

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**HER MAJESTY THE QUEEN**

**APPLICANT**

**- and -**

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

**ACCUSED**

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**STATEMENT OF FACTS**

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**I. THE ACCUSED**

1. Cascades Fine Papers Group Inc./Cascades Groupe Papiers Fins inc. ("Cascades Fine Papers") is incorporated under the laws of Canada. Cascades Fine Papers has also carried on business as Cascades Resources/Cascades Ressources, formerly Graphic Resources/Ressources Graphiques, a division of Rolland Inc. Throughout the relevant time period, Cascades Fine Papers was engaged in the distribution, supply, marketing and sale of carbonless sheets in the Provinces of Ontario and Quebec.
2. Domtar Inc. ("Domtar") is incorporated under the laws of Canada. Throughout the relevant time period, Domtar was engaged, through its merchants, namely, Buntin Reid, JBR, La Maison du Papier and the Paper House, in the distribution, supply, marketing and sale of carbonless sheets in the Provinces of Ontario and Quebec.

3. Unisource Canada, Inc. (also carrying on business as Inter City Papers/Papiers Inter-Cité ("Unisource Canada")) is incorporated under the laws of Canada. Throughout the relevant time period, Unisource Canada was engaged in the distribution, supply, marketing and sale of carbonless sheets in the Provinces of Ontario and Quebec.

## II. CARBONLESS SHEETS

4. Carbonless sheets are used in multi-ply or multiple copy forms in order to transfer an image by means of the chemical coatings on the front and back of the paper. Carbonless sheets are available in various sizes and configurations and are used by commercial printers as an input in the manufacture of forms and receipts. There are no practical substitutes for carbonless sheets.
5. Given the limited range of uses for carbonless sheets and the development of computerized receipts, the demand for carbonless sheets and the number of buyers have been declining for several years.

## III. THE AGREEMENTS

6. Through the periods set out in counts 1 and 2 of the Indictment, the Accused, through their employees, communicated with each other in a variety of ways, including attendances at meetings, resulting in agreements to which each Accused was a party to prevent or lessen unduly competition in the supply and sale of carbonless sheets in Ontario (count 1) and Quebec (count 2).
7. This Statement of Facts does not address one way or the other whether the said agreements had any impact on prices. However, the Crown is not presenting any evidence that the agreements had any impact on prices for the purposes of this plea. The Accused do not contest that, given their position in the market, had the agreements been implemented, they would likely have resulted in an undue lessening or prevention of competition in the sale and supply of carbonless sheets in Ontario and Quebec.
8. The Accused intended to enter into the agreements, and each had knowledge of their terms. They knew or should have known that the undue lessening or prevention of competition was a likely effect of these agreements.
9. The illegal agreements extended to agreeing to: respect each other's market share to stabilize prices; coordinate a response to a new market entrant; implement a common discount program; maintain price discipline to avoid a price war; and share sales and pricing data.
10. During the relevant time periods, total sales of carbonless sheets in the Provinces of Ontario and Quebec by the parties to the illegal agreements, including the three accused before the Court, totalled in excess of \$40,000,000.

#### **IV. OTHER CONSIDERATIONS**

11. Each of the Accused has voluntarily undertaken to remove certain of their key employees involved in the carbonless sheet paper business in Ontario and Quebec from their positions within the Accuseds' respective paper merchant businesses on or before March 20, 2006 and thereafter, these individuals will not have any influence over or duties with respect to such business. If, at any time thereafter, the individuals are retained or employed by the Accused, they would be retained or employed only in respect of other businesses and only in a demoted position entailing a lower level of managerial responsibility than their current positions.
12. The decision by the Accused to plead guilty has saved considerable costs of further investigation and court proceedings which would otherwise have been incurred by the Government of Canada.

#### **V. GENERAL ACKNOWLEDGEMENTS**

13. The Accused acknowledge that they have each reviewed with their respective counsel the offences charged and this Statement of Facts underlying the plea and fully understand the nature of the charges and the facts admitted to. The Accused also acknowledge that they each have certain rights under the Canadian Charter of Rights and Freedoms including the right to be presumed innocent until proven guilty according to law in a fair and public hearing by an independent and impartial tribunal and to be tried within a reasonable time, and under the Criminal Code of Canada the right to enter a plea of not guilty to the offence charged and to appeal its conviction if found guilty at a trial and to appeal the sentence imposed by a court.
14. By entering this plea, the Accused irrevocably waive the rights enumerated in the paragraph above, with the exception of the right to appeal the sentence imposed by a court should the court imposing sentence in this matter not impose the sentence as agreed and recommended by the parties. The Attorney General also retains a discretion to appeal a sentence in that event.
15. The Accused acknowledge, on the basis of their admission of the facts set out herein, with respect to the agreements, that, for the purposes of these proceedings, all the constituent elements of indictable offences under paragraph 45(1)(c) of the *Competition Act* have been established.

Cascades Fine Papers Group Inc./Cascades Groupe  
Papiers Fins inc.

By its duly authorized officer

dated at \_\_\_\_\_,

this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_

Per: \_\_\_\_\_

The Attorney General of Canada

by Mark Cole

dated at Toronto,

this 9th day of July, 2006

Unisource Canada, Inc.

By its duly authorized officer

dated at Richmond Hill

this 6th day of January, 2006

Per: Autry

Domtar Inc.

By its duly authorized officer

dated at \_\_\_\_\_,

this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_

Per: \_\_\_\_\_

Cascades Fine Papers Group Inc./Cascades Groupe  
Papiers Fins inc.

By its duly authorized officer

dated at Kinross Falls,

this 5 day of January, 2006

Per: X [Signature]

The Attorney General of Canada

by \_\_\_\_\_

dated at \_\_\_\_\_,

this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_

Unisource Canada, Inc.

By its duly authorized officer

dated at \_\_\_\_\_,

this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_

Per: \_\_\_\_\_

Domtar Inc.

By its duly authorized officer

dated at \_\_\_\_\_,

this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_

Per: \_\_\_\_\_

Cascades Fine Papers Group Inc./Cascades Groupe  
Papiers Fins inc.

By its duly authorized officer

dated at \_\_\_\_\_,

this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_

Per: \_\_\_\_\_

The Attorney General of Canada

by \_\_\_\_\_

dated at \_\_\_\_\_,

this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_

Unisource Canada, Inc.

By its duly authorized officer

dated at \_\_\_\_\_,

this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_

Per: \_\_\_\_\_

Domtar Inc.

By its duly authorized officer

dated at Montreal,

this 6<sup>th</sup> day of January, 2006

Per: 