

SECTION TWELVE

**DETAILED FINDINGS—
PLURIDESIGN CANADA INC.**

12.1

Business Background

PluriDesign Canada Inc. ("PluriDesign") is owned by Mr. J. Corriveau through Jacques Corriveau Designer Inc. (an investment company) and was in the business of graphic design and related services.

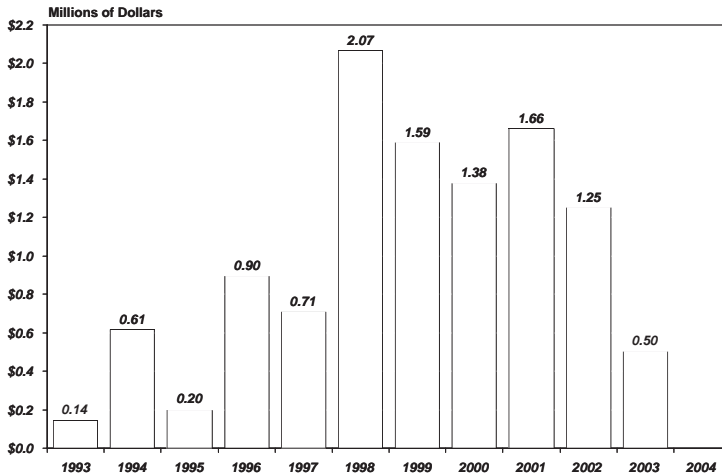
12.2

Level of Business

12.2.1 Annual Revenues

The following Table provides a historical summary of revenues generated by PluriDesign.

Table 81 - Annual Revenues - PluriDesign Canada Inc.

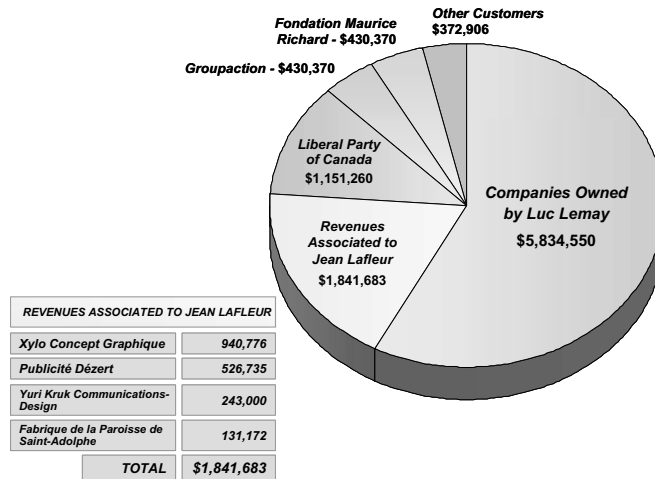


The revenue increase in 1998 is partly due to the work by Mr. J. Corriveau and PluriDesign on the federal general elections of 1997. For the year ended February 28, 1998, PluriDesign generated \$869,175 in revenues from the Liberal Party of Canada (Exhibit P-332 p. 211). Based on a review of PluriDesign's records, no payments were received for the 2000 general election from the Liberal Party of Canada or its electoral candidates for any work that may have been undertaken by Mr. J. Corriveau.

12.2.2 Revenues by Customers

Based on PluriDesign's customer invoices and invoice registers for the years ended February 1996 to 2004, its main customers, as detailed in P-332 page 211, were as follows:

Table 81a - PluriDesign Canada Inc. - Revenues By Customers - 1996 to 2004



The revenues associated with Mr. J. Lafleur relate mostly to sub-contracts given to PluriDesign by Xylo Concept Graphique (owned by Mr. Pierre Davidson), Publicit  D zert (owned by Mr.  ric Lafleur) and Yuri Kruk Communications-Design (owned by Mr. Yuri Kruk). Each of these companies were direct sub-contractors of Lafleur Communication. The revenues received from La Fabrique de la Paroisse de Saint-Adolphe are related to the renovation of a church financed personally by Mr. J. Lafleur.

The available documentation does not indicate what services, if any, were provided by PluriDesign to Groupaction for the \$430,370 it received from Groupaction.

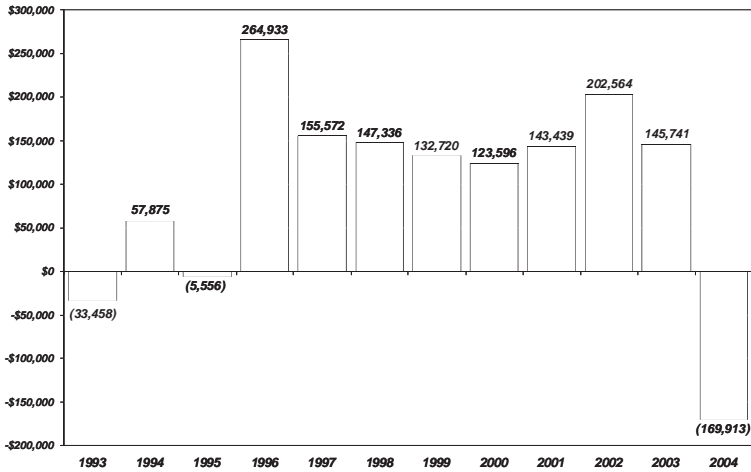
12.3

Financial Impact of GOC Sponsorship on Financial Results

12.3.1 PluriDesign Canada

The following table provides an historical summary of the net earnings generated by PluriDesign, totaling \$1.1 million. In additions to these net earnings, Mr. J. Corriveau received \$4.4 million in salaries and bonuses from 1995 to 2003, as detailed in Section I2.4.I of this report.

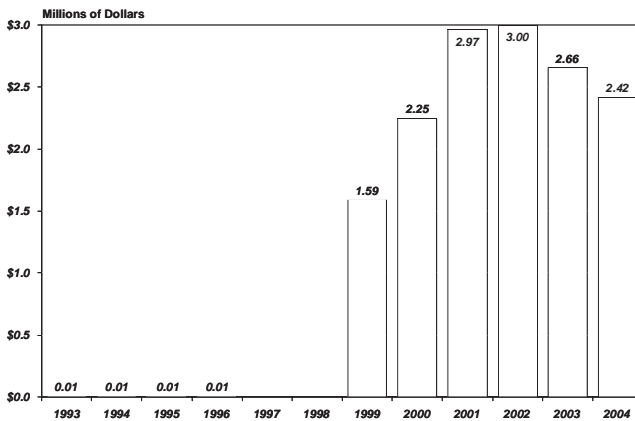
Table 82 - PluriDesign Canada Inc. - Net Earnings From 1993 to 2004



12.3.2 Jacques Corriveau Designer Inc.

The following table provides an historical summary of the total assets of Jacques Corriveau Designer Inc. From 1993 to 1998 the company was inactive with virtually no assets. The increase in assets starting in 1999 is a result of the receipt of dividends from PluriDesign (\$1,085,000), other advances from PluriDesign made from available cash flow, and the re-investment of bonuses paid by PluriDesign to Mr. J. Corriveau.

Table 83 - Total Assets - Jacques Corriveau Designer Inc.



As at February 28, 2004, the assets of Jacques Corriveau Designer Inc. were made up of cash (\$1,051,703), marketable securities (\$1,364,871) and other assets (\$4,635).

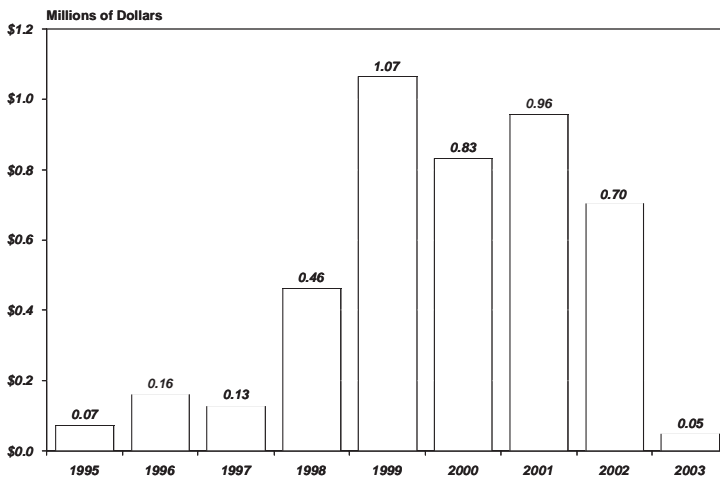
12.4

Notable Uses of Funds by Pluridesign Canada

12.4.1 Salaries and Bonuses to Mr. Jacques Corriveau

According to Mr. J. Corriveau's personal income tax returns, he received \$4.4 million in salaries and bonuses from PluriDesign from 1995 to 2003, as summarized in Table 84 and detailed at Exhibit P-332, page 218:

Table 84 - Employment Income From PluriDesign - Jacques Corriveau



Based on the information reviewed, Mr. J. Corriveau paid himself a yearly salary of approximately \$60,000 and received the balance of his remuneration by way of bonuses. \$1.8 million of the funds, representing approximately net after tax \$2.0 million arising from bonuses, were re-invested by Mr. J. Corriveau in Jacques Corriveau Designer Inc., his investment company. The balance of the net after tax bonuses of approximately \$200,000 was redeposited in PluriDesign and later transferred to Jacques Corriveau Designer Inc.

12.4.2 Dividends

Of the \$1,164,849 in net earnings generated by PluriDesign (i.e. profits left after payment of salaries and bonus to Mr. J. Corriveau), \$1,085,000 was paid to Jacques Corriveau Designer Inc. by way of dividends (\$600,000 in 1999, \$160,000 in 2000, \$125,000 in 2001 and \$200,000 in 2002).

12.4.3 Political Contributions

Mr. J. Corriveau, his wife and the companies he owns have contributed \$53,189 to the Liberal Party of Canada, as detailed at Exhibit P-332 pages 220 to 256.

12.4.4 Production Costs

PluriDesign incurred \$2.8 million in production costs for the years ended February 28, 1993 to 2004, as detailed in Exhibit P-332, page 94.

Based on the analysis of production costs for the years ended February 28, 1998 to 2003 presented at Exhibit P-332 page 213, PluriDesign's most important sub-contractors, by value, are as follows:

Table 85: PluriDesign Canada Inc. Significant Subcontracts, by Value, 1998 to 2004

Sub-Contractor Name	Amount
Quad	\$303,233
Mirabau	149,358
Super Impression	140,238
Imprimerie Production	85,856
Interpôles	74,300
Grafix Studio	71,499
Le Groupe Gosselin et Associés	55,200
Impression Arts Ltd	53,203
Matériaux Pont Masson	52,233
Sérigraphie 2000	51,594
MP Photo Reproduction	49,997

12.5

Scope Limitations

The following documentation was requested but not available for our review:

1. Bank accounts of Jacques Corriveau from 1994 to August 1999.
2. Cancelled cheques for the bank accounts of Jacques Corriveau from 1994 to 2003.
3. Supplier invoices of PluriDesign Canada from 1994 to 2003.
4. Customer invoices of PluriDesign Canada from 1994 to 2003. The customer invoices provided to us were not complete. In particular, we note a number of invoices issued to Publicité Désert and Xylo Concept Graphique were missing.

