

Court File No  
**FEDERAL COURT OF CANADA  
(TRIAL DIVISION)**

**BETWEEN:**

**HER MAJESTY THE QUEEN**

- and -

**LA COMPAGNIE BRASSERIE STROH (QUÉBEC) LTÉE**

**Accused**

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**AGREED STATEMENT OF FACTS**

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Insofar as the facts pertain to La Compagnie Brasserie Stroh (Québec) Ltée (“Stroh”), its counsel admits the facts stated below, pursuant to the provisions of section 655 of the *Criminal Code of Canada*, solely for the purposes of dispensing with their proof at trial in this proceeding and for no other purpose.

**I. THE ACCUSED**

1. Stroh is a corporation incorporated under the laws of Québec, with its principal place of business located in Laval, Québec.
2. Stroh was at all material times engaged, *inter alia*, in the business

of the supply and distribution of beer and malt-based beverage products (the "Products") in the Province of Québec.

## II. THE INFRACTION

3. It is agreed that Stroh, between April 1999 and April 2000 inclusively, did, by agreement, or other means, attempt to influence upward, or to discourage the reduction of, the price at which retailers supplied or offered to supply or advertised the Products in the Province of Quebec, contrary to subsection 61(1) (a) of the *Competition Act* (the "Act"), and therefore committed an offence contrary to subsection 61(9) of the *Act*.
4. As part of its yearly offer to various vendors of beer in the Province of Quebec, representatives of Stroh solicit from and enter into supply and distribution agreements with dépanneurs and other retail outlets for the sale of bottled beer by the case of various sizes. Such contacts are followed up with form letters designed to outline the agreement between Stroh and such outlets. The letters sent during the relevant period herein to retailers offered a volume-based discount program on the sales of the Products carried by such representatives.
5. As a condition to be eligible for this program, the retailers had to maintain a minimum retail price determined by Stroh for a case of 6 bottles and a case of 12 bottles. In particular, the said agreements, while they differed in some respects with respect to the category of retail outlet, specified that such retailer had to maintain the price specified by Stroh for the Products, thereby avoiding any discounting of the Products. The said agreements specified:

**“En tout temps, les positions négociées et les prix de détail suggérés devront être respectés.”**

6. The volume of commerce affected by this practice was in excess of \$2 million for the April 1999 to April 2000 period.

### **III. OTHER CONSIDERATIONS**

7. Upon notification by the Competition Bureau that it had undertaken an investigation of the within offence, Stroh has taken steps to ensure that such conduct will not be repeated. Stroh, its subsidiaries and persons managing the business and affairs of such companies in the Province of Québec (the "Respondents") have instituted a Competition Law compliance program and have given information sessions on the *Competition Act* to all its employees at the Sainte-Foy and Laval locations. This is a continuing commitment by the Respondents and will be implemented on a regular basis throughout the said organizations.
8. Stroh has taken advantage of the Immunity policy of the Commissioner of Competition by which he may make a recommendation to the Attorney General of Canada to accord favourable treatment for those under investigation who enter early guilty pleas. The Attorney General is satisfied , based upon the evidence provided that the offence in question did not arise out of

general policy or conduct of the Accused, but was an isolated and episodic occurrence. The managers who are responsible for this line of activity have participated in the compliance program as aforesaid.

#### IV. CONCLUSION

9. Stroh acknowledges, pursuant to section 655 of the *Criminal Code of Canada*, solely for the purpose of dispensing with their proof at trial in this proceeding, that with respect to the agreement alleged in the Indictment, all of the constituent elements of an indictable offence under section 61 of the *Competition Act* have been established.
  
10. Stroh further accepts as proven the above facts, pursuant to subsection 724(1) of the *Criminal Code of Canada*, solely for the purpose of determining a sentence in this proceeding and for no other purpose. Stroh will be in a position to attend at the sentencing of this matter with funds in the amount of the joint submission as to sentence herein.

Dated at *Ottawa* this *4<sup>th</sup>* day of October, 2002.

A handwritten signature in black ink, appearing to read 'R. Hughes', is written over a horizontal line.

Randal T. Hughes

Counsel for the Accused

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William J Miller  
Department of Justice  
Industry Canada Legal Services  
Competition Law Division  
Place Du Portage, Phase 1  
50 Victoria Street, 22<sup>nd</sup> Fl.  
Hull, Quebec K1A 0C9

Telephone: (819) 997-3325  
Facsimile: (819) 953-9267