Canada:
- (i) a copy of this Order,
- (ii) a current copy of the relevant provisions of the *Competition Act*, and
- (iii) a written statement:
- that it is company policy to require compliance with the *Competition Act* and this Order,
  - that failure to comply would result in appropriate disciplinary action which may include termination of employment,
  - that failure to comply with, or contravention of, this Order is punishable under subsections 34(6) and 35(2) of the *Competition Act*,
  - that the corporate legal advisors are available to confer about any compliance questions;
  - identifying the persons that the Respondent has removed from positions in its paper merchant business in connection with this matter and stating that thereafter these persons will not have any influence over or duties with respect to such business of the Respondent. If at any time thereafter the said persons are retained or employed by the Respondent, identifying them and stating that they are retained or employed only in respect of other specified businesses and only in a demoted position entailing a lower level of managerial responsibility than their previous positions.
- (b) for the period of three years after the date of this Order, provide a copy of each of the materials described in paragraph (a) to everyone who attains the status described in that paragraph within 60 days of attaining such status;
- (c) for the period of three years after the date of this Order, submit to the Commissioner of Competition under the *Competition Act* (the "Commissioner"), on or before December 31<sup>st</sup> of each year, a written statement setting out the facts and the manner of compliance with

paragraphs (a) and (b); including confirmation that each person identified in paragraphs (a) and (b) has acknowledged their awareness of the materials set out in paragraph (a) and that the acknowledgement is recorded on the personnel file of each such person; and

(d) provide to the Commissioner, for a period of five years after the date of this Order and within 60 days of receipt of a written request from the Commissioner, such non-privileged information or records as she may reasonably request for the purpose of monitoring compliance with this Order.

4. **AND THIS COURT DOES FURTHER ORDER** that each and every paragraph of this Order that applies to the Respondents shall be applicable to the Respondents' respective corporate successors.
5. **AND THIS COURT SHALL** retain jurisdiction over the parties to this proceeding for the purposes of interpreting, varying or rescinding any of the provisions of this Order, upon the application of either party and in accordance with section 34(2.3) of the *Competition Act*.
6. This Order shall be in effect for a period of ten years.

**DATED** at the City of Toronto, in the Province of Ontario, this 7<sup>th</sup> day of January, 2006.



The Honourable Justice J. David Watt

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**ORDER**

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1. A conviction is registered against each of the above-named accused on each of the two counts contained in the Indictment, to wit:
  - Count 1 THAT THE ACCUSED DID, between October 1999 and September 2000, both dates inclusive, at various locations in the Province of Ontario, unlawfully conspire, combine, agree or arrange amongst themselves as well as with other persons known or unknown to prevent or lessen, unduly, competition in the sale and supply of carbonless sheets, in the Province of Ontario, and did thereby commit an indictable offence contrary to section 45(1)(c) of the *Competition Act*, R.S.C. 1985, c. C-34, as amended.
  - Count 2 AND FURTHER THAT THEY DID, between January 2000 and December 2000, both dates inclusive, at various locations in the Province of Quebec, unlawfully conspire, combine, agree or arrange amongst themselves as well as with other

persons known or unknown to prevent or lessen, unduly, competition in the sale and supply of carbonless sheets in the Province of Quebec, and did thereby commit an indictable offence contrary to section 45(1)(c) of the *Competition Act*, R.S.C. 1985, c. C-34, as amended.

2. Each of the above named accused is sentenced to pay a total fine in the amount of \$12,500,000, the breakdown of which is as follows:

Count One \$10 million

Count Two \$ 2,500,000

3. The fines shall be payable by each accused as follows:

(a) Subject to subsection (b) the fine imposed shall be payable as follows:

- (i) \$2,500,000 payable on or before January 9, 2007;
- (ii) \$2,500,000 payable on or before January 9, 2008;
- (iii) \$2,500,000 payable on or before January 9, 2009;
- (iv) \$2,500,000 payable on or before January 9, 2010; and
- (v) \$2,500,000 payable on or before January 9, 2011.

(b) Each accused shall have the option, upon at least 30 days' prior notice to the Attorney General of Canada, of deferring any one instalment of \$2,500,000 during the five-year period set out in subsection (a) above, which instalment would then be payable on or before July 9, 2012.

DATED at the City of Toronto, in the Province of Ontario, this *14* day of *January*, 2006.

  
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The Honourable Mr. Justice J. David Watt

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