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REGISTRAR / REGISTRAIRE

OTTAWA, ONT.

#0001a

CT- 2006-007

THE COMPETITION TRIBUNAL

IN THE MATTER of the *Competition Act*, R.S.C. 1985, c. C-34 as amended;

AND IN THE MATTER of an inquiry commenced pursuant to subparagraphs 10(1)(b)(ii) and (iii) of the *Competition Act* in respect of certain deceptive marketing practices of Grafton-Fraser Inc. carrying on business as Britches, Jack Fraser Menswear, George Richards Big & Tall, Mr. Big & Tall and Tip Top Tailors;

AND IN THE MATTER of the filing and registration of a Consent Agreement pursuant to section 74.12 of the *Competition Act*.

BETWEEN:

THE COMMISSIONER OF COMPETITION

Applicant

-and-

GRAFTON-FRASER INC. AND GLENN A. STONEHOUSE

Respondents

CONSENT AGREEMENT

WHEREAS the Commissioner of Competition (the “Commissioner”) is head of the Competition Bureau (the “Bureau”) and is responsible for the administration and the enforcement of the *Competition Act* (the “Act”) including the deceptive marketing practices provisions of the Act (Part VII.1) which include the ordinary price provisions of the Act [subsections 74.01(2) and (3)];

AND WHEREAS Grafton-Fraser Inc. (“Grafton-Fraser”) is a subsidiary of Stonehouse Group Inc. and is a national retailer of menswear products operating two hundred retail stores across Canada under the corporate banners of Britches; George Richards Big & Tall, Grafton & Co., Jack Fraser Menswear, Kingsport, Mr. Big & Tall, The Suit Exchange, Tip Top Tailors and Timberland;

AND WHEREAS Glenn A. Stonehouse is the President, Chief Executive Officer and majority shareholder of Grafton-Fraser and, as such, has overall and direct responsibility for the operations of Grafton-Fraser, including the marketing decisions, which encompass pricing, which are the subject of this inquiry;

AND WHEREAS on March 9, 2005, the Commissioner commenced an inquiry (the “Inquiry”) pursuant to section 10 of the Act into certain alleged deceptive marketing practices of Grafton-Fraser carrying on business as Britches (now closed); Jack Fraser Menswear (now closed), George Richards Big & Tall, Mr. Big & Tall and Tip Top Tailors;

AND WHEREAS the practices in question related to price representations made to the public for the purpose of promoting the supply or use of certain menswear goods (the “products”);

AND WHEREAS further to the Inquiry, the Commissioner gathered and analysed evidence relating to the pricing practices of Grafton-Fraser, in respect of Britches, Jack Fraser Menswear, George Richards Big & Tall, Mr. Big & Tall and Tip Top Tailors including evidence seized pursuant to a search warrant issued by the Federal Court pursuant to sections 15 and 16 of the Act;

AND WHEREAS the Commissioner has concluded that in or before November 1, 1999 until September 2005 Grafton-Fraser engaged in reviewable conduct under the ordinary price provisions of the Act [namely subsections 74.01(2) and (3)], in that in respect of the products:

74.01(2) Ordinary Price: *Suppliers generally*

- (a) Grafton-Fraser, for the purpose of generating sales at its Tip Top Tailors, George Richards Big & Tall and Mr. Big & Tall retail locations, commencing in the Spring of 2005, used a price representation (referred internally as the “Regular White Ticket Price”) preceded by the term “compare at” in making reference to the ordinary price offered by suppliers generally in the relevant geographic market when promoting products at a reduced price (referred internally as the “retail price”), representations of which were made to the public through its price tags, in-store signage, mailers, newspaper advertisements, inserts, flyers, in-store leaflets and by oral representations at point of sale;
- (b) The price represented by Grafton-Fraser as being the ordinary price offered by suppliers generally in the relevant geographic market was fictitious, in that, having regard to the nature of the products at issue, Grafton-Fraser could not establish that:
 - (i) a substantial volume of the products were sold by suppliers generally in the relevant geographic market at or above the represented price within a reasonable period of time before the making of the representation;
 - (ii) the products were offered by suppliers generally in the relevant geographic market at or above the represented price in good faith for a substantial period of time recently before the making of the representation; and

- (iii) the “compare at” representation was added to the “Regular White Ticket Price” creating the general impression that the reference price refers to a general market price without appropriate market validation;

74.01(3) Ordinary Price: *Supplier’s own*

- (c) Grafton-Fraser, for the purpose of generating sales at its Britches, Jack Fraser Menswear, George Richards Big & Tall, Mr. Big & Tall and Tip Top Tailors retail locations, used a price representation (referred internally as the “Regular White Ticket Price”) in making reference to its own ordinary price when promoting products at a reduced price (referred internally as the “retail price”), representations of which were made to the public through its price tags, in-store signage, mailers, newspaper advertisements, inserts, flyers, its web sites, its in-store leaflets and by oral representations at point of sale;
- (d) The “Regular White Ticket Price” represented by Grafton-Fraser as being it’s own ordinary price, was fictitious, in that, having regard to the nature of the products at issue and the relevant geographic market;
 - (i) in respect of certain products, Grafton-Fraser had not sold a substantial volume of the products (zero units sold) at or above the represented price within a reasonable period of time before the making of the representation;
 - (ii) in respect of certain products, Grafton-Fraser did not offer the products at or above the represented price for a substantial period of time recently before the making of the representation;
 - (iii) the “Regular White Ticket Price” was used to create the general impression that this price is the price at which goods were ordinarily sold; and
 - (iii) the “Regular White Ticket Price” was used solely as a basis for exaggerating the savings claims to customers as “new arrivals” were immediately placed on sale.

AND WHEREAS Glenn A. Stonehouse was fully knowledgeable and fully endorsed the marketing decisions as stated above;

AND WHEREAS the Commissioner has concluded based on the evidence gathered that Grafton-Fraser did not exercise sufficient due diligence in its efforts to ensure compliance with the Act despite being advised of the new ordinary selling price provisions in the Fall of 1999 and despite being aware of recent enforcement actions by the Bureau involving these provisions (namely, Suzy Shier Inc. and Forzani Group Limited);

AND WHEREAS the Commissioner and the Respondents are satisfied that the Inquiry can be resolved with the registration of this Consent Agreement;

AND IT BEING UNDERSTOOD THAT while the Commissioner has come to the foregoing conclusions and while the Respondents do not agree, solely for the purposes of this Consent Agreement, the Respondents do not contest the Commissioner's conclusions;

AND WHEREAS the Respondents are committed to compliance with the Act generally, and the deceptive marketing practices provisions (Part VII.1) specifically;

AND WHEREAS the Commissioner and the Respondents agree that upon the signing of this Consent Agreement, the Consent Agreement shall be filed with the Competition Tribunal for immediate registration;

AND WHEREAS the Commissioner and the Respondents understand that upon registration, this Consent Agreement shall be enforceable as if it were an order rendered by the Competition Tribunal pursuant to section 74.12 of the Act;

NOW THEREFORE in order to resolve the Commissioner's Inquiry into certain alleged deceptive marketing practices of the Respondents, the Parties hereby agree as follows;

I. Interpretation

1. For the purpose of the Agreement, the following definitions shall apply:
 - a. **"Affiliate"** shall have the meaning ascribed to it in the Act;
 - b. **"Agreement"** means this Consent Agreement entered into by the Respondents and the Commissioner of Competition;
 - c. **"Commissioner"** means the Commissioner of Competition, appointed pursuant to section 7 of the Act, and her authorized representatives;
 - d. **"Grafton-Fraser"** means Grafton-Fraser Inc., a subsidiary of Stonehouse Group Inc. incorporated under the laws of Ontario carrying on business under the following banners; Britches (now closed); George Richards Big & Tall, Grafton & Co., Stonehouse, Jack Fraser Menswear (now closed), Kingsport, Mr. Big & Tall, The Suit Exchange and Tip Top Tailors or any current and future subsidiary corporation of Grafton-Fraser Inc. within the meaning of subsection 2(3) of the Act;

- e. **“Grafton-Fraser Personnel”** means all current and future Grafton-Fraser Senior Management and all other Grafton-Fraser employees who are or may become materially involved in the formulation and/or implementation of advertising and/or pricing policies;
- f. **“Grafton-Fraser Senior Management”** means the current and future, Chairman of the Board and Chief Executive Officer of Grafton-Fraser Inc., Senior Vice-President & Chief Financial Officer of Grafton-Fraser Inc., Executive Vice-President of Grafton-Fraser Inc., Vice-President of Grafton-Fraser Inc./General Manager, Grafton & Co/Timberland, Vice-President/General Manager of George Richards/Mr. Big & Tall, Director of Operations, Tip Top Tailors, Vice-President/Merchandising, Tip Top Tailors/Timberland, Tip Top Tailors Group Manager, Advertising Manager and any other current and future individuals occupying positions which may be seen as directing minds of the corporation;
- g. **“Parties”** means the Commissioner of Competition and the Respondents;
- h. **“Person”** means any individual, partnership, firm, corporation, association, trust, unincorporated organization or other entity;
- i. **“Products”** means any goods supplied, sold or promoted by the Respondents;
- j. **“Related Person”** means any of the Respondents, their Affiliates, and any present or future person under the control of the Respondents and their Affiliates;
- k. **“Respondents”** means Grafton-Fraser and Glenn A. Stonehouse; and
- l. **“Tribunal”** means the Competition Tribunal established by the *Competition Tribunal Act Canada*, R.S.C. 1985, c. 19 (2nd Supp.), as amended.

II. Application

- 2. The provisions of the Agreement shall apply to:
 - a) the Respondents, their subsidiaries, their affiliates and successors, and Grafton-Fraser Personnel, including all persons who act for, on behalf of or in concert with Grafton-Fraser; and
 - b) the Commissioner.

A. ORDINARY PRICE REPRESENTATIONS

3. With respect to all products, Grafton-Fraser and Grafton-Fraser Personnel shall comply with the ordinary price provisions of the Act, which provide:

Suppliers generally

74.01 (2) Subject to subsection (3), a person engages in reviewable conduct who, for the purposes of promoting, directly or indirectly, the supply or use of a product or for the purpose of promoting, directly or indirectly, any business interest, by any means whatever, makes a representation to the public concerning the price at which a product or like products have been, are or will be ordinarily supplied where suppliers generally in the relevant geographic market, having regard to the nature of the product,

(a) have not sold a substantial volume of the product at that price or a higher price within a reasonable period of time before or after the making of the representation, as the case may be; and

(b) have not offered the product at that price or a higher price in good faith for a substantial period of time recently before or immediately after the making of the representation, as the case may be.

Supplier's own

74.01(3) A person engages in reviewable conduct who, for the purpose of promoting, directly or indirectly, the supply or use of a product or for the purpose of promoting, directly or indirectly, any business interest, by any means whatever, makes a representation to the public as to price that is clearly specified to be the price at which a product or like products have been, are or will be ordinarily supplied by the person making the representation where that person, having regard to the nature of the product and the relevant geographic market,

(a) has not sold a substantial volume of the product at that price or a higher price within a reasonable period of time before or after the making of the representation, as the case may be; and

(b) has not offered the product at that price or a higher price in good faith for a substantial period of time recently before or immediately after the making of the representation, as the case may be.

References to time

74.01(4) For greater certainty, whether the period of time to be considered in paragraph (2)(a) and (b) and (3)(a) and (b) is before or after the making of the representation depends on whether the representation relates to

(a) the price at which products have been or are supplied; or

(b) the price at which products will be supplied.

Saving

74.01(5) Subsections (2) and (3) do not apply to a person who establishes that, in the circumstances, a representation as to price is not false or misleading in a material respect.

General Impression

74.01(6) In proceedings under this section, the general impression conveyed by a representation as well as its literal meaning shall be taken into account in determining whether or not the representation is false or misleading in a material respect.

B. ADMINISTRATIVE MONETARY PENALTY

4. Grafton-Fraser shall pay an administrative monetary penalty in the amount of \$1, 000,000 dollars.

C. COSTS

5. Grafton-Fraser shall indemnify the Receiver General of Canada for costs and disbursements incurred during the course of the Commissioner's investigation into this matter in the amount of \$200,000 dollars.

D. FORM OF PAYMENT

6. The payment referred to in paragraphs 4 and 5 above shall be made forthwith, and no later than the point of registration of the Agreement and shall be in certified funds, cashier cheque or by wire transfer.

E. CORRECTIVE NOTICE

7. Grafton-Fraser shall publish a corrective notice (the “Notice”) as set out in Appendix “A” of the Agreement in accordance with the terms and conditions set out in the Appendices “B” through “D” of the Agreement.
8. Grafton-Fraser shall, upon publication confirm in writing to the Commissioner that the Notice was published as provided in paragraph 7 of the Agreement. In addition to the written confirmation, Grafton-Fraser shall provide tear-sheets of the Notice from each publication referred to in Appendix “B” of the Agreement within two (2) weeks of publication thereof.

F. CORPORATE COMPLIANCE PROGRAM

9. Within 60 days of the registration of this Agreement, Grafton-Fraser shall establish, and thereafter maintain, a Corporate Compliance Program (the “Compliance Program”), the goal of which will be to promote the compliance of Grafton-Fraser Personnel with the Act generally, and specifically, without limiting the generality of the foregoing, the ordinary price provisions of the Act (Part VII.1) which include subsections 74.01(2) and 74.01(3) of the Act. The Compliance Program shall be framed and implemented in a manner consistent with the Commissioner’s Information Bulletin on “Corporate Compliance Programs” published on the Competition Bureau’s web site at www.competitionbureau.gc.ca
10. Grafton-Fraser Senior Management shall fully support and enforce the Compliance Program and shall take an active and visible role in its establishment and maintenance.
11. Grafton-Fraser Senior Management shall acknowledge their commitment to the Compliance Program via commitment letters as provided in Appendix “E” of the Agreement.
12. The Compliance Program shall include:
 - a. the designation of a Corporate Compliance Officer within two (2) weeks of the execution of the Agreement;
 - b. the development of a written Corporate Compliance Policy in respect of the ordinary price provisions of the Act (the “Compliance Policy”) which will include, among other things:
 - (i) a statement by Senior Management stressing the company’s commitment to the policies and procedures contained therein;

- (ii) a reference to the purpose of the Act, a general description of the Act, as well as a description of those provisions of the Act that are most relevant to Grafton-Fraser, including the enforcement, penalty and remedy provisions;
 - (iii) clear examples to illustrate the specific practices that are prohibited, so that Grafton-Fraser personnel at all levels can easily understand the potential application of the Act to their own duties;
 - (iv) a practical code of conduct that identifies activities that are illegal or open to question;
 - (v) a statement outlining the consequences of breaching corporate policies;
 - (vi) procedures that detail exactly what an employee should do when concerns arise out of certain situations, or when possible violations of the Act are suspected; and
 - (vii) training sessions to ensure that all persons, to whom this Agreement applies, understand the terms of this Agreement and the Compliance Policy.
- c. the distribution of the Compliance Policy to Grafton-Fraser Personnel;
 - d. the inclusion of the Compliance Policy in any and all marketing policy manuals and retail store operations manuals;
 - e. the development of and delivery to Grafton-Fraser Personnel of a mandatory Compliance Program/Compliance Policy education session;
 - f. the development and delivery of an annual refresher Compliance Program/Compliance Policy education session for Grafton-Fraser Personnel;
 - g. the annual acknowledgment, in writing, by Grafton-Fraser Personnel of their awareness and comprehension of the Compliance Program and Compliance Policy as provided in Appendix “F” of the Agreement; and
 - h. an annual review of the Compliance Program and Compliance Policy.

13. The Commissioner or her authorized representative shall, on an annual basis, be entitled to require Grafton-Fraser to provide a written report on its annual review of Grafton-Fraser's Compliance Program and Compliance Policy and their implementation. Any such report shall be submitted under oath or affirmation of an officer of Grafton-Fraser within thirty (30) days of the request being made. The request may include, but is not limited to, a requirement for the production of computer-generated product price histories as evidence of due diligence. The written report shall include proof of 'price representation validation' for Grafton-Fraser products to be selected at the discretion of the Bureau. Proof of 'price representation validation' would include:
 - a. (Market Price) the submission of all market price comparison research conducted that supports any market price claims made along with all associated price representations made (e.g. in-store representations and flyers) for the selected products; and
 - b. (Suppliers Own) the submission of time and/or volume data (as the case may be) along with all associated price representations made (e.g. in-store representations and flyers) for the selected products.
14. For the purpose of determining or securing compliance with this Agreement, subject to any valid claim to a legally recognized privilege, and upon written request, Grafton-Fraser shall permit any duly authorized representative of the Commissioner:
 - (a) upon a minimum of ten (10) days notice to Grafton-Fraser, access during office hours of Grafton-Fraser to inspect and copy all books, ledgers, accounts, correspondence, memorandum, and all other records and documents in the possession or under control of Grafton-Fraser relating to compliance with this Agreement; and
 - (b) upon a minimum of ten (10) days notice to Grafton-Fraser, and without restraint or interference from Grafton-Fraser, to interview directors, officers or employees of Grafton-Fraser on matters relating to compliance with this Agreement.
15. The Commissioner or her authorized representative may also request and Grafton-Fraser shall facilitate access to education sessions conducted by Grafton-Fraser.
16. Grafton-Fraser shall submit to the Commissioner, the draft Compliance Program and Compliance Policy more fully described in paragraphs 12 to 15 above, within forty-five (45) days of the execution of the Agreement.

G. FAILURE TO COMPLY

17. A failure to comply with the terms of this Agreement by Grafton-Fraser, its Affiliates or any Related Person shall be deemed to be a breach of this Agreement by Grafton-Fraser.

H. COPIES OF THE AGREEMENT

18. Grafton-Fraser, and any entity for which it has *de facto* or *de jure* control, shall provide a copy of the Agreement in its entirety to all current Grafton-Fraser Senior Management, within thirty (30) days of the execution of the Agreement. Further, within forty-five (45) days of the execution of the Agreement, Grafton-Fraser shall secure from each such person identified above a signed and dated statement acknowledging that he or she has read and understood the Agreement and subsections 74.01(2) and 74.01(3) of the Act. In addition, upon the commencement of employment of any Senior Management with Grafton-Fraser, Grafton-Fraser shall provide a copy of the Agreement in its entirety and shall secure from each such person a signed and dated statement acknowledging that he or she has read and understood the Agreement and subsections 74.01(2) and 74.01(3) of the Act.

I. TERM OF AGREEMENT

19. Unless otherwise specified, this Agreement shall be binding upon the Respondents and any Related Person as defined herein for a period of ten (10) years following the date of registration of this Agreement.

III. Notices

20. Notices pursuant to the Agreement shall be given to the Parties at the following addresses by registered mail:

(a) The Commissioner

Sheridan Scott
Commissioner of Competition
Fair Business Practices Branch
Competition Bureau
Place du Portage, Phase 1, 50 Victoria Street
Gatineau (QC) K1A 0C9

Telephone: (819) 997- 3301
Facsimile: (819) 953-5013

With copies to:

Josephine A.L. Palumbo
Senior Crown Counsel
Department of Justice
Competition Law Division
Competition Bureau
Place du Portage, Phase 1, 50 Victoria Street
Gatineau (QC) K1A 0C9

Telephone: (819) 953-3903
Facsimile: (819) 953-9267

(b) The Respondents

c/o Neal J. Smitheman
Huy A. Do
Fasken Martineau DuMoulin LLP
66 Wellington Street West
Suite 4200, Toronto Dominion Bank Tower
Box 20, Toronto-Dominion Centre
Toronto, Ontario M5K 1N6

IV. General

21. The Agreement may be executed in two or more counterparts, each of which shall be an original instrument, but all of which shall constitute one and the same Agreement.
22. The Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
23. For greater certainty, the Tribunal shall retain jurisdiction for the purpose of any application by the Commissioner or the Respondents to rescind or vary any of the provisions of the Agreement in the event of a change of circumstances or otherwise pursuant to section 74.13 of the Act, or with respect to any issue concerning the Agreement with the exception of matters contained in paragraphs 4 through 8 above.

24. In the event of a dispute as to the interpretation or application of the Agreement, including any decision by the Commissioner pursuant to the Agreement or breach of the Agreement by the Respondents, either of the Parties shall be at liberty to apply to the Tribunal for an order interpreting any of the provisions of the Agreement. In the event of a dispute in relation to the English and French version of the Agreement, the English version shall govern.
25. In the event that the Tribunal varies, in a material respect, the substantive terms of the Agreement pursuant to section 74.13 of the Act, the Respondents or the Commissioner, with the exception of matters contained in paragraphs 4 through 8 above, shall each have the right to terminate the Agreement by written notice to the other parties hereto given within 30 days of the date on which such order is made.
26. The Parties shall keep the Agreement confidential until the date of registration with the Tribunal.

The undersigned hereby agree to the registration of this Consent Agreement.

DATED at Toronto, in the Province of Ontario this 26th day of July, 2006.

for: Grafton-Fraser Inc.
Glenn A. Stonehouse
President

DATED at Gatineau, in the Province of Quebec this 26th day of July, 2006.

Raymond Pierce
Deputy Commissioner of Competition

Appendix “A”

For newspapers and Grafton-Fraser Inc.’s corporate web sites (George Richards Big & Tall, Mr. Big & Tall and Tip Top Tailors), the title and first paragraph of the Notice should read as follows:

NOTICE BY GRAFTON-FRASER INC. & GLENN STONEHOUSE AND BRITCHES, JACK FRASER MENSWEAR, GEORGE RICHARDS BIG & TALL, MR. BIG & TALL AND TIP TOP TAILORS

The Competition Bureau has informed Grafton-Fraser that its price advertising containing representations of “regular prices” or “market prices” for certain of its menswear products have raised concerns under the ordinary price provisions of the *Competition Act*. These provisions seek to ensure that, when products are promoted at sale prices, consumers are not misled by reference to inflated “regular prices” or unverified “market prices”. The Bureau believes that Grafton-Fraser’s ordinary price representations misled consumers and that certain menswear products were never offered for sale or sold at these prices.

For all in-store notices, the title and first paragraph of the Notice will make reference only to Grafton-Fraser Inc. and George Richards Big & Tall or Mr. Big & Tall or Tip Top Tailors and read as follows:

NOTICE BY GRAFTON-FRASER INC. & GLENN STONEHOUSE AND GEORGE RICHARDS BIG & TALL OR MR. BIG & TALL OR TIP TOP TAILORS

The Competition Bureau has informed Grafton-Fraser that certain of its Britches or Jack Fraser Menswear or George Richards Big & Tall or Mr. Big & Tall or Tip Top Tailors price advertising containing representations of “regular prices” or “market prices” for certain of its menswear products have raised concerns under the ordinary price provisions of the *Competition Act*. These provisions seek to ensure that, when products are promoted at sale prices, consumers are not misled by reference to inflated “regular prices” or unverified “market prices”. The Bureau believes that these price representations misled consumers and that certain menswear products were never offered for sale or sold at these prices.

For all media of distribution, the last three (3) paragraphs of the Notice shall read as follows:

“In recognition of the Bureau’s concerns and the importance of providing accurate information to consumers, Grafton-Fraser and the Bureau have filed a Consent Agreement with the Competition Tribunal which addresses the Bureau’s concerns. The Agreement will remain in effect for a period of 10 years. Pursuant to the Agreement, Grafton-Fraser shall, among other things:

- pay a \$1 million dollar administrative monetary penalty and \$200,000 dollars towards the cost of the Bureau's investigation;
- ensure that all of its future savings claims and regular selling price representations comply with the misleading advertising provisions of the *Competition Act*; and
- develop and implement a corporate compliance program designed to ensure that Grafton-Fraser complies with the *Competition Act*.

The Consent Agreement can be found on the Competition Tribunal's web site at www.ct-tc.gc.ca
For additional information, consult the Competition Bureau's website at www.competitionbureau.gc.ca.

Appendix “B”

The newspapers in which Grafton-Fraser is to publish the Notice identified in Appendix “A” of the Agreement include the following:

Vancouver Sun Edmonton Journal Calgary Herald Regina Leader Post Winnipeg Free Press	London Free Press (Fredericton) The Daily Gleaner Saint John Telegraph Journal Halifax Herald Limited (St-John’s) The Telegram
Ottawa Citizen Toronto Star Windsor Star	National Post Globe and Mail

1. Grafton-Fraser shall commence publishing the Notice within five (5) days of the registration of the Agreement;
2. Grafton-Fraser shall publish the Notice set out in Appendix "A" of the Agreement in the Wednesday and Saturday editions of each of the newspapers named above for a period of (3) three consecutive weeks. Grafton-Fraser shall obtain publication space in accordance with the following hierarchy of special availability, and every effort shall be made to obtain publication space in the following order of priority:
 - i. within the first five (5) pages of the cover section;
 - ii. within the first four (4) pages of the business section of the newspaper(s); and
3. The Notice shall appear in a space no less than 6 inches x 4.5 inches in size when published in the newspapers named above;
4. The title of the Notice as set out in Appendix “A” of the Agreement, shall be capitalized and shall appear in 16-point bold font unembellished print; and
5. The text of the Notice shall appear in 10-point font unembellished print in the newspapers named above.

Appendix “C”

1. Grafton-Fraser is to publish the Notice, as it appears in Appendix “A” of the Agreement, on each of the following web sites:
 - (i) George Richards Big & Tall located at www.georgerichards.ca;
 - (ii) Mr. Big & Tall Menswear located at www.mrbigandtall.ca; and
 - (iii) Tip Top Tailors located at www.tiptop.ca
2. Publication of the Notice on the above-noted web sites shall occur within five (5) days of the registration of the Agreement;
3. The Notice shall remain on the web sites for a period of twelve (12) consecutive weeks;
4. The Notice shall be accessible through a link on the menu-bar of each web site homepage entitled ‘Notice’;
5. The Notice shall have a link to the Competition Tribunal web site at www.ct-tc.gc.ca and to the Competition Bureau web site at www.competitionbureau.gc.ca;
6. The Notice shall take up the full screen size of the linked page;
7. The text of the Notice shall appear in no less than 12-point font unembellished print;
8. The title of the Notice, as set out in Appendix “A” of the Agreement, shall be capitalized and appear in no less than 16-point bold font unembellished print; and
9. If within one year of execution of this Agreement, Grafton-Fraser Inc. creates a web site for any of its banners, namely, Grafton & Co., Kingsport, The Suit Exchange and Timberland, it shall publish the Notice, as it appears in Appendix “A” of the Agreement, on the respective web site in accordance with paragraphs 3 to 8 above.

Appendix "D"

1. Grafton-Fraser shall display the Notice, as set out in Appendix "A" of the Agreement, for a period of six (6) consecutive weeks in all of the following stores: Tip Top Tailors; George Richards Big & Tall; and Mr. Big & Tall Menswear;
2. Display of the notice shall begin within five (5) days of the registration of the Agreement;
3. The Notice shall be displayed in plain view at the store entrances or in a conspicuous location near the store entrances where it can be seen by all persons entering the premises. In addition, the Notice shall be displayed at all cash register stations in a manner that is legible and visible to all customers;
4. The Notice shall be no less than 8½ inches x 11 inches in size;
5. The title of the Notice, as set out in Appendix "A" of the Agreement, shall be capitalized and shall appear in 16-point bold font unembellished print; and
6. The text of the Notice shall appear in 12-point font unembellished print.

Appendix “E”

Grafton-Fraser Inc. letterhead

date

CONFIDENTIAL

Sheridan Scott
Commissioner of Competition
Competition Bureau
Place du Portage I
50 Victoria Street
Gatineau (Québec)

Dear Ms. Scott:

RE: Commitment to Establishment and Maintenance of a Compliance Program

Further to paragraph 12 of the Consent Agreement between the Commissioner of Competition (the “Commissioner”) and Grafton-Fraser Inc. registered before the Competition Tribunal on [date], I hereby commit to the successful implementation of Grafton-Fraser Inc.’s Corporate Compliance Program and Compliance Policy towards promoting compliance with the *Competition Act*, R.S.C. 1985 c. C-34 (as amended) (the “Act”) generally and the deceptive marketing practices provisions (Part VII.1), which include the ordinary price provisions of the Act [subsections 74.01(2) and (3)] specifically and will take an active and visible role in their establishment and maintenance.

Sincerely,

c.c. Josephine A.L. Palumbo
Senior Crown Counsel
Department of Justice

Appendix “F”

I, _____ of the City of _____, am employed by Grafton-Fraser Inc. in the capacity of _____. In this capacity, I am materially involved in the formulation and/or the implementation of Grafton-Fraser Inc.’s marketing policies. I acknowledge that I am subject to and am required to comply with Grafton-Fraser’s Corporate Compliance Program and Grafton-Fraser Inc.’s Compliance Policy with respect to the *Competition Act*, R.S.C. 1985 c. C-34 (as amended) (the “Act”).

This is to advise that:

- (a) I have read and understand Grafton-Fraser Inc.’s Corporate Compliance Program, the goal of which is to promote compliance with the Act generally, and the deceptive marketing practices provisions of the Act (Part VII.1) which include the ordinary price provisions of the Act subsections 74.01(2) and 74.01(3) specifically; and
- (b) I have read and understand Grafton-Fraser Inc.’s Compliance Policy with respect to the Act.

Date: ___ / ___ / _____

Signature: _____

CT-

THE COMPETITION TRIBUNAL

IN THE MATTER of the *Competition Act*, R.S.C. 1985, c.C-34, as amended;

AND IN THE MATTER of an inquiry commenced pursuant to subparagraphs 10(1)(b)(ii) and (iii) of the *Competition Act* in respect of certain deceptive marketing practices of Grafton-Fraser Inc. carrying on business as Britches, Jack Fraser Menswear, George Richards Big & Tall, Mr. Big & Tall and Tip Top Tailors;

AND IN THE MATTER of the filing and registration of a Consent Agreement pursuant to section 74.12 of the *Competition Act*.

BETWEEN:

THE COMMISSIONER OF COMPETITION

Applicant

- and -

**GRAFTON-FRASER INC. AND GLENN A.
STONEHOUSE**

Respondents

CONSENT AGREEMENT

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