

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 application for orders pursuant to section 74.1 of the *Competition Act* for conduct reviewable pursuant to paragraph 74.01(1)(a) and sections 74.05 and 74.011 of the *Competition Act*.

B E T W E E N :

COMPETITION TRIBUNAL
TRIBUNAL DE LA CONCURRENCE

FILED / PRODUIT

May 7, 2015

CT-2015-001

Jos LaRose for / pour
REGISTRAR / REGISTRAIRE

OTTAWA, ONT

7

THE COMMISSIONER OF COMPETITION

Applicant

- and -

AVISCAR INC., BUDGETCAR INC. / BUDGETAUTO INC.,
AVIS BUDGET GROUP, INC. and AVIS BUDGET CAR RENTAL, LLC

Respondents

MOTION RECORD OF THE RESPONDENTS

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TAB 1

CT-2015-001

THE COMPETITION TRIBUNAL

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

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- and -

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Respondents

NOTICE OF MOTION

TAKE NOTICE THAT the Respondents will make a motion to the Competition Tribunal at a date, time and location as directed by the Tribunal.

THE MOTION IS FOR THE FOLLOWING RELIEF:

- 1 An Order under Rules 221(1)(a) and (f) of the *Federal Courts Rules*, SOR/98-106, striking out the April 29, 2015 Amended Notice of Application (**Notice of Application**) by the Commissioner of Competition (**Commissioner**) as against the Respondents Avis

Budget Group, Inc. (**ABG**) and Avis Budget Car Rental, LLC (**ABCR**) (collectively, the **US Respondents**), without leave to amend;

- 2 In the alternative, an Order under Rule 181(2) of the *Federal Courts Rules* that the Commissioner serve and file further and better particulars of the allegation at paragraph 11 of the Notice of Application that the US Respondents, as parent companies of the Respondents Aviscar Inc. (**Avis Canada**) and Budgetcar Inc/Budgetauto Inc. (**Budget Canada**) (collectively, the **Canadian Respondents**), planned, directed, and were ultimately essential to the making of the representations that are the subject of the Application;
- 3 An Order extending the time for the Respondents to serve and file their response to the Application;
- 4 The costs of this motion; and
- 5 Such further and other relief as counsel may advise and the Tribunal may permit.

THE GROUNDS FOR THIS MOTION ARE:

No Basis for Order Sought

- 1 In the Application, the Commissioner seeks an Order under section 74.1 of the *Competition Act*, R.S.C. 1985, c. C-34, as amended (the **Act**), against each of the US Respondents and each of the Canadian Respondents, including, *inter alia*:
 - (a) a declaration that each of the US Respondents is engaging in or has engaged in reviewable conduct contrary to paragraph 74.01(1)(a), section 74.05, and subsections 74.011(1) and (2) of the *Act*;

- (b) an Order requiring the US Respondents, collectively, to pay an administrative monetary penalty in the amount of \$10,000,000; and
- (c) an Order requiring the US Respondents and the Canadian Respondents to jointly and severally reimburse current and former customers an amount reflective of, but not to exceed, revenue collected and retained in association with, or resulting from, the reviewable conduct between 12 March 2009 and the date of the order, to be distributed among the persons who rented passenger vehicles from the Respondents or their affiliates in such a manner as this Tribunal considers appropriate. [emphasis added]

2 There is no basis for the Tribunal to grant the Orders sought against either of the US Respondents.

No Cause of Action

3 The Notice of Application discloses no reasonable cause of action against the US Respondents. It is plain and obvious that the Application as against the US Respondents cannot succeed.

4 The Notice of Application describes ABG as a publicly-traded company incorporated pursuant to the laws of Delaware and headquartered in New Jersey, USA. ABG is described as a parent company of ABCR and the Canadian Respondents.

5 The Notice of Application describes ABCR as existing under the laws of Delaware and refers to it as a subsidiary of ABG and a parent company of the Canadian Respondents.

6 Notwithstanding that the Commissioner seeks the maximum allowable administrative monetary penalty and other relief against the US Respondents, the Commissioner fails

to allege any specific conduct on the part of the US Respondents in relation to the alleged misrepresentations. Instead, the Notice of Application improperly aggregates the US Respondents with each of the Canadian Respondents by defining “Avis” as the combination of Avis Canada and the US Respondents and “Budget” as the combination of Budget Canada and the US Respondents. The Notice of Application then ascribes the alleged improper conduct to these two artificial, combined entities.

- 7 The only claim made specifically against the US Respondents is that, as the parent companies of the Canadian Respondents, they “planned and directed” the conduct of their indirect subsidiaries.
- 8 No facts are pleaded in support of the vague and conclusory statement that the US Respondents “planned” or “directed”, or were “essential to the making of”, any of the alleged misrepresentations. As such, the pleading as against the US Respondents is bald.
- 9 ABG, ABCR, Avis Canada and Budget Canada are all legally separate entities. In seeking to impose a penalty against the US Respondents for the alleged improper conduct of the Canadian Respondents, the Commissioner seeks to pierce the corporate veil between parent and subsidiary companies. No facts have been pleaded to justify such an extreme result.
- 10 The Notice of Application further fails to disclose a basis upon which the US Respondents can be held liable for a breach of section 74.05 of the *Act*. Specifically, the Commissioner has not pleaded that either of the US Respondents supplied any product for sale or rent in Canada during the relevant period.

No Jurisdiction

- 11 The US Respondents are incorporated and located in a foreign country. The Notice of Application does not plead that the US Respondents ever carried on business in Canada or engaged in any activity in Canada.
- 12 The Notice of Application does not set out any basis on which the *Act* may be enforced extraterritorially against the US Respondents. In particular, the pleading does not set out any facts that would give rise to a real and substantial connection between the US Respondents and the alleged misrepresentations in Canada.
- 13 Based on the facts pleaded, the Tribunal lacks jurisdiction to grant the Orders sought as against the US Respondents.

Abuse of Process

- 14 On October 19, 2012, the Commissioner commenced an inquiry under section 10 of the *Act* into the marketing practices of the Canadian Respondents, and specifically into whether those marketing practices were contrary to paragraph 74.01(1)(a) and subsection 74.05 of the *Act*.
- 15 In furtherance of his inquiry, the Commissioner sought and obtained, on an *ex parte* basis, an Order under paragraphs 11(1)(b), 11(1)(c), and subsection 11(2) of the *Act* (the **Section 11 Order**) against the Canadian Respondents requiring the Canadian Respondents to produce a broad range of documents and information relating to the inquiry, including not only their own documents and information, but also documents and information in the possession of their affiliate, ABG.

- 16 The Canadian Respondents complied with the Section 11 Order and produced to the Commissioner in excess of 7,400 records totalling more than 20,000 pages (the **Section 11 Productions**).
- 17 In light of the Commissioner's two-year inquiry into the matters at issue and the Commissioner's receipt and review of the Section 11 Productions, the Commissioner's bald and groundless pleading against the US Respondents, based solely on the vague and conclusory allegation that they "planned and directed" the representations at issue, is an abuse of the Tribunal's process.

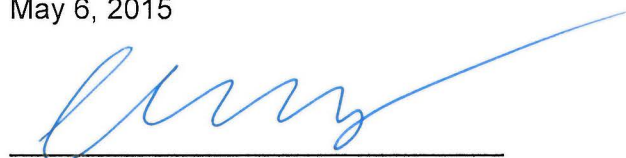
Alternative: Particulars

- 18 In the alternative to striking out the Application as against the US Respondents, the Respondents seek an order under Rule 181(2) of the *Federal Courts Rules* that the Commissioner provide particulars of the conduct of the US Respondents relating to the alleged misrepresentations upon which to ground the Orders sought in the Application and to engage the jurisdiction of the Tribunal.
- 19 Sections 8 and 8.1 of the *Competition Tribunal Act*.
- 20 Rules 2(1), 5, 34(1), 36(2)(c) and 83 of the *Competition Tribunal Rules*.
- 21 Rules 104(1)(a), 181(2) and 221(1) of the *Federal Courts Rules*.
- 22 Such further and other grounds as counsel may advise and the Tribunal may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- 1 The Affidavit of Sojourner King, sworn May 6, 2015.
- 2 Such further and other documents as counsel may advise and the Tribunal may admit.

May 6, 2015



(Signature of solicitor)

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Court File No. CT-2015-001

THE COMPETITION TRIBUNAL

THE COMMISSIONER OF COMPETITION

Applicant

- and -

AVISCAR INC. et al.

Respondents

NOTICE OF MOTION

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Lawyers for the Respondents

TAB 2

CT-2015-001

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 application for orders pursuant to section 74.1 of the *Competition Act* for conduct reviewable pursuant to paragraph 74.01(1)(a) and sections 74.05 and 74.011 of the *Competition Act*.

B E T W E E N :

THE COMMISSIONER OF COMPETITION

Applicant

- and -

AVISCAR INC., BUDGETCAR INC. / BUDGETAUTO INC.,
AVIS BUDGET GROUP, INC. and AVIS BUDGET CAR RENTAL, LLC

Respondents

AFFIDAVIT OF SOJOURNER KING

I, **SOJOURNER KING**, of the City of Toronto, in the Province of Ontario, **MAKE OATH**
AND SAY:

- 1 I am e-Discovery Counsel at the law firm of Norton Rose Fulbright Canada LLP, lawyers for the Respondents, and as such have knowledge of the matters to which I hereinafter depose, except as otherwise noted. To the extent that I am informed by others, I verily believe such information to be true.

- 2 On October 19, 2012, the Commissioner of Competition (**Commissioner**) commenced an inquiry under section 10 of the *Competition Act*, R.S.C. 1985, c. C-34 (**Act**) into the marketing practices of Aviscar Inc. and Budgetcar Inc./Budgetauto Inc. (collectively, the **Canadian Respondents**). On or about September 12, 2013, the Commissioner's inquiry was expanded to include a U.S. affiliate of the Canadian Respondents, Avis Budget Group, Inc. (**ABG**). Copies of the Commissioner's letters to the Canadian Respondents dated July 31, 2013 and September 12, 2013, advising of the inquiry, are included in Exhibit "A" to my affidavit as described in paragraph 3 hereto.
- 3 On September 20, 2013, the Commissioner filed an *ex parte* application in the Federal Court for an Order pursuant to paragraphs 11(1)(b), 11(1)(c) and subsection 11(2) of the *Act* requiring the Canadian Respondents to produce certain records, including the records of their US affiliate, ABG, and to provide written returns of information; and such other orders as counsel may advise. Attached to my affidavit as Exhibit "A" is a copy of the Affidavit of the Commissioner's authorized representative, Sophie Beaulieu, sworn September 19, 2013 in support of the Commissioner's application.
- 4 On October 1, 2013 the Federal Court granted the Commissioner's application and issued the Order (the **Section 11 Order**), a copy of which is attached to my affidavit as Exhibit "B".
- 5 The Canadian Respondents complied with the Section 11 Order and produced to the Commissioner in excess of 7,400 records totalling more than 20,000 pages, including records from their U.S. affiliate (the **Section 11 Productions**).

- 6 On March 11, 2015, the Commissioner served a Notice of Application against each of the Canadian Respondents and ABG seeking an Order under section 74.1 of the *Act* including, *inter alia*:
- (a) a declaration that each of the Canadian Respondents and ABG is engaging in or has engaged in reviewable conduct contrary to paragraph 74.01(1)(a), section 74.05, and subsections 74.011(1) and (2) of the *Act*;
 - (b) an Order requiring each of the Canadian Respondents and ABG to pay an administrative monetary penalty in the amount of \$10,000,000 for a total of \$30,000,000; and
 - (c) an Order requiring the Canadian Respondents and ABG to jointly and severally reimburse current and former customers an amount reflective of, but not to exceed, revenue collected and retained in association with, or resulting from, the reviewable conduct between 12 March 2009 and the date of the order, to be distributed among the persons who rented passenger vehicles from the Respondents or their affiliates in such a manner as this Tribunal considers appropriate.
- 7 On April 24, 2015, ABG advised the Commissioner that it is a holding company that owns subsidiaries that carry on the rental car business, and that it has and had no records that are responsive to the Section 11 Order. ABG advised that the Section 11 Productions belonged to the Canadian Respondents and Avis Budget Car Rental, LLC, a U.S. company that is a wholly-owned indirect subsidiary of ABG and an indirect parent company of the Canadian Respondents. A copy of the letter (without appendix) sent to the Commissioner's counsel in this regard is attached as Exhibit "C" to my affidavit.

- 8 On April 29, 2015, the Commissioner served an Amended Notice of Application adding Avis Budget Car Rental, LLC as a respondent to the Application.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, on May 6, 2015.



Commissioner for Taking Affidavits

Christine M. Kilby



SOJOURNER KING

TAB A

Court File No.

FEDERAL COURT

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

AND IN THE MATTER OF an inquiry under section 10 of the *Competition Act* relating to marketing practices of Aviscar Inc., Budgetcar Inc., and Avis Budget Group, Inc.;

AND IN THE MATTER OF an *ex parte* application by the Commissioner of Competition for an Order requiring Aviscar Inc. and Budgetcar Inc. to produce records pursuant to paragraph 11(1)(b) and subsection 11(2) of the *Competition Act* and to make and deliver written returns of information pursuant to paragraph 11(1)(c) of the *Competition Act*.

BETWEEN:

THE COMMISSIONER OF COMPETITION

FEDERAL COURT COUR FÉDÉRALE	
FILED	SEP 20 2013
	C. MARTIN
	OTTAWA, ONT 12

Applicant

- and -


AVISCAR INC. AND BUDGETCAR INC.

Respondents

AFFIDAVIT OF SOPHIE BEAULIEU

sworn 19 September 2013

This is Exhibit "A" referred to in the
affidavit of Sojourner King
sworn before me, this 6th
day of May 2013


A COMMISSIONER FOR TAKING AFFIDAVITS

Christine M. Kilby

I, Sophie Beaulieu, a Competition Law Officer with the Competition Bureau (the "**Bureau**"), of the Town of Mount Royal in the Province of Québec, **SWEAR THAT:**

1. I make this affidavit in support of an *ex parte* application for an Order pursuant to section 11 of the *Competition Act*, R.S.C., 1985, c. C-34 (the "**Act**").
2. I am an authorized representative of the Commissioner of Competition (the "**Commissioner**") for the purpose of this application.
3. I have been employed by the Bureau as a Competition Law Officer for the past five years. During this time I have investigated whether companies and individuals are complying with the deceptive marketing practices provisions under Part VII.1 of the Act. During the course of these investigations I have reviewed representations made to promote various products and reviewed records and information pertaining to investigations and inquiries under Part VII.1 of the Act.
4. I am also part of a team of Competition Law Officers working on an inquiry under Part VII.1 of the Act into certain marketing practices of Aviscar Inc., Budgetcar Inc., and Avis Budget Group, Inc. (collectively, "**Avis/Budget**"). I therefore have personal knowledge of the matters to which I depose. Where I do not have personal knowledge of the matters to which I depose, I have set out the grounds for my belief.

I. THE COMMISSIONER HAS COMMENCED AN INQUIRY

5. The Commissioner is an officer appointed by the Governor in Council under section 7 of the Act and is responsible for the administration and

enforcement of the Act.

6. On 19 October 2012 the Commissioner commenced an inquiry under subparagraph 10(1)(b)(ii) of the Act on the basis that he has reason to believe that grounds exist for the making of an order under Part VII.1 of the Act, specifically pursuant to paragraph 74.01(1)(a) and subsection 74.05(1), and with respect to certain marketing practices of Avis/Budget.

II. CIRCUMSTANCES OF THE INQUIRY

7. Based on his preliminary investigation (the “**Commissioner’s Preliminary Investigation**”), the Commissioner has reason to believe that for the purpose of promoting, directly or indirectly, the supply or use of and its business interests in rental passenger cars in Canada, Avis/Budget is making representations to the public that are false or misleading in a material respect, contrary to paragraph 74.01(1)(a) of the Act.
8. Amongst other things, the Commissioner has reason to believe that:
 - a. Avis/Budget has made or is making representations to the public that create the general impression that the price a consumer needs to pay to rent a passenger car is the price that Avis/Budget initially represents to consumers. The Commissioner has reason to believe that this general impression is false or misleading because Avis/Budget charges consumers additional fees during the rental process that it does not adequately disclose (“**Non-Optional Fees**”); and therefore, consumers cannot rent the passenger car for the price that Avis/Budget initially represents:
 - i. Attached hereto as Exhibits A and B are two examples of such representations made on Avis/Budget’s branded

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websites. In these two examples, consumers are required to pay, respectively, 34 and 27 percent more than the initial price that Avis/Budget represents that consumers need to pay to rent the passenger car; and

- ii. Attached hereto as Exhibit C is an example of a representation where Non-Optional Fees are added both to the initial price represented to consumers to rent a passenger car (as in Exhibits A and B) and to the price of customized rental products and services that customers may rent or acquire when renting a passenger car (the **“Customized Rental Products”**). In this example, because of Non-Optional Fees that are added to the price of the GPS navigation unit, consumers renting a GPS navigation unit are required to pay 14.61 percent more to rent the GPS navigation unit than the initial price that Avis/Budget represents that consumers need to pay for same.
 - b. Avis/Budget is describing and presenting certain of the Non-Optional Fees in a manner that gives the false or misleading general impression that these fees are mandatory fees that are imposed directly on consumers by a third party, such as a government authority, rather than fees that Avis/Budget charges consumers at its discretion. The “Car Tax” and the “Ontario Environmental Fee” are examples of such representations. They may be found at page 6 of Exhibit A and page 7 of Exhibit B.
9. Based on the foregoing, the Commissioner also has reason to believe that Avis/Budget has supplied and is supplying passenger cars and Customized Rental Products at prices that are higher than the prices it advertised for

same, contrary to subsection 74.05(1) of the Act.

10. Based on my review of the websites, www.avis.ca and www.budget.ca, I believe that between February and March 2013 Avis/Budget changed the manner in which it discloses Non-Optional Fees for Customized Rental Products on these websites. Despite these changes, however, it remains that consumers cannot acquire or rent the Customized Rental Products at the initial price that Avis/Budget represents to consumers. Further, based on the case team's review of Avis/Budget's branded mobile applications, I believe that Avis/Budget has not changed the way in which it discloses Non-Optional Fees for Customized Rental Products supplied through these mobile applications.

III. AVISCAR AND BUDGETCAR HAVE, OR ARE LIKELY TO HAVE, INFORMATION THAT IS RELEVANT TO THE INQUIRY

11. Aviscar and Budgetcar (which is also doing business as Budgetauto Inc.) are private corporations incorporated pursuant to the laws of Canada that provide passenger cars for rent in Canada. Their registered office is located at 1 Convair Drive E, Etobicoke, ON, M9W 6Z9. One of their executive officers is located at 6 Sylvan Way, Parsippany, New Jersey, 07054, USA. Attached hereto as Exhibits D and E are copies of searches from Corporations Canada showing the corporate registrations for Aviscar and Budgetcar, respectively.
12. I believe that Aviscar and Budgetcar have, or are likely to have, information that is relevant to the Inquiry. As noted above, Aviscar and Budgetcar are engaged in the business of renting passenger cars in Canada. My belief is also based on my review of other publicly available information and records and information Avis/Budget previously provided to the Bureau in an unrelated investigation that the Bureau treats as confidential and that was

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made under a different section of the Act (the "**Other Matter**").

IV. AVIS BUDGET GROUP HAS RECORDS THAT ARE RELEVANT TO THE INQUIRY

13. Avis Budget Group is a publicly-traded holding company, incorporated pursuant to the laws of Delaware, that is headquartered at 6 Sylvan Way, Parsippany, New Jersey, 07054, USA, and whose subsidiaries operate a vehicle rental services business throughout the world under the Avis and Budget brands. Attached hereto as Exhibit F is Part I, item 1, of the Annual Report Avis Budget Group filed with the U.S. Securities and Exchange Commission for the year ended 2012, in which Avis Budget Group describes its car rental business.
14. Aviscar and Budgetcar are subsidiaries of Avis Budget Group. Attached hereto as Exhibit G is Exhibit 21 of the Annual Report Avis Budget Group filed with the U.S. Securities and Exchange Commission for the year ended 2012, in which Avis Budget Group lists Aviscar and Budgetcar as its subsidiaries.
15. Further, based on my review of records and information Avis Budget Group previously provided to the Bureau in the Other Matter, I believe that Avis Budget Group wholly and indirectly owns Aviscar and Budgetcar. I therefore believe Avis Budget Group is an affiliate of Aviscar and Budgetcar.
16. Based on my review of publicly available information and records and information Avis/Budget previously provided to the Bureau in the Other Matter, I believe that Avis Budget Group has records that are relevant to the Inquiry.
17. For example, I reviewed an e-mail dated 3 September 2010 that Avis

Budget Group provided to the Bureau in the course of the Other Matter in which it informed the Bureau that certain of its employees possess high-level strategic documents relating to Canada and records relating to pricing for passenger car rental services in Canada. I also reviewed records Avis Budget Group provided to the Bureau between 2010 and 2011 in the Other Matter that relate to (i) pricing decisions for Non-Optional Fees and rental passenger cars in Canada; (ii) marketing and advertising decisions relating to Non-Optional Fees and rental passenger cars in Canada; (iii) strategic decisions about Avis/Budget's branded websites and mobile applications; and (iv) general customer service templates. I have not attached the e-mail and records identified above as the Bureau treats this information as confidential. The Commissioner is, however, prepared to disclose these materials for the purpose of this application if the court so orders.

18. Accordingly, I believe that Avis Budget Group has records that are relevant to the Inquiry.

V. THE ORDER SOUGHT

19. The records and written returns of information that the Commissioner seeks from Aviscar and Budgetcar are set out in Schedules I and II of the Draft Order.
20. Based on my review of records and information that the Bureau has gathered to date, I believe that Avis/Budget has engaged in the marketing practices described in paragraphs 7-9 since at least 2009 and in some cases since at least 2008. Accordingly, the Commissioner seeks records created or modified during, or that concern, the period from 1 January 2009 to the date of issuance of this Order, and written returns for the same period. In the case of Specifications 5 and 6 of Schedule I and

Specifications 7 and 21 of Schedule II, the Commissioner seeks records created or modified during, or that concern, the period from 1 January 2008 to the date of the issuance of this Order and written returns for the same period.

21. The Commissioner seeks records and written returns of information that relate to matters including the following:

- a. Avis/Budget's business interests in rental passenger cars in Canada promoted through representations it makes on various media;
- b. The representations Avis/Budget has made and is making on various media for the purpose of promoting rental passenger cars in Canada;
- c. The nature and frequency of the representations made to the public;
- d. Whether the representations are false or misleading in a material respect; and
- e. Whether a product was supplied for rent in a market at a price higher than the price advertised for that product during the time of the advertisement.

22. The Commissioner seeks these records and written returns of information with the view of determining the facts about Avis/Budget's marketing practices that are the subject of the Commissioner's Inquiry.

VI. INFORMATION IN THE COMMISSIONER'S POSSESSION

23. I have conducted a review of the Bureau's files to determine whether the Commissioner has records or information that are responsive to the Draft Order. I spoke with representatives of the Bureau's enforcement branches to determine if there were investigations or inquiries pursuant to which the Bureau received information that is responsive to the Draft Order. I then used the Bureau's Information Management System to search for investigations and inquiries pursuant to which the Bureau may have collected responsive records or information. Except as described below, I concluded that the Bureau has not received records or information that are responsive to the Draft Order.
24. In 2011, during the course of the Other Matter, Avis Budget Group informed the Bureau that further to that investigation it provided approximately 80,000 records to the Bureau. Based on my analysis of these records, I have concluded that some of the records and information Avis/Budget previously provided further to the Other Matter are partially responsive to the Order sought. The majority of the information that is partially responsive is financial information. Further to the Other Matter, Avis/Budget also provided a limited number of concession agreements and records, mainly e-mails, relating to Non-Optional Fees and Avis/Budget's branded websites that are also partially responsive to the Draft Order.
25. I believe that the aforementioned records and written returns of information are insufficient to determine the facts with respect to the Commissioner's Inquiry under Part VII.1 of the Act. This information was provided further to a different investigation made under a different section of the Act. The Commissioner cannot in certain instances determine whether the information relates to the rental of passenger cars, as the term is defined in

the Draft Order. Additionally, the information does not cover the relevant period of the Draft Order or all the geographic areas where Aviscar and Budgetcar operate in Canada. Finally, the Commissioner cannot determine whether the information previously provided is complete and includes the most current records and information.

26. If Avis/Budget previously provided records to the Commissioner that are responsive to the Draft Order, paragraph 11 of the Draft Order allows the Commissioner to waive further production of these records. Paragraph 11 provides:

THIS COURT FURTHER ORDERS that where a Respondent previously produced a record to the Commissioner the Respondent is not required to produce an additional copy of the record or thing provided that the Respondent: (1) identifies the previously produced record or thing to the Commissioner's satisfaction; (2) makes and delivers a written return of information in which it agrees and confirms that the record was either in the possession of the Respondent, on premises used or occupied by the Respondent or was in the possession of an officer, agent, servant, employee or representative of the Respondent; and where this is not the case, the Respondent shall make and deliver a written return of information explaining the factual circumstances about the possession, power, control and location of such record; and (3) receives confirmation from the Commissioner that such records or things need not be produced. Where the Respondents' affiliate, as identified in Schedule I, previously produced a record or thing to the Commissioner, the Respondent is not required to produce an additional copy of the record, provided that the Respondent complies with the three conditions above.

VII. COMMUNICATIONS WITH AVISCAR AND BUDGETCAR

27. On 31 July 2013 counsel for the Commissioner advised Mr. Robert Muhs, Vice President of Government Affairs, Corporate Compliance and Business

Ethics at Avis Budget Group, by phone, that the Commissioner has commenced the Inquiry into certain of Aviscar and Budgetcar's marketing practices.


28. By letter dated 31 July 2013, the Deputy Commissioner of Competition, Fair Business Practices Branch, also advised Mr. Muhs and Mr. Jon Zuber, Controller, Aviscar and Budgetcar, of same. Attached hereto as Exhibit H is this letter.
29. On 12 September 2013 counsel for the Commissioner sent a letter to Mr. Muhs and Mr. Zuber advising that the Commissioner would be seeking an Order to require Aviscar and Budgetcar to produce certain records, including the records of Avis Budget Group, and to make and deliver written returns of information pursuant to section 11 of the Act; advising that the Commissioner also commenced the Inquiry into certain of Avis Budget Group's marketing practices; and attaching an earlier draft of the specifications of the Draft Order without the form of Order. Attached hereto as Exhibit I is this letter.
30. On 19 September 2013 counsel for the Commissioner, members of the case team, and I had a conference call with Mr. Muhs and Mr. Zuber. Mr. Muhs and Mr. Zuber were not represented by counsel on the conference call and stated that the Respondents were in the process of retaining Canadian counsel.
31. During the conference call, Mr. Muhs and Mr. Zuber raised the following issues: for Specification 1, Schedule I, they did not know whether Avis/Budget kept copies of the Specified Online Price Offers and would need to confirm whether this was the case. Avis/Budget asked whether the Bureau could obtain information about foreign websites, as in, for example,

- 12 -

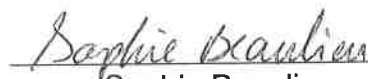
Specification 4, Schedule I. They also raised as a general concern that it may be difficult for the Respondents to comply with a 60-day time period for the production of records and the delivery of written returns of information given the scope and breadth of records and information requested.

32. Counsel for the Commissioner discussed these matters with Mr. Muhs and Mr. Zuber. Mr. Muhs and Mr. Zuber confirmed that any inability of the Respondents to produce records and deliver written returns within the time period was hypothetical at this point. Counsel for the Commissioner explained that Specification 4, Schedule 1 sought records that related to foreign websites only insofar as those records also related to the various ways in which Avis/Budget displayed or presented the overall costs to rent passenger cars in Canada on the Relevant Websites, as the term is defined in the Draft Order.
33. Mr. Muhs and Mr. Zuber asked about the timing for the filing of the application. Counsel for the Commissioner advised that the application for the Order would be filed as soon as possible.

SWORN BEFORE ME at the City of Gatineau in the Province of Québec
this 19th day of September 2013.



Commissioner of Oaths
LSC: 48095T



Sophie Beaulieu

THIS IS EXHIBIT 1A TO 26
AFFIDAVIT OF Sophie Beaulieu

SWORN BEFORE ME THIS 13 DAY
OF September 2013

[Signature]
COMMISSIONER FOR OATHS

EXHIBIT A

RESERVATION MADE ON THE WEBSITE WWW.AVIS.CA

This is a screenshot of the homepage on www.avis.ca. The consumer is invited to follow a series of steps to rent a passenger car.

Avis Car Rental - Rent A Car with Avis - Windows Internet Explorer

https://www.avis.ca/avis-website/avis-home.html

Search

RSA No code

Favorites Avis Car Rental - Rent A Car with Avis

Account My Line le courrier Imprimer Page Sécurité Outils Aide

AVIS Canada

Reservations Locations Deals Cars & Services

Make a Reservation View / Modify / Cancel Get a Receipt

DATE & TIME *

Pick-up Information

04/23/2013 9:00 AM

Return Information

04/24/2013 9:00 AM

LOCATION *

Pick-up

Country: Canada

Address:

City / Town: Toronto

State / Province: Ontario

Zip / Postal:

☒ Returning to same location (Uncheck for different location)

AGE & RESIDENCE *

25+ ☒ I am a resident of Canada

OPTIONAL INFORMATION

LAST NAME is required ONLY when entering a WIZARD NUMBER

Wizard Number: -- AND -- Last Name:

AWD or Rate Code: Coupon Code:

CONTINUE

It's Steve Stricker's space. And it's your space.

STEP 1: SELECTING A LOCATION

Avis Locations: Toronto, ON, CA - Windows Internet Explorer

https://www.avis.ca/avis-locations/search.do

RSB No code

Favorites Avis Locations: Toronto, ON, CA

Accueil Live to courier Imprimer Page Sécurité Quits Aide

AVIS Canada

Reservations Locations Deals Cars & Services

STEP 1 : SELECT AN AVIS LOCATION

15 Locations In or Near: Toronto, ON, CA

Show: All Locations Sort by: Airport

Airport Locations

1 Shuttle Service to/from Billy Bishop APO SELECT THIS LOCATION

Distance from address: 0.6 kms

1614 Bay Street
Toronto, ON M5J 2S1, CA
(1) 416-777-1212
Location Code: YTZ

Hours of Operation:
Sun 9:30 AM - 4:30 PM
Mon - Wed 7:30 AM - 6:30 PM
Thu - Fri 7:30 AM - 6:30 PM
Sat 8:30 AM - 3:30 PM

2 Toronto Intl Airport SELECT THIS LOCATION

Distance from address: 18.4 kms

5990 Airport Road
Toronto, ON M9W 6Z9, CA
(1) 905-678-1100
Location Code: YYZ

Hours of Operation:
Sun - Sat 6:00 AM - 1:00 AM

Neighborhood Locations

3 Brookfield Bay and Front SELECT THIS LOCATION

Distance from address: 0.5 kms

151 Bay St Unit 140 BCE
Toronto, ON M5H 2B4, Canada

Hours of Operation:
Sun - Sat 6:00 AM - 1:00 AM

Map

Small Map | Big Map

Vaughan Markham Richmond Hill

North York Scarborough

Toronto

Mississauga

15 km

bing

Internet

100%

STEP 2: SELECTING A PASSENGER CAR CLASS

Avis Rent A Car: Make a Reservation - Select a Car - Step 2 - Windows Internet Explorer

https://www.avis.ca/.../reservation/.../select-a-car/.../location=TOR/.../currency=USD/...

RSB No code

Favorites Avis Rent A Car: Make a Reservation - Select a Car - ... Accueil Lire le courriel Imprimer Page Sécurité Outils Aide

AVIS Canada

STEP 2 : SELECT A CAR

Base Rates* For 1 day(s) Currency: CAD

Available Rates: Lowest Rates

PAY NOW and SAVE! **PAY LATER AT PICK-UP** **PAY NOW ONLINE**

AVAILABLE CAR GROUPS

Car Group	Pay Later	Pay Now
Specialty Fiat 500 Convertible	85.00	---
Specialty Fiat 500 Sport	64.99	---
Economy Chevrolet Spark or similar	44.00	39.60
Compact Chevrolet Sonic or similar	44.00	39.60
Intermediate Chrysler 200 Sedan or similar	46.00	41.40
Full Size Chevrolet Impala or similar	49.00	44.10
Premium Chrysler 300 Limited or similar	70.00	63.00
Mini Van Dodge Grand Caravan or similar	70.00	63.00
Compact SUV Ford Escape or similar	70.00	63.00
Premium SUV	124.00	121.40

Car Rental Summary

RENTAL INFORMATION

Pick-up Information
Location: Brookfield Bay and Front, Toronto, B61
Date & Time: Tuesday, April 23, 2013 09:00 AM

Return Information
Location: Brookfield Bay and Front, Toronto, B61
Date & Time: Wednesday, April 24, 2013 09:00 AM

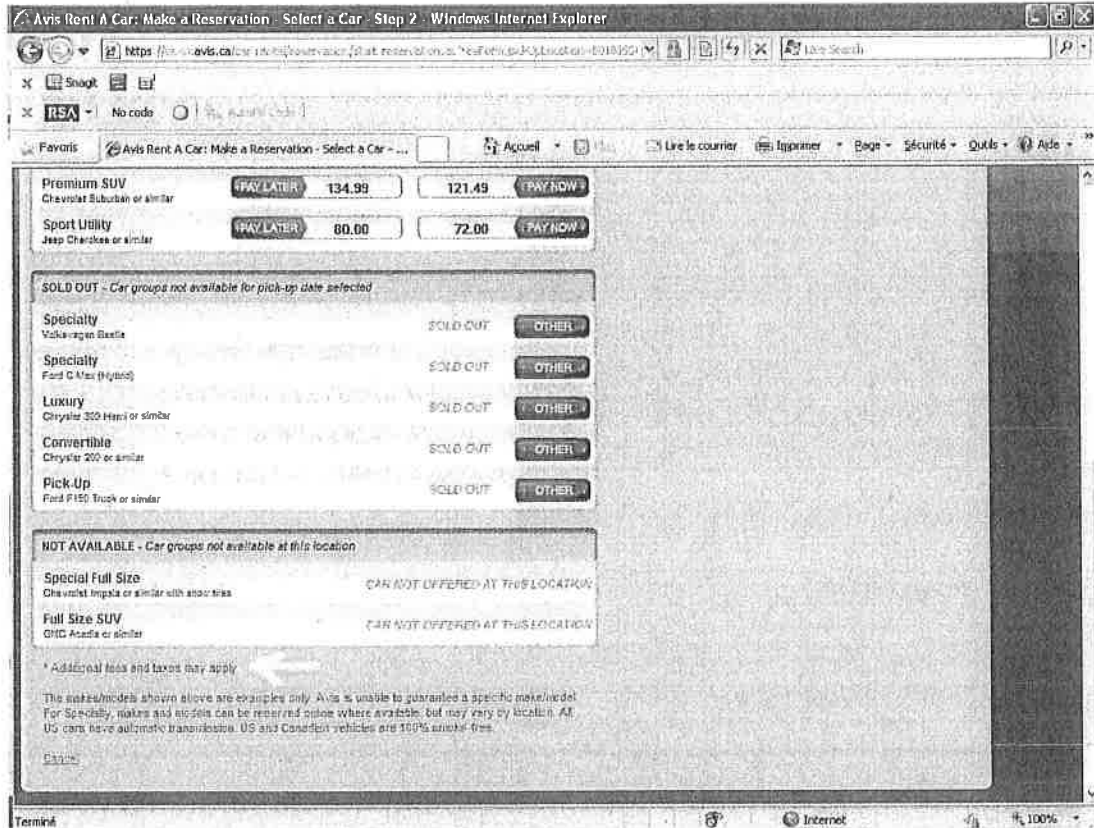
Renter Information
AWB: N/A Age: 25+
Rate Type: Lowest Residence: Canada
Rate Code: N/A
Wizard Number: N/A
Coupon: N/A

Terminé Internet 100%

- SCROLL DOWN -

STEP 2: SELECTING A PASSENGER CAR CLASS

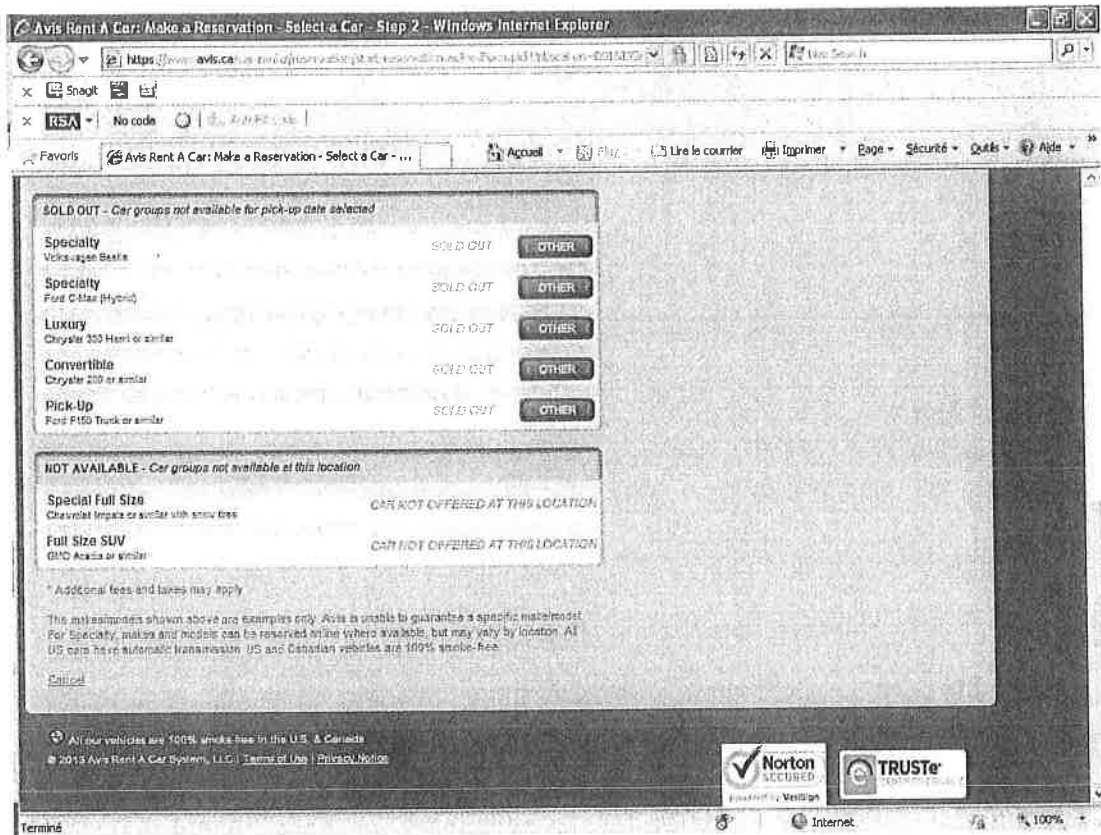
SCROLL DOWN SCREEN (1 of 2)



- SCROLL DOWN -

STEP 2: SELECTING A PASSENGER CAR CLASS

SCROLL DOWN SCREEN (2 of 2)



STEP 3: SELECTING CUSTOMIZED RENTAL PRODUCTS

(OPTIONAL STEP)

Avis Rent A Car: Make a Reservation - Options & Services - Step 3 - Windows Internet Explorer


https://www.avis.ca/.../options-services-step-3

AVIS Canada

STEP 3 : PRODUCTS & SERVICES

Rental Options

EQUIPMENT / SERVICES

☐ **GPS Navigation**
Where2 GoSE takes the guesswork out of where you're going.  9.95 CAD Per Day

☐ **Fuel Service Option (FSO)**
Purchase a full tank of gas in advance with no need for refuel on return. (Price not included in Estimated Total)

☐ **Child Safety Seats**
Keep kids safe when traveling with our child safety seats. [Safety Seat Information / Availability](#)

3	Infant	13.00 CAD Per Day
3	Safety	13.00 CAD Per Day
3	Booster	13.00 CAD Per Day

PROTECTIONS / COVERAGES

Protections/Coverages are subject to tax in certain locations.

☐ **Loss Damage Waiver (LDW)** 27.55 CAD Per Day

Car Rental Summary 66.65

<input checked="" type="checkbox"/> Base Rate for 1 day(s)	44.00
Base Rate	44.00
Kilometers	Unlimited
Rate Rules:	
Maximum 4 Day(s) and 12 hour(s)	
Rental Options	---
Protections & Coverages	---
<input checked="" type="checkbox"/> Taxes / Fees / Surcharges	22.65
Surcharges	
Energy Recovery Fee (1)	0.98
Ontario Environmental Fee (1)	0.18
Parking Surcharge	12.00
Vehicle License Fee (AC Excess Tax (CAD) 1.65/day)	1.88
Taxes	
CANADA GST	7.67
Estimated Total (CAD)	66.65

RENTAL INFORMATION

Pick-up Information

Location: Brockfield Bay and Front, Toronto, 631

Date & Time: mardi, avril 23, 2013 à 09:00 AM

Return Information

- SCROLL DOWN -

STEP 3: SELECTING CUSTOMIZED RENTAL PRODUCTS

SCROLL DOWN SCREEN (1 of 1)

Avis Rent A Car: Make a Reservation - Options & Services

Protections/Coverages are subject to tax in certain locations.

<input type="checkbox"/> Loss Damage Waiver (LDW)	27.95 CAD Per Day
<input type="checkbox"/> Personal Accident Insurance (PAI)	4.99 CAD Per Day
<input type="checkbox"/> Personal Effects Protection (PEP)	3.09 CAD Per Day
Additional Liability Insurance (ALI)	Not Available
<input type="checkbox"/> Roadside SafetyNet	8.99 CAD Per Day

FREQUENT TRAVEL PROGRAM FOR MILES/POINTS

Rewards program points will be awarded on eligible rentals. Miles may not be earned on corporals rates, discounts, free, tour or certain travel industry rates or on rentals at off airport locations. Qantas, Air New Zealand, Airpoints Dollars, and Fly Bids reward members should consult their program for their latest point totals.

Enter the Mile/Points Program partner name below or [Click here](#) to select from a complete list

Rewards Program

PROGRAM PARTNER NAME	MEMBER NUMBER
<input type="text"/>	<input type="text"/>

[Cancel](#) [CONTINUE](#)

Please Note: All taxes for these rentals are included in the estimated total, unless otherwise specified.

All our vehicles are 100% smoke-free in the U.S. & Canada.
© 2013 Avis Rent A Car System, LLC | Terms of Use | Privacy Policy

Norton SECURED
TRUSTe

STEP 4: CAR RENTAL PAYMENT SUMMARY

STEP 4: INFORMATION & REVIEW

Contact Information (* Required Field)

First Name *
Last Name *
Email Address: *
☒ Send me email promotions and offers. Uncheck to opt-out.
Contact Phone Number: Ex: (1) xxx-xxx-xxxx
Your driver's license may be subject to verification from the state of issuance.

Convenient PAY NOW option now available.

Travel Agents Only: IATA/ARC UG MEM #
Your Credit Card is not required to confirm this online reservation.
[Cancel](#) [RESERVE](#)

Car Rental Summary **\$66.65**

<input type="checkbox"/> Base Rate for 1 day(s)	44.00
Base Rate	44.00
Kilometers:	Unlimited
Rate Rules:	
Maximum 4 Day(s) and 12 hour(s)	
<input checked="" type="checkbox"/> Rental Options	----
<input checked="" type="checkbox"/> Protections & Coverages	----
<input checked="" type="checkbox"/> Taxes / Fees / Surcharges	22.65
Surcharges	
Energy Recovery Fee (1)	0.50
Ontario Environmental Fee (1)	0.15
Parking Surcharges	12.00
Vehicle License Fee/AC Expense Tax (CAD 1 day)	1.85
Taxes	
CANADA GST	7.87

Estimated Total (CAD) **\$66.65**

RENTAL INFORMATION [Modify](#)

Pick-up Information

Location: Brockfield Bay and Front, Toronto, B01
Date & Time: March 23, 2013 @ 05:00 AM

Return Information

As the screenshots above demonstrate, consumers cannot rent the compact passenger car for \$44.00 per day as initially represented (see p. 3). Rather, consumers are required to pay 34 percent more¹ than the initial price represented because of Non-Optional Fees that are added to the initial price.

¹ The initial price represented to consumers to rent a compact passenger car is \$44.00. The total price consumers are required to pay to rent a compact passenger car is \$66.65 (including CANADA GST) and \$58.98 (excluding CANADA GST). The difference between the initial price represented to consumers and the total price consumers are required to pay (excluding CANADA GST) is $[(\$58.98 - \$44.00) / \$44.00] * 100 = 34\%$.

THIS IS EXHIBIT B TO 36 THE
AFFIDAVIT OF Sophie Beaudieu

SWORN BEFORE ME THIS DAY
OF September 2013


COMMISSIONER FOR OATHS

EXHIBIT B

RESERVATION MADE ON WWW.BUDGET.CA

This is a screenshot of the homepage on www.budget.ca. The consumer is invited to follow a series of steps to rent a passenger car.

Car Rental From Budget | Budget - Windows Internet Explorer

http://www.budget.ca/

Language Preference: English | Français

reservations | deals | cars | locations | frequent renter | customer care | home

Rent A Car

pick-up location
search by [airport](#) | [city/address](#) | [postal code](#)
Enter location code [airport codes](#)

dates and times
pickup: 04/23/2013 9:00 AM return: 04/24/2013 9:00 AM

discounts and memberships
offer code (BCD) flatbreak (BCF) coupon code

more options one way rentals, travel agents

Reserve Now

I already have a reservation

TRUCK for a BUCK!
Rent a Budget Truck for a \$1/day

today's best car rental deals - April 22, 2013

- \$19.95 per weekend day in Toronto.** [learn more](#)
- Visit the U.S. & Save** [learn more](#)
- Fastbreak. GET PAID OUT.** Enroll for **FREE & save time!** [learn more](#)
- Save up to 35% in Canada.** [learn more](#)
- SAVE on your next weekend rental!** [learn more](#)
- Pay Now and SAVE up to 35%** [learn more](#)
- AIR MILES** reward miles with Budget. [learn more](#)
- AIR CANADA PROUD PARTNER**

home | [PRIVACY](#) | [terms of use](#) | [moving trucks](#) | [travel agents](#) | [contact us](#)

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TRUSTe

**AFTER CLICKING THE \$19.95 PER WEEKEND DAY IMAGE,
THE CONSUMER IS DIRECTED HERE:**

The screenshot shows the Budget website in a Windows Internet Explorer browser. The URL is http://www.budget.ca/vehicles/locations/deals/weekends?HID=7&cat=Weekend&CD=3&E=31_bea. The page features a navigation bar with links for reservations, deals, cars, locations, frequent renter, customer care, and home. Below this is a sub-navigation bar for Canada Deals, U.S. Deals, International Deals, and Partners. The main content area is titled "Savings worthy of a mini-vacay" and "Explore Toronto or plan a weekend getaway." It states: "Enjoy rates as low as \$19.95 per weekend day on a subcompact (group A) vehicle when you rent for 2 days or more in Toronto and surrounding area." A table lists car groups and their weekend rates per day:

Car group	Weekend rates/day
A	\$19.95
B	\$21.95
C	\$24.95
D/E	\$29.95
F	\$46.95

Below the table, it says "Quote BCD # D601800 at time of reservation." There is a "Reserve Now" button and a "Share This" button with social media icons. A large image of the Toronto skyline is also present. The footer includes "Terms and Conditions" and a status bar showing "Internet" and "100%".

- SCROLL DOWN -

STEP 1: SELECTING LOCATION AND DATES

The consumer is directed to this webpage after clicking "Reserve Now"

The screenshot shows a web browser window with the URL <https://www.budget.com/...>. The page title is "rent your car today | Budget". The main content area is titled "step 1 of 4: choose car rental place and time".

location

pick-up location * [airport locations](#)
Toronto Island Billy Bishop Airport, Ontario, Can

pick-up date/time * 04/29/2013 at 9:00 AM

return location *
return to different location (one-way)

return date/time * 04/29/2013 at 9:00 AM

offer codes

BCD
D501800
coupon code none

☒ use an offer code

offer code (BCD) coupon code

customer ID (Fastbreak, RapidRez or online ID)

passcode

I live in my age

☐ Reserve in one click (use my account data)

The Budget Site

- Privacy
- Site map
- Search
- Contact us

About Budget

- Employment
- Affiliates
- Travel agents
- Car sales
- Car share

Featured Rentals

- Ontario Car Rental
- Business Car Rental
- Car Rental Deals
- Van Rental

Featured Products

- Move Truck Rental
- Car in the shop
- US Green Rent a Car
- Business accounts

Partners

- Affiliates
- Travel agents
- Car sales
- Business accounts

Site Feedback B

Internet 100%

STEP 2: SELECTING A PASSENGER CAR CLASS

The screenshot shows the Budget website interface in a Windows Internet Explorer browser. The page is titled "rent your car today | Budget" and shows "step 2 of 4: choose my car".

rental summary

- rate (C\$ CAD): 3 day, 0 hour rental
- car: still deciding
- options: still deciding
- fees & taxes: TBD
- location: TORONTO ISLAND BLVD, TORONTO, CA, 28 apr. 2013 09:00 AM
- return: Same as pick-up location, Sun, 29 apr. 2013 09:00 AM
- offer codes: BCD D601800, coupon code none
- personal info: RapidRez Number, residency CA, age 25 or over

step 2 of 4: choose my car

Your rate options: D601800 | budget.com

available car groups

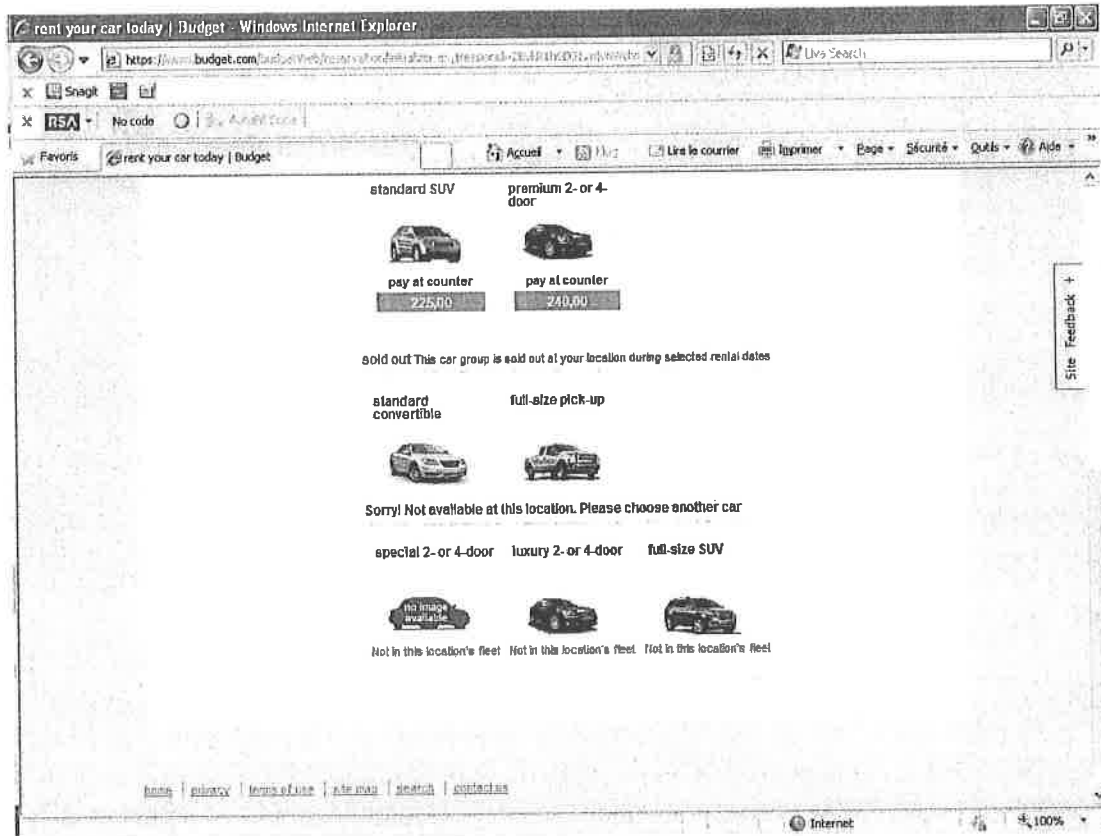
car group	pay at counter
economy 2- or 4-door	59.85
compact 2- or 4-door	65.85
intermediate 2- or 4-door	74.85
full-size 2- or 4-door	87.00
intermediate SUV	140.05
mini passenger van	210.00
standard SUV	
premium 2- or 4-	

Buttons: "Looking For Pay Now Rates?", "Live Help Online Chat with us", "Site Feedback"

- SCROLL DOWN -

STEP 2: SELECTING A PASSENGER CAR CLASS

SCROLL DOWN SCREEN (1 of 1)



STEP 3: SELECTING CUSTOMIZED RENTAL PRODUCTS

(OPTIONAL STEP)

Budget

step 3 of 4: choose my options

rental summary	
rate (C\$ CAD)	59,85
options	0,00
fees & taxes	25,70
fees	15,81
ENERGY RECOVERY FEE 50 /day	2,91
ONT ELEVATION FEE 15 /day	0,45
car: lax	5,55
fees	7,00
taxes	9,85
TOTAL (C\$ CAD)	C\$ 85,64

DX rate terms

- 3 day, 0 hour rental • unlimited free kilometers • 2 day minimum rental required • return rental by Monday • checkout before Sunday

location [change](#)

pick-up
TORONTO ISLAND BILLY
BISHOP AP • YTZ
TORONTO, CA
yen_25 avr 2013 03:00 AM

step 3 of 4: choose my options

Move up to a compact
for only C\$ 1.99 more per day

Easy to use GPS navigation
Garmin where2TM gives clear, easy directions.
[note](#)

C\$ 9,95 /day

Safety Seats
Keep your kids safe. [note](#)

0 ☒ infant 0 ☒ safety 0 ☒ booster

C\$ 15,00 /day C\$ 13,00 /day C\$ 13,00 /day

Roadside SafetyNet
Unexpected emergency? Assistance is on the way! [note](#)

C\$ 8,99 /day

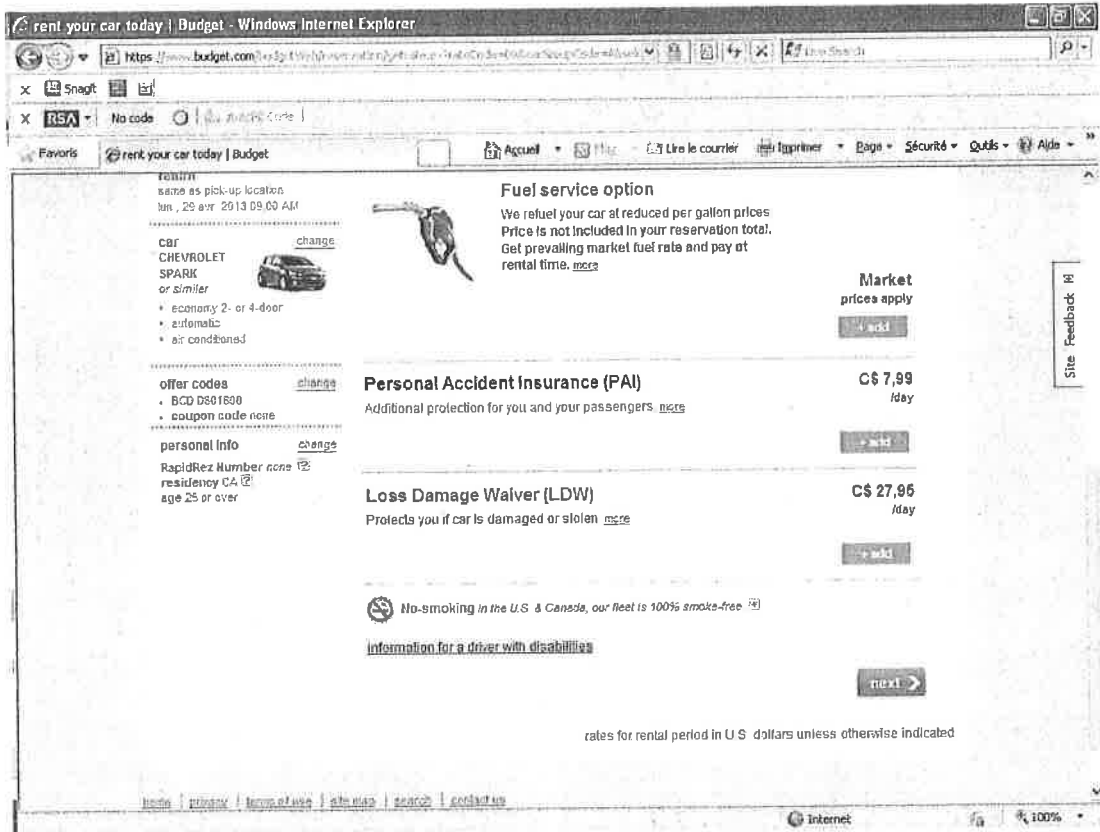
Live Chat is Busy
Call or e-mail instead.

Size Feedback (6)

Internet 100%

- SCROLL DOWN -

SCROLL DOWN SCREEN (1 of 1)



STEP 4: RENTAL PAYMENT SUMMARY

rent your car today | Budget - Windows Internet Explorer

https://www.budget.com/fr/step4/step4/index.jsp

rent your car today | Budget

Budget

step 4 of 4: rent it!

rental summary

rate (CS CAD)	
car	59,85
options	0,00
fees & taxes	25,79
fees	15,91
ENERGY RECOVERY ¹	2,54
FEE \$8/day	0,45
OMT ENVOI	5,55
FEE \$15/day	7,00
car tax	9,85
fees	
taxes	

TOTAL (CAD) C\$ 85,64

DX rate terms¹

- 2 day, 0 hour rental • unlimited free kilometers • 2 day minimum rental required • return rental by Monday • checkout before Sunday

location [change](#)

pick-up
TORONTO ISLAND BLVD
BISHOP AR - YTZ (H)
TORONTO, CA
Wed, 23 Apr 2013 09:08 AM

return

personal information **required

first name • last name •

phone • e-mail •

☒ I prefer an HTML confirmation e-mail (deselected for text-only).

☐ Yes, send me promotional offers from Budget and its partners

flight information

airline • flight # (4 number code only)

payment method

☒ pay at rental counter [terms](#) ☐ pay online [terms](#)

[Print it!](#)

Save gas!!
Where2? Add GPS to your rental only: 29,85

Live Chat is Busy
Call or e-mail instead.

Site Feedback

Terminé

Internet 100%

As the screenshots above demonstrate, consumers cannot rent the subcompact/economy passenger car for \$19.95 per day as initially represented (see p. 1). Rather, consumers are required to pay 27 percent more¹ than the initial price represented because of Non-Optional Fees that are added to the initial price.

¹ The initial price represented to consumers to rent a subcompact/economy passenger car is \$19.95 per day, and \$59.85 for three days. The total price consumers are required to pay to rent a subcompact/economy passenger car for three days (excluding HST) is \$75.79. The difference between the initial price represented to consumers and the total price consumers are required to pay (excluding HST) is $[(\$75.79 - \$59.85) / \$59.85] \times 100 = 27\%$.

THIS IS EXHIBIT C TO THE
AFFIDAVIT OF Sophie Beaulieu

SWORN BEFORE ME THIS 20 DAY
OF September 20 13


COMMISSIONER FOR OATHS

EXHIBIT C

EXAMPLE OF A RESERVATION MADE ON A MOBILE APPLICATION TO RENT A PASSENGER CAR WITH CUSTOMIZED RENTAL PRODUCTS

STEP 1: SELECTING DATES AND TIMES

The screenshot shows the Budget mobile application interface. At the top, the status bar displays various icons and the time 9:04 AM. The app header features the Budget logo. Below the header, a dark bar indicates 'New Reservation'. The main section is titled 'Step 1: Date & Time' with a 'Required' status. It contains two rows: 'Pick-Up' and 'Drop-Off'. The 'Pick-Up' row shows 'Fri, December 7, 2012' and '9:00 AM'. The 'Drop-Off' row shows 'Fri, December 7, 2012' and '3:00 PM'. Below this, another dark bar indicates 'Step 2: Location' with a 'Required' status. It contains two rows: 'Pick-Up' and 'Drop-Off', both with empty input fields and right-pointing arrows. At the bottom, a dark bar indicates 'Step 3: Discount Codes' with an 'Optional' status.

Step 1: Date & Time		Required
Pick-Up		
Fri, December 7, 2012	9:00 AM	
Drop-Off		
Fri, December 7, 2012	3:00 PM	

Step 2: Location		Required
Pick-Up		>
Drop-Off		>

Step 3: Discount Codes		Optional
------------------------	--	----------

STEP 2: SELECTING A LOCATION

The screenshot shows the Budget mobile app interface. At the top, the status bar displays various icons and the time 9:04 AM. The app header features the Budget logo. Below the header, a dark bar reads "New Reservation". The main content area is divided into three sections. The first section, "Step 1: Date & Time", is marked as "Required" and shows "Pick-Up" details for Friday, December 7, 2012, at 9:00 AM, and "Drop-Off" details for the same date at 3:00 PM. The second section, "Step 2: Location", is also marked as "Required" and shows "Pick-Up" and "Drop-Off" locations both set to "MONTREAL TRUDEAU (YUL)". The third section, "Step 3: Discount Codes", is marked as "Optional".

Step 1: Date & Time		Required
Pick-Up	Fri, December 7, 2012	9:00 AM
Drop-Off	Fri, December 7, 2012	3:00 PM

Step 2: Location		Required
Pick-Up	MONTREAL TRUDEAU (YUL)	>
Drop-Off	MONTREAL TRUDEAU (YUL)	>

Step 3: Discount Codes		Optional
------------------------	--	----------

Step 3 (Entering a Coupon Code) is an optional step.

STEP 4: SELECTING A PASSENGER CAR CLASS

Budget

Budget Customer Discount	BCD
Coupon Code	Coupon Code

Step 4: Vehicle Selection

Required

Small to Full Size

from

52.99 CAD

Luxury & Convertibles

from

67.99 CAD

SUVs & Wagons

from

69.99 CAD

Vans & Trucks

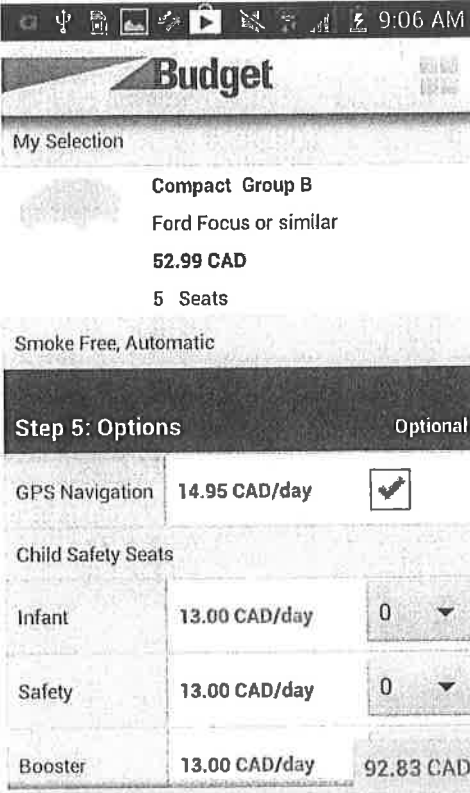
from

79.99 CAD

My Selection


No Car Selected

STEP 5: SELECTING CUSTOMIZED RENTAL PRODUCTS



Budget

My Selection

 **Compact Group B**
Ford Focus or similar
52.99 CAD
5 Seats

Smoke Free, Automatic

Step 5: Options Optional

GPS Navigation	14.95 CAD/day	<input checked="" type="checkbox"/>
Child Safety Seats		
Infant	13.00 CAD/day	0 ▼
Safety	13.00 CAD/day	0 ▼
Booster	13.00 CAD/day	92.83 CAD

The price represented to consumers for the GPS Navigation Unit is \$14.95 per day and the total price represented to consumers to rent a compact passenger car with a GPS Navigation Unit is \$92.83.

STEP 6: ENTERING PERSONAL INFORMATION

&

STEP 7: FINISH RESERVATION AND RESERVE

The screenshot shows the Budget mobile app interface. At the top, there's a status bar with various icons and the time 9:07 AM. Below that, the 'Budget' logo is visible. There are input fields for 'Email Address' and 'Mobile Number'. The main section is titled 'Step 7: Finish Reservation' and contains a table with the following data:

Car Rate	52.99	CAD
Options	14.95	CAD
Taxes & Fees	24.89	CAD
Estimated Total	92.83	CAD

Below the table is a large 'Reserve' button. To the right of the button, the total price '92.83 CAD' is displayed in a separate box.

Again the price represented to consumers to rent the compact passenger car with the GPS Navigation Unit is \$92.83.

RECEIPT DEMONSTRATING ACTUAL PRICE PAID BY CONSUMER RENTING COMPACT PASSENGER CAR WITH GPS NAVIGATION UNIT

As the receipt below demonstrates, consumers cannot pay the represented \$14.95 per day for the GPS Navigation Unit or the total price of \$92.83 to rent the passenger car with the GPS Navigation Unit. Consumers are required to pay above these prices because of a concession recovery fee that is added to the price of the GPS Navigation Unit. With this added Non-Optional Fee, the consumer is required to pay 14.61% more to rent the GPS Navigation Unit than the initial price represented to consumers to rent same (see p. 4).

RECEIPT	
Rental Agreement Number:	955046772
Vehicle Number:	31343292
YOUR INFORMATION	
[REDACTED]	
YOUR RENTAL	
Picked up:	YUL
Date/Time:	DEC 07 2012 09 59AM
Returned:	YUL
Date/Time:	DEC 07 2012 012 52PM
Veh Group:	Compact
Veh Charged:	Compact
Vehicle:	HYUNDAI ACCENT SEDAN
Odometer Out:	27088
Odometer In:	27151
Fuel Reading:	Full
YOUR VEHICLE CHARGES	
MINIMUM CHARGE	52 99
YOUR TIME AND MILEAGE	52 99
YOUR TAXABLE FEES	
GST TAX	4 24
**14 83 FEE	10 82
GPS	14 95
**VLF FEE	1 91
S3 24/DY TIREF	3 24
ENERGY RECOVERY 0 98/DY	98
YOUR SUBTOTAL	89 13
TAXABLE SUBTOT	8 46
GST 9 600%	
YOUR NON TAXABLE ITEMS	
TOTAL CHARGES 97 59	
NET CHARGES	97 59
YOUR TOTAL DUE:	0 00
PAID ON AMEX XX1005	
**CONCESSION RECOVERY FEE	
TIRE MGMT FEE 3.24/DY	
**VEH LICENSE FEES 1.91/DY	
GPS 14 95/DY EA 14 95**T	
THANK YOU FOR RENTING WITH BUDGET	
GST NO R880643B20	
Other enquiries or e-receipt visit	
www.budget.com	
or call 514-636-0052	

THIS IS EXHIBIT D TO THE
AFFIDAVIT OF Sophie Beaulieu

SWORN BEFORE ME THIS 20 DAY
OF September 2013

[Signature]
COMMISSIONER FOR OATHS

EXHIBIT D



Industry Canada

Home > Corporations > Corporations Canada > Search for a Federal Corporation

Corporations Canada

Federal Corporation Information - 312151

[Glossary of Terms used on this page](#)

[Return to Search Results](#)

[Start New Search](#)

Corporation Number

312151

Business Number (BN)

100361989RC0001

Governing Legislation

Canada Business Corporations Act - 1980-06-27

Corporate Name

AVISCAR INC.

Status

Active

Registered Office Address

1 CONVAIR DR E
ETOBICOKE ON M9W 6Z9
Canada

Active CBCA corporations are required to [update this information](#) within 15 days of any change.

Directors

Minimum

1

Maximum

7

To obtain addresses of directors, [contact Corporations Canada](#) by email or fax.

Directors

JON ZUBER
RONALD L. NELSON

Active CBCA corporations are required to [update this information](#) within 15 days of any change.

Annual Filings

Anniversary Date (MM-DD)

06-27

Date of Last Annual Meeting

2011-07-20

Annual Filing Period (MM-DD)

06-27 to 08-26

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

2013 - Not due

2012 - Filed

2011 - Filed

Corporate History

Corporate Name History

1957-09-23 to 1980-09-01

AVIS TRANSPORT OF CANADA LTD.

1980-09-01 to Present

AVISCAR INC.

Certificates and Filings

Certificate of Continuance

1980-06-27

EMAIL

PRINT

CLOSE

Corporation : 312151 - AVISCAR INC.Mailing address : 12/3/1984 to present

1 CONVAIR DR E

ETOBICOKE, M9W6Z9

Alternate Name(s):9/23/1957 To 9/1/1980 : (AVIS TRANSPORT OF CANADA LTD.)**Status:**6/27/1980 to : (Active)**Directors (3)**

Name	Address	Start Date	End Date	Resident	Active
NELSON, RONALD	6 SYLVAN WAY PARSIPPANY,NJ, 07054	9/1/2010	-	True	True
PORTNER, CHRISTOPHER	1 FIRST CANADIAN PLACE TORONTO,ON, M5X 1B8	12/23/2010	12/23/2010	True	False
ZUBER, JON	1 CONVAIR DRIVE EAST ETOBICOKE,ON, M9W 6Z9	12/23/2010	-	True	True

THIS IS EXHIBIT E TO THE ⁶⁰
AFFIDAVIT OF Sophie Beaulieu
SWORN BEFORE ME THIS.....DAY
OF September 20 13
COMMISSIONER FOR OATHS

EXHIBIT E



Government of Canada
Gouvernement du Canada

Canada

Industry Canada

Home > Corporations > Corporations Canada > Search for a Federal Corporation

Corporations Canada

Federal Corporation Information - 4278453

[Glossary of Terms used on this page](#)

[Return to Search Results](#)

[Start New Search](#)

Corporation Number

4278453

Business Number (BN)

880643820RC0002

Governing Legislation

Canada Business Corporations Act - 2005-01-01

Corporate Name

BUDGETCAR INC.

BUDGETAUTO INC.

Status

Active

Registered Office Address

1 CONVAIR DRIVE E.
ETOBICOKE ON M9W 6Z9
Canada

Active CBCA corporations are required to [update this information](#) within 15 days of any change.

Directors

Minimum

1

Maximum

5

To obtain addresses of directors, [contact Corporations Canada](#) by email or fax.

Directors

RONALD L. NELSON

JON ZUBER

Active CBCA corporations are required to [update this information](#) within 15 days of any change.

Annual Filings

Anniversary Date (MM-DD)

01-01

Date of Last Annual Meeting

2011-07-20

EMAIL

PRINT

CLOSE

Corporation : 4278453 - BUDGETCAR INC.Mailing address : 1/1/2005 to present

1 CONVAIR DRIVE E.

ETOBICOKE, M9W 6Z9

Alternate Name(s):1/1/2005 To : (BUDGETAUTO INC.)**Status:**1/1/2005 to : (Active)**Directors (3)**

Name	Address	Start Date	End Date	Resident	Active
NELSON, RONALD	6 SYLVAN WAY PARSIPPANY,NJ, 07054	9/1/2010	-	True	True
PORTNER, CHRISTOPHER	1 FIRST CANADIAN PLACE TORONTO,ON, M5X 1B8	12/23/2010	12/23/2010	True	False
ZUBER, JON	1 CONVAIR DRIVE EAST ETOBICOKE,ON, M9W 6Z9	12/23/2010	-	True	True

Annual Filing Period (MM-DD)

01-01 to 03-02

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

2013 - Filed

2012 - Filed

2011 - Filed

Corporate History

Corporate Name History

2005-01-01 to Present

BUDGETCAR INC.

2005-01-01 to Present

BUDGETAUTO INC.

Certificates and Filings

Certificate of Amalgamation

2005-01-01

Corporations amalgamated:

- 2013070

- 3547086

THIS IS EXHIBIT F TO THE
AFFIDAVIT OF Sophie Brawley

65

SWORN BEFORE ME THIS.....DAY
OF September 2013

[Signature]
COMMISSIONER FOR OATHS

EXHIBIT F

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

COMMISSION FILE NO. 001-10308

AVIS BUDGET GROUP, INC.

(Exact name of Registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

06-0918165

(I.R.S. Employer Identification Number)

**6 SYLVAN WAY
PARSIPPANY, NJ**

(Address of principal executive offices)

07054

(Zip Code)

973-496-4700

(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS
Common Stock, Par Value \$.01

**NAME OF EACH EXCHANGE
ON WHICH REGISTERED**
The NASDAQ Global Select Market

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of June 30, 2012, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was \$1,593,413,279 based on the closing price of its common stock on the NASDAQ Global Select Market. All executive officers and directors of the registrant have been deemed, solely for the purpose of the foregoing calculation, to be "affiliates" of the registrant.

As of January 31, 2013, the number of shares outstanding of the registrant's common stock was 107,267,637.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be mailed to stockholders in connection with the Registrant's annual stockholders' meeting scheduled to be held on May 22, 2013 (the "Annual Proxy Statement") are incorporated by reference into Part III hereof.

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FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report on Form 10-K may be considered “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements contained herein are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by any such forward-looking statements. Forward-looking statements include information concerning our future financial performance, business strategy, projected plans and objectives. These statements may be identified by the fact that they do not relate to historical or current facts and may use words such as “believes,” “expects,” “anticipates,” “will,” “should,” “could,” “may,” “would,” “intends,” “projects,” “estimates,” “plans,” and similar words, expressions or phrases. The following important factors and assumptions could affect our future results and could cause actual results to differ materially from those expressed in such forward-looking statements:

- the high level of competition in the vehicle rental industry and the impact such competition may have on pricing and rental volume;
- a change in our fleet costs as a result of a change in the cost of new vehicles, disruption in the supply of new vehicles, and/or a change in the price at which we dispose of used vehicles either in the used vehicle market or under repurchase or guaranteed depreciation programs;
- risks related to our proposed acquisition of Zipcar, Inc. (“Zipcar”), including our ability to complete such acquisition, our ability to realize the synergies contemplated by the transaction, and our ability to promptly and efficiently integrate the businesses of Zipcar and Avis Budget Group;
- the results of operations or financial condition of the manufacturers of our cars, which could impact their ability to perform their payment obligations under the agreements we have with them, including repurchase and/or guaranteed depreciation arrangements, and/or their willingness or ability to make cars available to us or the rental car industry as a whole on commercially reasonable terms or at all;
- a change in travel demand, including changes in airline passenger traffic;
- any change in economic conditions generally, particularly during our peak season or in key market segments;
- our ability to continue to achieve and maintain cost savings and successfully implement our business strategies;
- our ability to obtain financing for our global operations, including the funding of our vehicle fleet through the issuance of asset-backed securities and use of the global lending markets;
- an occurrence or threat of terrorism, pandemic disease, natural disasters or military conflict in the locations in which we operate;
- our dependence on third-party distribution channels, third-party suppliers of other services and co-marketing arrangements with third parties;
- our ability to utilize derivative instruments, and the impact of derivative instruments we currently utilize, which can be affected by fluctuations in interest rates, gasoline prices and exchange rates, changes in government regulations and other factors;
- our ability to accurately estimate our future results;
- any major disruptions in our communication networks or information systems;

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- our exposure to uninsured claims in excess of historical levels;
- our failure or inability to comply with laws, regulations or contractual obligations or any changes in laws, regulations or contractual obligations, including with respect to personally identifiable information;
- any impact on us from the actions of our licensees, dealers and independent contractors;
- any substantial changes in the cost or supply of fuel, vehicle parts, energy, labor or other resources on which we depend to operate our business;
- risks related to our indebtedness, including our substantial outstanding debt obligations and our ability to incur substantially more debt;
- our ability to meet the financial and other covenants contained in the agreements governing our indebtedness;
- the terms of agreements among us and our former real estate, hospitality and travel distribution businesses following the separation of those businesses from us in 2006, particularly with respect to the allocation of assets and liabilities, including contingent liabilities and guarantees, the ability of each of the separated companies to perform its obligations, including indemnification obligations, under these agreements, and the right of our former real estate business to control the process for resolving disputes related to contingent liabilities and assets;
- risks associated with litigation or governmental or regulatory inquiries or investigations involving our Company;
- risks related to tax obligations and the effect of future changes in accounting standards;
- risks related to our October 2011 acquisition of Avis Europe plc (“Avis Europe”), including our ability to realize the synergies contemplated by the transaction;
- risks related to completed or future acquisitions or investments that we may pursue, including any incurrence of incremental indebtedness to help fund such transactions and our ability to promptly and effectively integrate any acquired businesses; and
- other business, economic, competitive, governmental, regulatory, political or technological factors affecting our operations, pricing or services.

We operate in a continuously changing business environment and new risk factors emerge from time to time. New risk factors, factors beyond our control, or changes in the impact of identified risk factors may cause actual results to differ materially from those set forth in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. Moreover, we do not assume responsibility for the accuracy and completeness of those statements. Other factors and assumptions not identified above, including those discussed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” set forth in Item 7, in “Risk Factors” set forth in Item 1A and other portions of this Annual Report on Form 10-K may contain forward-looking statements and involve uncertainties that could cause actual results to differ materially from those projected in the forward-looking statements. Such statements are based upon assumptions and known risks and uncertainties.

Although we believe that our assumptions are reasonable, any or all of our forward-looking statements may prove to be inaccurate and we can make no guarantees about our future performance. Should unknown risks or uncertainties materialize or underlying assumptions prove inaccurate, actual results could differ materially from past results and/or those anticipated, estimated or projected. Except to the extent of our obligations under the federal securities laws, we undertake no obligation to release any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events. For any forward-looking statements contained in any document, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

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PART I

ITEM 1. BUSINESS

Except as expressly indicated or unless the context otherwise requires, the "Company," "Avis Budget," "we," "our" or "us" means Avis Budget Group, Inc. and its subsidiaries, and "Avis Budget Car Rental" or "ABCR" means Avis Budget Car Rental, LLC and its subsidiaries, which are the companies that comprise our vehicle rental operations. "Avis" and "Budget" refer to our Avis and Budget operations, respectively, and do not include the operations of our licensees, as further discussed below.

OVERVIEW

We operate two of the most recognized brands in the global vehicle rental industry through Avis and Budget. Avis is a leading rental car supplier positioned to serve the premium commercial and leisure segments of the travel industry and Budget is a leading rental car supplier focused primarily on more value-conscious segments of the industry. We are a leading vehicle rental operator in North America, Europe, Australia, New Zealand, and certain other regions we serve. We and our licensees operate the Avis and Budget brands in approximately 175 countries throughout the world. We generally maintain a leading share of airport car rental revenue in North America, Europe, Australia and New Zealand, and we operate one of the leading truck rental businesses in the United States.

Our car rental business enjoys significant benefits from operating two distinct brands that target different industry segments but share the same fleet, maintenance facilities, systems, technology and administrative infrastructure. We believe that Avis and Budget both enjoy complementary demand patterns with mid-week commercial demand balanced by weekend leisure demand. In 2012, we generated total revenues of \$7,357 million. The Avis, Budget and Budget Truck brands accounted for approximately 70%, 25% and 5% of our revenue, respectively, in 2012.

On average, our rental fleet totaled more than 496,000 vehicles and we completed more than 29 million vehicle rental transactions worldwide in 2012. In 2012, we derived approximately 71% of our \$5.3 billion in total car rental time and mileage revenue from on-airport locations and approximately 29% of our time and mileage revenue from off-airport locations, which we refer to as our local market business. We also license the use of the Avis and Budget trademarks to licensees in areas in which we do not operate directly. Our brands have an extended global reach with more than 10,000 car and truck rental locations throughout the world, including approximately 4,700 car rental locations operated by our licensees. We rent our fleet of approximately 27,000 Budget trucks through a network of approximately 1,700 dealer-operated and 350 Company-operated locations throughout the continental United States.

SEGMENT INFORMATION

We categorize our operations in three reporting segments: North America, consisting of our Avis and Budget car rental operations in the United States and our Avis and Budget vehicle rental operations in Canada; International, consisting of our Avis and Budget vehicle rental operations in Europe, the Middle East, Asia, Africa, South America, Central America, the Caribbean, Australia and New Zealand; and Truck Rental, consisting of our Budget truck rental operations in the United States. In 2012:

- *North America.* Our North America segment generated approximately 86 million rental days and average time and mileage revenue per day of \$40.22 with an average rental fleet of approximately 329,000 vehicles;
- *International.* Our International segment generated approximately 36 million rental days and average time and mileage revenue per day of \$43.27 with an average rental fleet of approximately 140,000 vehicles; and
- *Truck Rental.* Our Truck Rental segment generated approximately 4 million rental days and average time and mileage revenue per day of \$71.64 with an average rental fleet of approximately 27,000 trucks.

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In 2012, revenue increased as North American travel demand grew and our results included the results of Avis Europe for a full year compared to only part of the year in 2011. We focused on efforts to integrate our European operations and grow our brands globally. We continue to benefit from our cost-reduction efforts, including our Performance Excellence process improvement initiative, which has helped us generate more than \$300 million in annual cost savings and other benefits since the program was launched in 2007. As part of the expansion of the Company's global operations, we have expanded the program into Europe and Asia. We have achieved cost savings in numerous ways, including through:

- implementation of process improvements impacting virtually all areas of our business;
- reductions in operating and selling, general and administrative expenses, including significant reductions in staff, many of which were trimmed from fixed and semi-fixed overhead;
- a review of location, segment and customer profitability to identify and respond appropriately to unprofitable aspects of our businesses;
- targeted price increases and changes to our sales, marketing and affinity programs in order to improve revenue per day and overall profitability;
- reductions in fleet costs and further consolidation of purchasing programs;
- further consolidation of customer-facing and back-office functions and locations across our operations; and
- reduction in costs, primarily general and administrative expenses, as we integrate the operations of Avis Europe.

In 2012, we completed more than 29 million vehicle rental transactions worldwide. We retained approximately 98% of our existing commercial contracts and maintained, expanded or entered into marketing alliances with key marketing partners. In 2012, Avis was named North America's Leading Car Hire and Europe's Leading Business Car Hire by the World Travel Awards, and received other numerous awards. Avis was also again named the leading car rental company in customer loyalty by the Brand Keys Customer Loyalty Engagement Index for the 13th consecutive year.

In 2012, we maintained a diverse car rental fleet, in which no vehicle manufacturer represented more than 21% of our 2012 fleet purchases, and we continued to adjust our fleet levels to be consistent with demand. We continue to utilize sophisticated yield-management technology to optimize our pricing and fleet planning, and we continue to analyze and streamline our operations to gain efficiencies. In addition, our approximately 28,000 employees worldwide continue to provide reliable, high-quality vehicle rental services that foster customer satisfaction and customer loyalty.

MARKET CONDITIONS AND OUTLOOK

For 2013, our objective is to focus on growing our business profitably, strengthening our position as a leading global provider of vehicle rental services, continuing to enhance the quality of vehicle rental services we provide to customers, and maintaining and enhancing efficiencies achieved through process improvement and other actions. We expect to achieve our goals by focusing our efforts on the following core strategic initiatives:

- *Growing Profitably*. We plan to continue and pursue numerous opportunities intended to increase our revenues and make positive contributions to our earnings. For instance, we plan to continue to focus on promoting car class upgrades, adjusting our mix of vehicles to match customer demand, growing our rentals to small-business and international travelers, increasing the number of rentals which are booked through our own websites, increasing the proportion of transactions in which customers prepay us and

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expanding our ancillary revenues derived from offering additional products and services to on- and off-airport customers. We believe these efforts will each not only generate incremental revenue, but also add to profitability. Opportunities for ancillary revenue growth include adding sales of insurance coverages, loss damage waivers and other ancillary products and services, such as electronic toll collection services, roadside safety protection and portable GPS navigation products, to the rental transactions of an increasing percentage of our renters. We also plan to continue our focus on yield management and pricing optimization and seek to increase the time and mileage rental fees we earn per rental day. We have implemented technology, and will be adding additional systems, that strengthen our yield management and that enable us to tailor our product/price offerings to specific customer segments. We expect to continue to adjust our pricing to bolster profitability and match changes in demand.

- *Strengthening Our Global Position.* While we currently operate, either directly or through licensees, in approximately 175 countries around the world and we significantly expanded our international operations with our October 2011 acquisition of Avis Europe, we plan to further expand our global footprint going forward. In countries where we operate corporate-owned stores, we will identify opportunities to add new rental locations, to grant licenses to independent third parties for regions where we do not currently operate and do not wish to operate directly, to strengthen the presence of the Avis or Budget brand (including by dual-branding locations), as applicable, and to re-acquire previously granted license rights in certain cases. In countries operated by licensees, including our joint ventures in China and India, we will seek to ensure that our licensees are well positioned to realize the growth potential of our brands in those countries and are aggressively growing their presence in those markets, and we expect to consider the re-acquisition of previously granted license rights in certain cases.
- *Enhancing Customers' Rental Experience.* We plan to intensify our efforts to build customer loyalty and reduce customer acquisition costs through our *Customer Led, Service Driven*™ program that is intended to enhance our customers' rental experience. Following an extensive review of the ways, places and occasions in which our brands, our systems and our employees interact with customers and potential customers, we have begun to implement actions that we expect will improve the service we provide at these customer "touchpoints." For example, in 2012, we launched *Avis Preferred Select & Go*™, a vehicle-choice program for customers, revised our rental agreements and receipts to improve transparency, and significantly expanded customer-service-oriented training of our employees, and we achieved significant increases in customer satisfaction. We expect to continue to invest in these efforts in 2013.
- *Controlling Costs and Promoting Efficiencies.* We have continued our efforts to rigorously control costs. We have taken aggressive action to reduce expenses throughout the organization, and we eliminated or reduced significant costs through the integration of Avis Europe in 2012. In addition, we continue to develop and implement our Performance Excellence process improvement initiative to increase efficiencies, reduce operating costs and create sustainable cost savings using LEAN, Six Sigma and other tools. This initiative, which we have expanded to cover our operations in Europe and Asia, has generated substantial savings since its implementation and should continue to provide incremental benefits in 2013. We have also implemented technology solutions, including self-service voice reservation technology and fleet optimization technologies, to reduce costs, and we will continue to pursue innovative solutions to support our strategic initiatives. We believe such steps will continue to aid our financial performance.

In executing our strategy, we plan to continue to position our two distinct and well-recognized brands to focus on different segments of customer demand. With Avis as a premium brand preferred more by corporate and upscale leisure travelers, and Budget as a mid-tier brand preferred more by value-conscious travelers, we believe we are able to target a broad range of demand, particularly since the two brands share the same operational and administrative infrastructure while providing differentiated though consistently high levels of customer service. We aim to provide products, service and pricing, to use various marketing channels and to maintain marketing affiliations and corporate account contracts which complement each brand's positioning. In 2013, we plan to

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continue to invest in our brands through a variety of efforts, including television commercials, print advertisements and on-line and off-line marketing. We see particular growth opportunities in Europe for Budget, as Budget's share of airport car rentals is significantly smaller in Europe than in other parts of the world.

We operate in a highly competitive industry and we expect to continue to face challenges, including weak economic conditions and demand for travel services in Europe. We seek to mitigate our exposure to risks in numerous ways, including delivering upon the core strategic initiatives described above and through continued optimization of fleet levels to match changes in demand for vehicle rentals, maintenance of liquidity to fund our fleet and our operations, and adjustments in the size, nature and terms of our relationships with vehicle manufacturers.

COMPANY HISTORY

The Company is a Delaware corporation headquartered in Parsippany, New Jersey, whose operations consist of two of the most recognized brands in the global vehicle rental industry through Avis Budget Car Rental, the parent of Avis Rent A Car System, LLC, Budget Rent A Car System, Inc. and Budget Truck Rental, LLC. Avis Rent A Car System, LLC and Budget Rent A Car System, Inc. also do business as Avis Car Rental and Budget Car Rental, respectively.

Founded in 1946, Avis is believed to be the first company to rent cars from airport locations. Avis expanded its geographic reach throughout the United States through licensed and corporate-owned growth in the 1950s and 1960s. In 1963, Avis introduced its award winning "We try harder"® advertising campaign, which is considered to be one of the top ten advertising campaigns of the 20th century by Advertising Age magazine. Avis possesses a long history of innovation in its business, including the Wizard system, which is a well established and continually updated information-technology system that is the backbone of our operations. Budget was founded in 1958 as a car rental company for the value-conscious vehicle rental customer and grew its business rapidly during the 1960s, expanding its rental car offerings throughout North America and significantly expanding its Budget truck rental business in the 1990s.

Our predecessor company was formed in 1974, and in 1997 merged with HFS Incorporated, and the combined company was renamed Cendant Corporation ("Cendant"). HFS Incorporated had acquired the Avis brand in 1996. Cendant acquired Avis' capital stock in 2001 and the Budget brand and substantially all of the domestic and certain international assets of Budget's predecessor in 2002. In 2006, Cendant completed a separation into four separate companies (the "Separation"): Realogy Corporation, Wyndham Worldwide Corporation, Travelport, Inc. and Cendant (now Avis Budget Group, Inc.). In October 2011, we expanded our international operations with the acquisition of Avis Europe, which was previously an independently-owned licensee operating the Avis and Budget brands in Europe, the Middle East and Africa, and the Avis brand in Asia. Upon the completion of the acquisition of Avis Europe, the Avis and Budget brands were globally re-united under a single company, making Avis Budget Group one of the largest vehicle rental companies in the world. Our common stock currently trades on the NASDAQ Global Select Market under the symbol "CAR."

CAR RENTAL BUSINESS

Operations—Avis

We operate or license the Avis car rental system (the "Avis System"), which is comprised of approximately 5,750 locations worldwide and represents one of the largest car rental systems in the world. The Avis System encompasses locations at most of the largest airports and cities in the world.

We operate approximately 2,650 Avis car rental locations worldwide, in both the on-airport and local rental markets. In 2012, our Avis operations generated total revenue of approximately \$5.2 billion, of which approximately 59% (or \$3.0 billion) was derived from North American operations. In addition, we license the Avis brand to other independent business owners in approximately 3,100 locations throughout the world. In

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2012, approximately 67% of the Avis System total revenue was generated by our Company-operated locations and the remainder was generated by locations operated by independent licensees, which generally pay royalty fees to us based on a percentage of applicable revenue.

The table below presents the approximate number of locations that make up the Avis System:

	Avis System Locations		
	North America	International	Total
Company-operated locations	1,350	1,300	2,650
Licensee locations	300	2,800	3,100
Total Avis System Locations	1,650	4,100	5,750

In 2012, Avis derived approximately 57% and 43% of its car rental time and mileage revenue ("T&M") from commercial and leisure customers, respectively, and 70% and 30% of its car rental time and mileage revenue from customers renting at airports and locally, respectively. T&M consists of fees charged to our customers specifically for vehicle rentals.

The Avis brand provides high-quality car rental services at price points generally above non-branded and value-branded national car rental companies. We offer Avis customers a variety of premium services, including:

- Avis Preferred, a counter bypass program available at major airport locations;
- Avis Preferred Select & Go, a program added in 2012 at certain U.S. airport locations which allows customers to select an alternate vehicle or upgrade their vehicle choice without visiting the rental counter;
- portable GPS units for rent that feature Bluetooth hands-free calling and MP3 playback capability;
- Avis Specialty Vehicles, a line of luxury and sport vehicles such as the BMW 328i, 528i, 740i and X3, Ford Mustang, Dodge Challenger, Infiniti JX, Lincoln Navigator and the Chevrolet Camaro and Corvette;
- Avis Prestige, a line of luxury performance cars and stylish convertibles offered to our customers in Europe;
- availability of eco-friendly vehicles, including gas/electric hybrid vehicles like the Ford Fusion, Ford C-Max and Toyota Prius;
- Roving Rapid Return, wireless technology that permits customers who are returning vehicles to obtain a printed charge record from service agents at the vehicle as it is being returned and/or to receive a receipt via email;
- a 100% smoke-free car rental fleet in North America;
- Etoil electronic toll collection, which lets customers avoid toll booth lines;
- amenities such as Avis Blast, a portable satellite radio product, and Avis Access, a full range of special products and services for drivers and passengers with disabilities;
- Avis Interactive, a proprietary management tool that allows corporate clients to easily view and analyze their rental activity via the Internet, permitting these clients to better manage their travel budgets and monitor employee compliance with applicable travel policies;

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- Avis First, a customer loyalty program that rewards customers with additional benefits for frequent rentals; and
- supporting online interactions with our customers through each of the four major smartphone platforms – Android, Apple, BlackBerry and Windows – which Avis in 2012 became the first car rental company to offer.

Operations—Budget

We operate or license the Budget vehicle rental system (the “Budget System”), which is comprised of approximately 3,150 car rental locations and represents one of the largest car rental systems in the world. The Budget System encompasses locations at most of the largest airports and cities in the world.

We operate approximately 1,550 Budget car rental locations worldwide. In 2012, our Budget car rental operations generated total revenue of approximately \$1.8 billion, of which 89% (or \$1.6 billion) was derived from North American operations. We also license the Budget System to independent business owners who operate approximately 1,600 locations worldwide. In 2012, approximately 63% of the Budget System total revenue was generated by our Company-operated locations with the remainder generated by locations operated by independent licensees, which generally pay royalty fees to us based on a percentage of applicable revenue.

The table below presents the approximate number of locations that make up the Budget System:

	Budget System Locations		
	North America	International	Total
Company-operated locations	1,000	550	1,550
Licensee locations	400	1,200	1,600
Total Budget System Locations	1,400	1,750	3,150

In 2012, Budget derived approximately 28% and 72% of its car rental T&M revenue from commercial and leisure customers, respectively, and 75% and 25% of its car rental T&M revenue from customers renting at airports and locally, respectively.

Budget is a leading rental car supplier to the more value-conscious segments of the industry. Budget offers its customers several products and programs similar to Avis, such as portable GPS units, roadside assistance, electronic toll collection and refueling options, as well as the following programs:

- Fastbreak service, an expedited rental service for frequent travelers;
- RapidRez, which keeps customers preferences on file for all future rentals;
- Rent More, Save More, offering special rental rates for frequent renters;
- convenient and affordable one-way car rentals; and
- Budget e-Receipt paperless receipts delivered via email.

Reservations

Customers can make Avis and Budget car rental reservations through our Avis and Budget websites at avis.com and budget.com, through our reservation centers (also referred to as contact centers) at 1-888-777-AVIS and 1-800-BUDGET7, respectively, through online travel agencies, through travel agents, or through selected partners,

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including many major airlines. Travel agents can access our reservation systems through all major global distribution systems (GDSs), which provide information with respect to rental locations, vehicle availability and applicable rate structures. In 2012, we generated approximately 29% of our reservations through our Avis and Budget branded websites, 12% through our contact centers, 28% through GDSs, 9% through online travel agencies, 9% through direct-connect technologies and 13% through other sources. We use a voice reservation system which allows customers to conduct certain transactions such as confirmation, cancellation and modification of reservations using self-service interactive voice response technology. We have also developed mobile applications for the Android, Apple, BlackBerry and Windows operating systems, allowing customers to more easily manage their car rental reservations on their smartphones and other mobile devices.

Marketing

Avis and Budget support their premium and value-conscious brand positions through a range of marketing channels and campaigns, including traditional media, such as television, radio and print advertising, as well as Internet and email marketing. In 2012, we developed new global brand propositions and visual identities, including new brand logos for Avis and Budget, to evolve and refine each brand's differentiated market position. This evolution builds upon our brands' heritage and service legacy while driving global consistency across our regions. We have also implemented a customer relationship management system that will enable us to deliver more targeted and relevant offers to customers across both online and offline channels and will allow our customers to benefit through better and more relevant marketing, improved service delivery and Avis and Budget loyalty programs that reward frequent renters with free rental days and car class upgrades. We used significant digital marketing activity, including initiatives with companies such as Macy's and Lonely Planet, to drive international reservations.

We continue to maintain strong links to the travel industry. Avis and Budget maintain marketing partnerships with several major airlines, including Air Canada, Air France, American Airlines, British Airways, Frontier Airlines, Iberia, KLM, Lufthansa, SAS, Southwest Airlines, United Airlines and Virgin America. We also offer customers the ability to earn frequent traveler points with most major U.S. and European airlines' frequent traveler programs, as well as those of Air Canada, Air New Zealand and Qantas, among others. Avis and Budget are also affiliated with the frequency programs of major hotel companies, including Hilton Hotels Corporation, Hyatt Corporation, Starwood Hotels and Resorts Worldwide, Inc. and Wyndham Worldwide. These arrangements provide incentives to loyalty program participants and provide us with cooperative marketing opportunities, including call transfer programs and online links with various partners' websites. In 2012, we signed new agreements with ADAC (Germany's leading automobile club), American Express, Best Western, Intrawest, Priceline and United Airlines.

In 2012, approximately 55% of vehicle rental transactions from our Company-operated Avis locations were generated by travelers who rented from Avis under contracts between Avis and the travelers' employers or through membership in an organization with whom Avis has a contractual affiliation (such as AARP and Costco). Avis also has marketing relationships with organizations such as American Express, MasterCard International and Sears, through which we are able to provide customers of these entities with incentives to rent from Avis. Avis licensees also generally have the option to participate in these affiliations.

Additionally, we offer "Unlimited Budget," a loyalty incentive program for travel agents, and the Budget Small Business Program, a program for small businesses that offers discounted rates, central billing options and rental credits to its members. Budget has contractual arrangements with American Express, MasterCard International and other organizations, which offer members incentives to rent from Budget.

Licensing

We have licensees in more than 150 countries throughout the world. Revenue derived from our vehicle rental licensees in 2012 totaled approximately \$136 million. Licensed locations are independently operated by our

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licensees, and range from large operations at major airport locations and territories encompassing entire countries to relatively small operations in suburban locations. Our licensees maintain separate independently owned and operated fleets. Royalties generated from licensing provide us with a source of high-margin revenue because there are relatively limited additional fixed costs associated with fees paid by licensees to us. Licensed locations represented approximately 53% of our Avis and Budget car rental locations worldwide. Locations operated by Avis and Budget licensees represented approximately 34% of total revenue generated by the Avis and Budget Systems in 2012. We facilitate one-way car rentals between Company-operated and licensed locations, which enables us to offer an integrated network of locations to our customers.

We generally enjoy good relationships with our licensees and meet regularly with them at regional, national and international meetings. Our relationships with our licensees are governed by license agreements that grant the licensee the right to operate independently operated Avis or Budget car and/or truck rental businesses in certain territories. Our license agreements generally provide our licensees with the exclusive right to operate in their assigned territory. These agreements impose obligations on the licensee regarding its operations and most agreements restrict the licensee's ability to transfer its license agreement and capital stock. Licensees are generally required to adhere to our system standards for each brand as updated and supplemented by our policy bulletins, brand manuals and service programs.

Our license agreements typically have terms ranging from five to 20 years. The car rental royalty fee payable to us under our license agreements is generally 5% to 8% of gross rental revenue, but certain licensees of each brand, both in North America and internationally, have license agreements with different royalty fee structures. We maintain the right to monitor the operations of licensees and, when applicable, can declare a licensee to be in default under its license agreement. We perform targeted audits as part of our program to assure licensee compliance with brand quality standards and contract provisions. We generally can terminate license agreements for certain defaults, including failure to pay royalties and failure to adhere to our operational standards. Upon termination of a license agreement, the licensee is prohibited from using the Avis or Budget name and related marks in any business. In the United States, these license relationships constitute "franchises" under most federal and state laws regulating the offer and sale of franchises and the relationship of the parties to a franchise agreement.

Other Revenue

In addition to revenue from vehicle rentals and licensee royalties, we generate revenue from Avis and Budget customers through the sale and/or rental of optional ancillary products and services. Our employees offer products to customers that will enhance their rental experience, including collision and loss damage waivers, insurance products such as additional/supplemental liability insurance or personal accident/effects insurance, products for driving convenience such as portable GPS navigation units, optional roadside assistance services, fuel service options, electronic toll collection and other ancillary products and services, such as rentals of satellite radio units and child safety seats. In 2012, approximately 5% of our vehicle rental operations revenue was generated by the sale of collision and loss damage waivers, under which we agree to relieve a customer from financial responsibility arising from vehicle damage incurred during the rental period if the customer has not breached the rental agreement. In addition, we receive reimbursement from our customers for certain operating expenses we incur, including gasoline and vehicle licensing fees, as well as airport concession fees, that we pay in exchange for the right to operate at airports and other locations.

The Wizard System

We own the Wizard system, our worldwide reservation, rental, data processing and information management system. The Wizard system enables us to process millions of incoming customer inquiries each day, providing our customers with accurate and timely information about our locations, rental rates and vehicle availability, as well as the ability to place or modify reservations. Additionally, the Wizard system is linked to all major travel distribution networks worldwide and provides real-time processing for travel agents, travel industry partners

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(such as airlines and online travel sites), corporate travel departments and individual consumers through our websites or contact centers. The Wizard system also provides personal profile information to our reservation and rental agents to help us better serve our customers.

We also use data supplied from the Wizard system and airline reservation systems in certain proprietary information management systems to maintain centralized control of major business processes such as fleet acquisition and logistics, sales to corporate accounts and determination of rental rates. The principal components of the systems we employ include:

- *Fleet planning model* . We have created a comprehensive decision tool to develop fleet plans and schedules for the acquisition and disposition of our fleet, along with fleet age, mix, mileage and cost reports based upon these plans and schedules. This tool allows management to monitor and change fleet volume and composition on a daily basis and to optimize our fleet plan based on estimated business levels and available repurchase and guaranteed depreciation programs. We also use third-party software to further optimize our fleet acquisition, rotation and disposition activities.
- *Yield management* . We have created a yield management system which is designed to enhance profits by providing greater control of vehicle availability and rate availability changes at our rental locations. Our system monitors and forecasts supply and demand to support our efforts to optimize volume and rate at each location. Integrated into this yield management system is a fleet distribution module that takes into consideration the costs as well as the potential benefits associated with distributing vehicles to various rental locations within a geographic area to accommodate rental demand at these locations. The fleet distribution module makes specific recommendations for movement of vehicles between locations.
- *Pricing decision support systems* . Pricing in the vehicle rental industry is highly competitive and complex. To improve our ability to respond to rental rate changes in the marketplace, we have developed sophisticated systems to gather and report competitive industry rental rate changes every day. Our systems, using data from third-party reservation systems as its source of information, automatically scan rate movements and report significant changes to our staff of pricing analysts for evaluation. These systems greatly enhance our ability to gather and respond to rate changes in the marketplace. In 2012 and 2013, we are developing an integrated pricing and fleet optimization tool that we expect will allow us to test and implement improved pricing and fleet deployment strategies and optimization algorithms, as well as automate the implementation of certain price changes.
- *Business mix model* . We have developed a strategic planning model to evaluate discrete components of our business relative to each other. The model considers revenue and costs to determine the potential margin contribution of each discrete segment. The model develops business mix and fleet optimization recommendations by using data from our financial systems, the Wizard system and the fleet and revenue management systems along with management's objectives and targets.
- *Enterprise data warehouse* . We have developed a sophisticated and comprehensive electronic data storage and retrieval system which retains information related to various aspects of our business. This data warehouse allows us to take advantage of comprehensive management reports and provides easy access to data for strategic decision making for both brands.
- *Sales and marketing systems* . We have developed a sophisticated system of online data screens which enables our sales force to analyze key account information of our corporate customers including historical and current rental activity, revenue and booking sources, top renting locations, rate usage categories and customer satisfaction data. We use this information, which is updated weekly and captured on a country-by-country basis, to assess opportunities for revenue growth, profitability and improvement.

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- *Interactive adjustments* . We have developed a customer data system which allows us to easily retrieve pertinent customer information and make needed adjustments to completed rental transactions online for superior customer service. This data system links with other accounting systems to handle any charge card transaction automatically.
- *Interactive voice response system* . We have developed an automated voice response system that enables the automated processing of customer reservation cancellations, confirmations, identification of rental locations, extension of existing rentals and requests for copies of rental receipts over the phone using speech recognition software.
- *On Location* . We have introduced our “*On Location*®” service to certain of our corporate customers, which enables self-service car rentals at their campus locations. This service consists of a two-way communications device connected to the vehicle’s on-board diagnostics system. This device retrieves key vehicle information that integrates with the Wizard system to perform a check-in and check-out of a vehicle in a self-service mode.

Fleet

We offer for rental a wide variety of vehicles, including luxury and specialty vehicles. Our fleet consists primarily of vehicles from the current and immediately preceding model year. We maintain a single fleet of vehicles for Avis and Budget in countries where we operate both brands.

We participate in a variety of vehicle purchase programs with major vehicle manufacturers. In 2012, we purchased vehicles from Audi, BMW, Fiat, Hyundai, Kia, Mazda, Mercedes, Mitsubishi, Nissan, Peugeot, Porsche, Renault, Subaru, Toyota and Volkswagen, among others. During 2012, approximately 21%, 18% and 12% of the cars acquired for our car rental fleet were manufactured by Ford, General Motors and Chrysler, respectively.

In 2012, on average, approximately 46% of our rental car fleet was comprised of vehicles subject to agreements requiring automobile manufacturers to repurchase them or guarantee our rate of depreciation during a specified period of time, or vehicles subject to operating leases. Cars subject to these agreements are sometimes referred to as “program” cars and cars not subject to these agreements are sometimes referred to as “risk” cars. Such agreements require that program cars be maintained in our fleet for a minimum number of months (typically four to eleven months) and impose return conditions, including those related to mileage and condition. At the time the car is returned, we receive the price guaranteed at the time of purchase and are thus protected from fluctuations in the prices of previously-owned vehicles in the wholesale market. Of the approximately 511,000 vehicles sold in 2012, approximately 62% were sold pursuant to repurchase or guaranteed depreciation programs. The future percentages of program and risk cars in our fleet will be dependent on the availability and attractiveness of manufacturers’ repurchase and guaranteed depreciation programs.

We dispose of our risk cars largely through automobile auctions, including auctions that enable dealers to purchase vehicles online more quickly than through traditional auctions, as well as through direct-to-dealer sales. In 2012, we also launched the Ultimate Test Drive retail car sales program, which offers customers in certain states in the United States the ability to purchase Avis and Budget rental vehicles through a collaboration with AutoNation, Inc.

Our car rental business is subject to seasonal variations in customer demand, with the summer vacation period representing the peak season. The seasonal variation in demand, along with more localized changes in demand at each of our locations, causes us to vary our fleet size over the course of the year. For 2012, our average monthly car rental fleet size ranged from a low of approximately 406,000 vehicles in January to a high of approximately 550,000 vehicles in July. Our average monthly car rental fleet size typically peaks in the summer months. Compared to 2011, our average fleet size increased approximately 26% in 2012, primarily due to the inclusion of

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Avis Europe's fleet for a full year in 2012 compared to a partial year in 2011. Average fleet utilization for 2012, which is based on the number of rental days (or portion thereof) that vehicles are rented compared to the total amount of time that vehicles are available for rent, ranged from 77% in March to 64% in December. Our calculation of utilization may not be comparable to other companies' calculation of similarly titled statistics.

We have focused on and expect to continue to focus on the environmental profile of our car rental fleet, as measured using the United States Environmental Protection Agency ("EPA") SmartWay Certification program. Many of the model-year 2012 and 2013 rental cars in our fleet meet the standards for EPA SmartWay Certification. We also offer several different models of gas/electric hybrid cars for rent, as well as flex fuel cars for those seeking to minimize environmental impact through use of E-85 ethanol fuel.

We place a strong emphasis on vehicle maintenance for customer safety and customer satisfaction reasons, and because quick and proper repairs are critical to fleet utilization. To accomplish this task we employ a fully-certified National Institute for Automotive Service Excellence ("ASE") technician instructor and have developed a specialized training program for our 373 technicians who operate in approximately 95 maintenance and damage repair centers for both Avis and Budget in the United States. Our technician training department also prepares its own technical service bulletins that can be retrieved electronically at our repair locations. Approximately 68% of our U.S. technicians are ASE-certified.

Customer Service

We believe our commitment to delivering a consistently high level of customer service across all of our brands is a critical element of our success and strategy. Our Customer Led, Service Driven program focuses on improving the overall customer experience based on our research of customer service practices, improved customer insights, executing our customer relationship management strategy and delivering customer-centric employee training. Associates and managers at our Company-operated locations receive customer resolution training and are empowered to resolve most customer issues at the location level. In addition, we have simplified our rental agreements for both the Avis and Budget brands to make them easier for our customers to read and understand. We continuously track customer satisfaction levels by sending location-specific surveys to recent customers and utilize detailed reports and tracking to continually find ways to improve our customer service delivery and the overall customer experience. In 2012, we received over 700,000 responses to our online customer satisfaction surveys. Our surveys ask customers to evaluate their overall satisfaction with their rental experience, among other things. Results are analyzed in aggregate and by location to help further enhance our service levels to our customers.

Airport Concession Agreements

We generally operate at airports under concession agreements with airport authorities, pursuant to which we typically make airport concession payments and/or lease payments. In general, concession fees for on-airport locations are based on a percentage of total commissionable revenue (as defined by each airport authority), subject to minimum annual guaranteed amounts. Concessions are typically awarded by airport authorities every three to five years based upon competitive bids. Our concession agreements with the various airport authorities generally impose certain minimum operating requirements, provide for relocation in the event of future construction and provide for abatement of the minimum annual guarantee in the event of extended low passenger volume.

Competition

The car rental industry is characterized by intense price and service competition. Competition in our vehicle rental operations is based primarily upon price, customer service quality, including usability of booking systems and ease of rental and return, vehicle availability, reliability and national or international distribution. In addition, competition is influenced strongly by advertising, marketing and brand reputation. We compete primarily with

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the following car rental companies: Enterprise Rent-A-Car Company, which also operates the National Car Rental and Alamo brands in North America; Europcar, which also operates the National Car Rental and Alamo brands in Europe; Hertz Global Holdings, Inc., which operates the Hertz, Dollar and Thrifty brands; and Sixt AG. We also compete with smaller regional car rental companies.

TRUCK RENTAL BUSINESS

Operations

Budget's truck rental business is one of the largest local and one-way truck rental businesses in the United States. The Budget truck rental business has a combined fleet of approximately 27,000 trucks, which are rented through a network of approximately 1,700 dealers and 350 Company-operated locations throughout the continental United States. A certain number of our dealer locations are operated by our Budget car rental licensees. The Budget truck rental business serves both the consumer and light commercial sectors. The consumer sector consists primarily of individuals who rent trucks to move household goods on either a one-way or local basis. The light commercial sector consists of a wide range of businesses that rent light- to medium-duty trucks, which we define as trucks having a gross vehicle weight of less than 26,000 pounds, for a variety of commercial applications. In 2012, the Budget truck rental business generated total revenue of approximately \$374 million.

We advertise in "yellow pages" telephone directories, purchase online advertisements and keyword referrals, and conduct targeted email marketing campaigns to help promote our truck rental business to new and existing customers. Budget truck rental customers can make reservations, through our Budget truck rental website at budgettruck.com, through the Budget truck rental reservation center at 1-800-GO-BUDGET or by calling a specific location directly.

We have an exclusive agreement to advertise truck rental services in the Mover's Guide, an official U.S. Postal Service change of address product. In addition, we maintain relationships with businesses like Sears and Extra Space Storage to promote Budget's truck rental business, as well as a relationship with AARP offering reduced rates to members.

Ancillary Products and Insurance Coverages

We supplement our daily truck rental revenue by offering customers a range of ancillary products. We rent automobile towing equipment and other moving accessories such as hand trucks, furniture pads and moving supplies, as well as portable GPS navigation units. We also make available to customers a range of optional liability-limiting products and coverages such as physical damage waivers, automobile towing protection, personal accident and cargo insurance and supplemental liability insurance. These ancillary products enhance our appeal to consumers by offering customers "one-stop" moving services.

Distribution

Budget's truck rental business is offered through a national network, which included approximately 1,700 dealers as of December 31, 2012. These independently-owned dealers generally operate self-storage facilities, rental centers, hardware stores, service stations and other similar retail service businesses. In addition to their principal businesses, the dealers rent our light- and medium-duty trucks to consumers and to our commercial accounts and are responsible for collecting payments on our behalf. The dealers receive a commission on all truck rentals and ancillary equipment rentals. Generally, agreements with dealers may be terminated by either party subject to certain conditions.

Competition

The truck rental industry is characterized by intense price and service competition as well as competition based on location (proximity to customer). We compete with a large number of truck rental companies throughout the country, including U-Haul International, Inc., Penske Truck Leasing Corporation, Ryder System, Inc., Enterprise Rent-A-Car Company and many others.

THIS IS EXHIBIT G ⁸³ THE
AFFIDAVIT OF Sophie Beaulieu

SWORN BEFORE ME THIS.....DAY
OF September 20 13


COMMISSIONER FOR OATHS

EXHIBIT G

Subsidiary	Jurisdiction of Incorporation
2233516 Ontario, Inc.	Canada
AB Canada Holdings I Limited Partnership	Canada
AB Canada Holdings II Partnership	Canada
AB Canada Holdings III Limited Partnership	Canada
AB Car Rental Services Inc.	Delaware
AB Funding Pty Ltd.	Australia
AB Luxembourg Holdings, S.á r.l.	Luxembourg
ABG Car Services Holdings LLC	Delaware
Advance Ross Corporation	Delaware
Advance Ross Intermediate Corporation	Delaware
Advance Ross Sub Company	Delaware
AE Consolidation Limited	England and Wales
AE Holdco Limited	England and Wales
Aegis Motor Insurance Limited	Isle of Man
AESOP Leasing Corp.	Delaware
AESOP Leasing LP	Delaware
Anji Car Rental & Leasing Company Limited	China
Apex Car Rentals	New Zealand
ARAC Management Services Inc.	Delaware
ARACS LLC	Delaware
Arbitra S.A.	Argentina
AU Holdco Pty Ltd.	Australia
AU NewCo Pty Ltd.	Australia
Auto Accident Consultants Pty. Limited	Australia
Auto-Hall S.A.	Monaco
Avis (US) Holdings BV	The Netherlands
Avis Africa Limited	England and Wales
Avis Alquile un Coche S.A.	Spain
Avis Asia and Pacific LLC	Delaware
Avis Asia Limited	England and Wales
Avis Assistance Limited	England and Wales
Avis Autoverhuur B.V.	The Netherlands
Avis Autovermietung GesbmH	Austria
AvisBudget Group Limited	New Zealand
Avis Belgium SA	Belgium
Avis Budget Auto Service GmbH	Germany
Avis Budget Autovermietung Beteiligungs GmbH	Germany
Avis Budget Autovermietung AG	Switzerland
Avis Budget Autovermietung GmbH & Co KG	Germany
Avis Budget Autovermietung Verwaltungs GmbH	Germany
Avis Budget Car Rental Canada ULC	Canada
Avis Budget Car Rental LLC	Delaware
Avis Budget Contact Centers Inc.	Canada
Avis Budget Group Contact Centre EMEA S.A.	Spain
Avis Budget de Puerto Rico, Inc.	Puerto Rico
Avis Budget EMEA Limited	England and Wales
Avis Budget Finance Inc.	Delaware
Avis Budget Group Business Support Centre Kft	Hungary
Avis Budget Group Limited	New Zealand
Avis Budget Group Pty Limited	Australia

Avis Budget Holdings LLC	Delaware
Avis Budget International Financing, S.á r.l.	Luxembourg
Avis Budget Italia S.p.A.	Italy
Avis Budget Italia SpA Fleet Co S.A.P.A.	Italy
Avis Budget Rental Car Funding (AESOP) LLC	Delaware
Avis Budget Services Limited	England and Wales
Avis Budget UK Limited	England and Wales
Avis Car Rental Group LLC	Delaware
Avis Caribbean, Limited	Delaware
Avis Commercial Holdings Limited	England and Wales
Avis Contact Centres Limited	England and Wales
Avis Enterprises, Inc.	Delaware
Avis Europe Group Holdings BV	The Netherlands
Avis Europe Holdings Limited	England and Wales
Avis Europe International Reinsurance Limited	Isle of Man
Avis Europe Investment Holdings Limited	England and Wales
Avis Europe Investments Limited	England and Wales
Avis Europe Overseas Limited	England and Wales
Avis Europe Risk Management Limited	England and Wales
Avis Europe & Middle East Limited	England and Wales
Avis Finance Company (No. 2) Limited	England and Wales
Avis Finance Company (No. 3) Limited	Jersey Channel Islands
Avis Finance Company Limited	England and Wales
Avis Financement Vehicles SAS	France
Avis Financial Services Limited	England and Wales
Avis Group Holdings LLC	Delaware
Avis Holdings, Inc	Delaware
Avis India Investments Private Limited	India
Avis International Holdings, LLC	Delaware
Avis International Ltd.	Delaware
Avis Investment Services (No. 2)	England and Wales
Avis Investment Services Limited	England and Wales
Avis IP Security Limited	England and Wales
Avis Leasing Corporation	Delaware
Avis Leisure Services Limited	Jersey Channel Islands
Avis Licence Holdings Limited	England and Wales
Avis Location de Voitures Sarl	Luxembourg
Avis Location de Voitures SAS	France
Avis Lube Inc.	Delaware
Avis Management Pty. Limited	Australia
Avis Management Services, Ltd.	Delaware
Avis New York General Partnership	New York
Avis Operations LLC	Delaware
Avis Pension Trustees Limited	England and Wales
Avis Portugal S.G.P.S. LDA	Portugal
Avis Profit Share Trustees Limited	England and Wales
Avis Rent A Car (Isle Of Man) Limited	Isle of Man
Avis Rent A Car Limited	New Zealand
Avis Rent A Car Sdn. Bhd.	Malaysia
Avis Rent A Car System LLC	Delaware
Avis Service Inc.	Delaware
Avis Truck Leasing Limited	England and Wales
Aviscar Inc.	Canada
B2B Leasing BV	The Netherlands

Baker Car and Truck Rental Inc.	Arkansas
Barcelsure Limited	England and Wales
Bell'Aria S.p.A	Italy
BGI Leasing Inc.	Delaware
Budget Funding Corporation	Delaware
Budget International, Inc.	Delaware
Budget Locacao de Veiculos Ltda.	Brazil
Budget Rent A Car Australia Pty. Ltd.	Australia
Budget Rent A Car Licensor, LLC	Delaware
Budget Rent A Car Limited	New Zealand
Budget Rent a Car Operations Pty. Ltd.	Australia
Budget Rent A Car System Inc.	Delaware
Budget Truck Rental LLC	Delaware
Budgetcar Inc.	Canada
Business Rent A Car GmbH	Austria
C.D. Bramall (Bingley) Limited	England and Wales
Camfox Pty. Ltd.	Australia
CCRG Servicos De Automoveis Ltda	Brazil
CD Intellectual Property Holdings, LLC	Delaware
Cellrent Limited	England and Wales
Cendant Finance Holding Company LLC	Delaware
Centre Point Funding, LLC	Delaware
Centrus Limited	England and Wales
Chaconne Pty. Limited	Australia
Cilva Holdings Limited	England and Wales
Cirrus Capital (Jersey) One Limited	Jersey Channel Islands
Cirrus Capital (Jersey) Two Limited	Jersey Channel Islands
Constellation Reinsurance Company Limited	Barbados
Ecovale	England and Wales
Europe Leisure Holdings NV	The Netherlands
Garage St Martin sas	France
Garep AG	Switzerland
HFS Truck Funding Corporation	Delaware
Manor National Limited	England and Wales
Millennium Acquisition Sub, Inc.	Delaware
Milton Location de Voitures SAS	France
Motorent Inc.	Tennessee
National Car Rentals (Private) Limited	Singapore
Pathfinder Insurance Company	Colorado
Pause BV	The Netherlands
Payhot Limited	England and Wales
PF Claims Management Ltd.	Delaware
PR Holdco, Inc.	Delaware
PV Holding Corp.	Delaware
PVI Kraftfahrzeug- Leasing GmbH	Germany
Quartx Fleet Management Inc.	Delaware
Rent-A-Car Company, Incorporated	Virginia
Runabout, LLC	Delaware
Safeguard (Legal Expenses) Limited	England and Wales
SCA sas	France
Sceptre-Europe Limited	England and Wales
Servicios Avis S.A.	Mexico
Show Group Enterprises Limited	New Zealand
Show Group Enterprises Pty Limited	Australia

Sovial Sociedade de Viaturas de Aluguer LDA	Portugal
Sovialma Sociedade de Viaturas de Aluguer da Madeira LDA	Portugal
Strongdraw Limited	England and Wales
Team Fleet Financing Corporation	Delaware
Upperextra (No. 2) Limited	England and Wales
Upperextra Limited	England and Wales
Virgin Islands Enterprises Inc.	Virgin Islands
W.T.H. Fleet Leasing Pty. Limited	Australia
W.T.H. PTY. Limited	Australia
We Try Harder Pty. Limited	Australia
Wizard Co. Inc.	Delaware
Wizard Services Inc.	Delaware
WTH Canada Inc.	Canada
WTH Car Rental, ULC	Canada
WTH Funding Limited Partnership	Canada
Yourway Rent A Car Limited	New Zealand
Yourway Rent A Car Pty Limited	Australia
Zodiac Autovermietung AG	Switzerland
Zodiac Europe Finance Company Limited	England and Wales
Zodiac Europe Investments Limited	England and Wales
Zodiac Europe Limited	England and Wales
Zodiac Italia S.p.A.	Italy
Zodiac Rent a Car Limited	England and Wales

THIS IS EXHIBIT H TO THE
AFFIDAVIT OF Sophie Beaulieu

SWORN BEFORE ME THIS 2 DAY
OF September 20 13


COMMISSIONER FOR OATHS

EXHIBIT H



Direction générale des pratiques
loyales des affaires

Place du Portage I
50, rue Victoria
Gatineau (Québec)
K1A 0C9

Fair Business Practices Branch Téléphone – Telephone:
(819) 997-1231

Place du Portage I
50 Victoria Street
Gatineau, Quebec
K1A 0C9

Télécopieur – Facsimile:
(819) 953-4792

Courriel - E-mail:
lisa.campbell@bc-cb.gc.ca

Notre référence/Our File :
3107303

BY REGISTERED MAIL

July 31, 2013

Mr. Jon Zuber
Controller
Aviscar Inc., Budgetcar Inc.
1 Convair Drive East
Etobicoke, ON
M9W 6Z9

Mr. Bob Muhs
Vice President of Government Affairs, Corporate Compliance and Business Ethics
6 Sylvan Way
Parsippany, NJ
07054

Re: Notice of Commencement of Inquiry

Dear Mr. Zuber and Mr. Muhs:

As discussed on the call earlier today with Mr. Muhs and our counsel, Ms. DiBenedetto and Ms. Shah, the Commissioner of Competition (the "Commissioner") has commenced an inquiry pursuant to section 10 of the Competition Act (the "Act"). The inquiry was commenced into certain marketing practices of Aviscar Inc. and Budgetcar Inc., under Part VII.1 of the Act, including paragraph 74.01(1)(a) and subsection 74.05(1).

The Commissioner has reason to believe that Aviscar Inc. and Budgetcar Inc., for the purpose of promoting directly or indirectly the supply or use of and their business interests in rental passenger cars in Canada, have made, and continue to make, representations to the public on various media, including websites and mobile applications, that are false or misleading in a material respect, contrary to paragraph 74.01(1)(a).

Canada

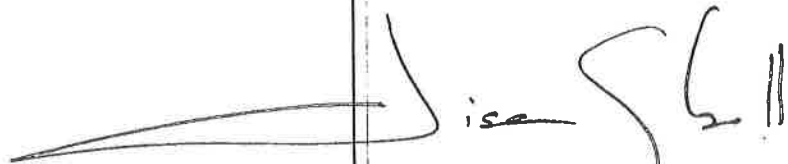
More specifically, the Commissioner has reason to believe that Aviscar Inc. and Budgetcar Inc. have made, and continue to make, false or misleading representations by, amongst other things, misrepresenting the price that consumers must pay to rent a passenger car in Canada because of additional mandatory fees that Aviscar Inc. and Budgetcar Inc. charge consumers and that they fail to disclose adequately to consumers. Aviscar Inc. and Budgetcar Inc. also describe and present certain of these mandatory fees in a manner that conveys the false or misleading general impression that they are fees imposed on consumers by a third party, such as a government authority, rather than fees that Aviscar Inc. and Budgetcar Inc. charge consumers at their discretion.

Based on the foregoing, the Commissioner also has reason to believe that Aviscar Inc. and Budgetcar Inc. have supplied and continue to supply passenger cars for rent at prices that are higher than the advertised prices for consumers to rent those passenger cars, contrary to subsection 74.05(1) of the Act.

Finally, please be advised that any person who in any manner impedes or prevents or attempts to impede or prevent any inquiry or examination under the Act, or who destroys or alters or causes to be destroyed or altered, any record or thing that is required to be produced under the Act may be subject to criminal prosecution for obstruction of justice, contempt of court or other federal criminal violations.

If you have any questions or concerns regarding the above, please contact Tara DiBenedetto, Counsel, Competition Bureau Legal Services at (819) 956-6891 or Parul Shah, Counsel, Competition Bureau Legal Services at (819) 953-3889.

Yours truly,



Lisa Campbell
Deputy Commissioner of Competition
Fair Business Practices Branch

c.c. Luc Beauséjour
Acting Assistant Deputy Commissioner
Fair Business Practices Branch, Atlantic and Quebec Regions

Tara DiBenedetto and Parul Shah
Competition Bureau Legal Services
Department of Justice

THIS IS EXHIBIT I TO THE
AFFIDAVIT OF Sophie Beaulieu

SWORN BEFORE ME THIS _____ DAY
OF September 2013


COMMISSIONER FOR OATHS

EXHIBIT I



Ministère de la Justice
Canada

Department of Justice
Canada

Cote de sécurité – Security classification

PROTÉGÉ B – PROTECTED B

Bureau de la concurrence
Services juridiques

Competition Bureau
Legal Services

Notre référence – Our file

Place du Portage, Tour I
22^e étage
50, rue Victoria
Gatineau QC K1A 0C9

Place du Portage, Phase I
22nd Floor
50 Victoria Street
Gatineau, QC K1A 0C9

Date : **2013-09-12** (AA/YY-MM-JJDD)

Téléphone/Télécopieur
(819) 953-3889

Telephone/Fax
(819) 953-9267

PROTECTED AND CONFIDENTIAL
VIA EMAIL

Mr. Jon Zuber
Controller
Aviscar Inc., Budgetcar Inc.
1 Convair Drive East
Etobicoke, ON M9W 6Z9

jon.zuber@avisbudget.com

Mr. Robert Muhs
Vice President
Government Affairs
Corporate Compliance and Business Ethics,
Avis Budget Group, Inc.
6 Sylvan Way
Parsippany, NJ USA 07054

robert.muhs@avisbudget.com

Dear Mr. Zuber and Mr. Muhs:

**Re : Application to produce records and to
make and deliver written returns of
information pursuant to Section 11 of
the *Competition Act***

This letter is to advise you that the Commissioner of Competition (the "Commissioner") will be seeking an Order from the Federal Court of Canada on an *ex parte* basis pursuant to section 11 of the *Competition Act* (the "Act"). The Order is sought further to the inquiry described by letter dated 31 July 2013. Please note that the inquiry also concerns Avis Budget Group, Inc.

- 2 -

Specifically, the Commissioner will be seeking an Order to obtain records, pursuant to paragraph 11(1)(b) and subsection 11(2) of the Act, from Aviscar Inc. and Budgetcar Inc., including the records of Avis Budget Group, Inc. Furthermore, the Commissioner will be seeking to obtain written returns of information pursuant to paragraph 11(1)(c) of the Act. The Order will be sought in the form of the draft schedules that are attached.

In this regard, the Bureau wishes to schedule a conference call for 1pm on 16 September 2013. The purpose of the call is to:

- (i) discuss whether the records are maintained in the form requested in the schedules and to discuss how records are kept and who has access to those records;
- (iii) determine whether there are alternative sources or forms of information that may respond more directly to the Commissioner's requests for records and information, subject to the Commissioner being satisfied that such alternatives, if any, allow him to advance his inquiry to determine the facts ; and
- (iv) ascertain whether there are any other factors that might impair the ability of Aviscar Inc. and Budgetcar Inc. to comply with the specifications of the schedules.

- 3 -

The call is not intended to serve as a forum for debate or negotiation on the merits of the case or the relevance of particular information requests found in the draft schedules.

Please do not hesitate to contact me if you wish to discuss the scheduling of the conference call or if you have any questions.

Yours truly,

A handwritten signature in black ink, appearing to be 'Parul Shah', written over a horizontal line.

Parul Shah
Competition Bureau Legal Services

Enclosures (draft schedules)

TAB B

Federal Court



Cour fédérale

Date: 20131001

Docket: T-1547-13

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

AND IN THE MATTER OF an inquiry under section 10 of the *Competition Act* relating to marketing practices of Aviscar Inc., Budgetcar Inc., and Avis Budget Group, Inc.;

AND IN THE MATTER OF an *ex parte* application by the Commissioner of Competition for an Order requiring Aviscar Inc. and Budgetcar Inc. to produce records pursuant to paragraph 11(1)(b) and subsection 11(2) of the *Competition Act* and to make and deliver written returns of information pursuant to paragraph 11(1)(c) of the *Competition Act*.

Ottawa, Ontario, October 1, 2013

PRESENT: THE CHIEF JUSTICE

BETWEEN:

THE COMMISSIONER OF COMPETITION

Applicant

and

AVISCAR INC. AND BUDGETCAR INC.

Respondent

**ORDER FOR THE PRODUCTION OF RECORDS
AND WRITTEN RETURNS OF INFORMATION**

UPON the *ex parte* application made by the Commissioner of Competition (the “Commissioner”) for an Order pursuant to paragraphs 11(1)(b), 11(1)(c) and subsection 11(2) of

This is Exhibit "B" referred to in the
affidavit of Sojourner King
sworn before me, this 6th
day of May 2013

A COMMISSIONER FOR TAKING AFFIDAVITS

Christine M. Kilby

the *Competition Act*, R.S.C., 1985, c. C-34, as amended (the “**Act**”), which was heard this day at the Federal Court, Ottawa, Ontario;

AND UPON reading the affidavit of Sophie Beaulieu sworn on 19 September 2013 (the “**Affidavit**”);

AND UPON being satisfied that an inquiry is being made under section 10 of the Act relating to certain marketing practices of Aviscar Inc., Budgetcar Inc. and Avis Budget Group, Inc. (the “**Inquiry**”);

AND UPON being satisfied that Aviscar Inc. and Budgetcar Inc., which also does business as Budgetauto Inc. (each, a “**Respondent**”), have or are likely to have information that is relevant to the Inquiry;

AND UPON being satisfied that the Respondents’ affiliate, Avis Budget Group, Inc. (“**Avis Budget Group**”), has records relevant to the Inquiry:

1. **THIS COURT ORDERS** that each Respondent shall produce to the Commissioner all records and any other things specified in this Order, in accordance with the terms of this Order.
2. **THIS COURT FURTHER ORDERS** that each Respondent shall make and deliver to the Commissioner all written returns of information specified in this Order, in accordance with the terms of this Order.

3. **THIS COURT FURTHER ORDERS** that in order to facilitate the handling, use, and orderly maintenance of records and to ensure the accurate and expeditious return of records, other things specified in this Order and written returns of information produced pursuant to this Order, each Respondent shall comply with the following requirements:
- a. each Respondent shall produce records, other things and information in the possession, control or power of the Respondent and any of its affiliates identified in Schedule I of this Order;
 - b. each Respondent shall make and deliver a written return of information in such detail as is required to disclose all facts relevant to the corresponding Specification in this Order;
 - c. all written returns of information made by a Respondent shall be made under oath or solemn affirmation by a duly authorized representative of the Respondent;
 - d. unless otherwise specified, each Respondent shall produce records created or modified during, or that concern, the period from 1 January 2009 to the date of issuance of this Order; and written returns of information in respect of the same period;
 - e. a Respondent shall produce all records that are stapled or attached in any manner to a record that is responsive to this Order;
 - f. if a portion of a record is responsive to any Specification in this Order, a Respondent shall produce the record in its entirety, including any covering records and attachments to the record;
 - g. if a record is responsive to more than one Specification in this Order, a Respondent shall produce the record only once;

- h. notwithstanding subparagraph 3(a), a Respondent may utilize de-duplication or email threading software or services to produce records pursuant to this Order if the Respondent identifies the proposed software or service to the satisfaction of the Commissioner and receives confirmation from the Commissioner that the Respondent may utilize that service or software;
- i. each record or thing produced by a Respondent shall be an original or a true copy of the original;
- j. a Respondent shall produce records in the order in which they appear in its files and shall not shuffle or otherwise rearrange records;
- k. a Respondent shall identify all calendars, appointment books, telephone logs, planners, diaries, and items of a similar nature that are produced in response to this Order with the name of the person or persons by whom they were used and the dates during which they were used;
- l. if a Respondent produces a record or makes and delivers a written return of information containing data that is recorded based on a period other than the calendar month or year, the Respondent shall identify in a written return of information the period used in the record or written return of information;
- m. if a record contains information that a Respondent claims is privileged, the Respondent shall produce the record with the privileged information redacted and in accordance with paragraph 5 of this Order;
- n. each Respondent shall produce all electronic records in their original format or as described below:
 - i. a Respondent shall produce database records as a flat file, in a non-relational format, exported as a comma-delimited (CSV) text file;
 - ii. a Respondent shall produce spreadsheets in MS Excel format;

- iii. a Respondent shall produce word processing files in MS Word or searchable PDF format;
- iv. a Respondent shall produce e-mail records and attachments in a native email format, such as Outlook Express EML format, Outlook MSG format, PST format, or searchable PDF format;
- v. a Respondent shall produce map records in a MS MapPoint or MS Streets & Trips format; and

in the event that a Respondent cannot deliver an electronic record in a format described above, the Respondent shall produce the electronic record along with such instructions and other materials, including software, as are necessary for the retrieval and use of the record;

- o. notwithstanding subparagraph 3(n), a Respondent may produce litigation application exports by providing a cross-reference file (e.g., CSV, Dii, or MDB database) and related images (e.g., single page TIFF files) and/or electronic records and, where available, additional field information (e.g., title, description, date, etc.). Where feasible, each Respondent shall produce electronic records in the predefined Ringtail MDB format;
- p. each Respondent shall produce electronic records on portable storage media that is appropriate to the volume of data (e.g., USB drive, CD, DVD, or hard drive) and that shall be identified with a label describing the contents. Each Respondent shall produce files (e.g., native files or images or combinations of both) in batches of no more than 250,000 files;
- q. before producing records pursuant to this Order, and in order to facilitate receipt of documents in electronic format, a representative of each Respondent responsible for producing electronic records in accordance with subparagraphs 3(n) to (p) of this Order shall contact François Brabant at (819) 994-5173 and provide particulars regarding how it will comply with subparagraphs 3(n) to (p) of this Order. The Respondents shall make reasonable efforts to address any

additional technical requirements the Commissioner may have relating to the production of electronic records in accordance with subparagraphs 3(n) to (p) of this Order;

- r. each Respondent shall define, explain, interpret or clarify any record or written return of information whose meaning is not self-evident;
 - s. each Respondent shall make all written returns of information, including those relating to revenues, costs and margins, in accordance with generally accepted accounting principles (“GAAP”), International Financial Reporting Standards (“IFRS”), or other accounting principles that the Respondent uses in its financial statements. Where a Respondent produces a record or makes and delivers a written return of information using accounting principles other than GAAP or IFRS, the Respondent shall explain the meaning of all such accounting terms;
 - t. use of the singular or the plural in the Schedules of this Order shall not be deemed a limitation, and the use of the singular shall be construed to include, where appropriate, the plural; and vice versa; and
 - u. use of a verb in the present or past tense in the Schedules of this Order shall not be deemed a limitation, and the use of either the present or past tense shall be construed to include both the present and past tense.
4. **THIS COURT FURTHER ORDERS** that each Respondent shall make and deliver, in written returns of information, two indices in which the Respondent identifies:
- a. all records (or parts of records) that are responsive to the Specifications in Schedule I of this Order for which no privilege is claimed; and
 - b. all records (or parts of records) that are responsive to the Specifications in Schedule I of this Order for which privilege is claimed.

The indices shall include the title of the record, the date of the record, the name of each author, the title or position of each author, each addressee and recipient, the title or position of each addressee and recipient, and the paragraphs or subparagraphs of Schedule I of the Order to which the record is responsive. In lieu of listing the title or position of an author, addressee or recipient for each record, the Respondent may make and deliver a written return of information listing such persons and their titles or positions.

5. **THIS COURT FURTHER ORDERS** that where a Respondent asserts a legal privilege in respect of all or part of a record, the Respondent shall, in a written return of information:
- a. produce, for each record, a description of the privilege claimed and the factual basis for the claim in sufficient detail to allow the Commissioner to assess the validity of the claim; and
 - b. identify by name, title and address, all persons to whom the record or its contents, or any part thereof, have been disclosed.

Without restricting any other remedy he may seek, the Commissioner may, by written notice to a Respondent, at any time require the Respondent to produce records for which solicitor-client privilege is claimed to a person identified in subsection 19(3) of the Act.

6. **THIS COURT FURTHER ORDERS** that each Respondent shall make and deliver a written return of information confirming that the records produced pursuant to this Order were either in the possession of or on premises used or occupied by the Respondent or in the possession of an officer, agent, servant, employee or representative of the Respondent. If a record produced by a Respondent pursuant to this Order does not meet the above conditions, the Respondent shall make and deliver a written return of information explaining the factual circumstances about the possession, power, control

and location of such record. The Respondent shall provide the same information for the records of its affiliate produced pursuant to this Order.

7. **THIS COURT FURTHER ORDERS** that each Respondent shall make and deliver a written return of information stating whether, upon having conducted a diligent search and made appropriate enquiries, it has reason to believe that the Respondent is not producing pursuant to this Order a record, thing, type of record or type of thing that was formerly in the possession, control or power of the Respondent or its affiliate identified in Schedule I of this Order and that the record, thing, type of record or type of thing would be responsive to a Specification of this Order if the Respondent or its affiliate identified in Schedule I of this Order had continued to have possession, control or power over the record, thing, type of record or type of thing. The Respondent shall state in this written return of information (a) when and how the Respondent or its affiliate lost possession, control and power over a record, thing, type of record or type of thing; and (b) the Respondent's best information about the present location of the record, thing, type of record or type of thing.

8. **THIS COURT FURTHER ORDERS** that each Respondent shall make and deliver a written return of information stating whether, upon having conducted a diligent search and made appropriate enquiries, it has reason to believe that the Respondent or its affiliate identified in Schedule I of this Order never had possession, control or power over a record, thing, type of record or type of thing responsive to a Specification in this Order, that another person not otherwise subject to this Order has possession, control or power over the record, thing, type of record or type of thing, and that the record, thing, type of record or type of thing would be responsive to a Specification of this Order if the Respondent or its affiliate identified in Schedule I of this Order possessed the record, thing, type of record or type of thing. The Respondent shall state in this written return of information the Respondent's best information about (a) the Specification to which the record, thing, type of record or type of thing is responsive, (b) the identity of the person

who has possession, control or power of the record, thing, type of record or type of thing, and (c) that person's last known address.

9. **THIS COURT FURTHER ORDERS** that each Respondent shall make and deliver a written return of information stating whether, upon having conducted a diligent search and made appropriate enquiries, it has reason to believe that a record, thing, type of record or type of thing responsive to this Order has been destroyed and that the record, thing, type of record or type of thing would have been responsive to a Specification of this Order if it had not been destroyed. The Respondent shall in this written return of information state whether the record, thing, type of record or type of thing was destroyed pursuant to a record destruction or retention policy, instruction or authorization and shall produce that policy, instruction or authorization.
10. **THIS COURT FURTHER ORDERS** that each Respondent shall make and deliver a written return of information stating whether, upon having conducted a diligent search and made appropriate enquiries, it has reason to believe the Respondent or its affiliate identified in Schedule I of this Order does not have records, things or information responsive to a Specification in this Order because the record, thing or information never existed. The Respondent shall, upon request of the Commissioner, make and deliver a further written return of information explaining why the record or thing never existed.
11. **THIS COURT FURTHER ORDERS** that where a Respondent previously produced a record to the Commissioner the Respondent is not required to produce an additional copy of the record or thing provided that the Respondent: (1) identifies the previously produced record or thing to the Commissioner's satisfaction; (2) makes and delivers a written return of information in which it agrees and confirms that the record was either in the possession of the Respondent, on premises used or occupied by the Respondent or was in the possession of an officer, agent, servant, employee or representative of the

Respondent; and where this is not the case, the Respondent shall make and deliver a written return of information explaining the factual circumstances about the possession, power, control and location of such record; and (3) receives confirmation from the Commissioner that such records or things need not be produced. Where the Respondents' affiliate, as identified in Schedule I, previously produced a record or thing to the Commissioner, the Respondent is not required to produce an additional copy of the record, provided that the Respondent complies with the three conditions above.

12. **THIS COURT FURTHER ORDERS** that where a Respondent produces records, things or delivers written returns of information that are, in the opinion of the Commissioner, adequate for the purposes of the Inquiry, the Commissioner may, by written notice, waive production of any additional records, things or information that would have otherwise been responsive to the Order.
13. **THIS COURT FURTHER ORDERS** that each Respondent shall make and deliver a written return of information that:
 - a. describes the authority of the person to make the written return of information on behalf of the Respondent;
 - b. includes a statement that, in order to comply with this Order, the person has made or caused to be made:
 - i. a thorough and diligent search of the records and things in the possession, control or power of the Respondent and any affiliate of the Respondent identified in Schedule I of this Order;
 - ii. appropriate enquiries of the Respondent's personnel and the personnel of any affiliate of the Respondent identified in Schedule I of this Order; and

- c. includes a statement that the person believes that the Respondent has complied with the terms of this Order.
14. **THIS COURT FURTHER ORDERS** that all the requirements herein, including the returns of records, things and written returns of information, shall be completed within 60 calendar days of the service of this Order, provided that the production of records and things and delivery of written returns of information shall be conducted on a “rolling” basis, with the first production of records and things and delivery of written returns of information taking place no later than 30 calendar days following service of this Order.
- a. each Respondent shall produce all records and things and deliver all written returns of information to the Commissioner at the following address:

Competition Bureau
Fair Business Practices Branch
Sun Life Building
1155 Metcalfe Street, Suite 950
Montréal, Québec
H3B 2V6
Attention: Sophie Beaulieu, Competition Law Officer
 - b. communications or inquiries regarding this Order shall be addressed to:

Parul Shah
Counsel
Department of Justice
Competition Bureau Legal Services
50 Victoria Street
Gatineau, Québec
K1A 0C9

15. **THIS COURT FURTHER ORDERS** that this Order may be served by means of facsimile machine, electronic mail (with acknowledgement of receipt) or registered mail on a duly authorized representative of the Respondents or on counsel for the Respondents who have agreed to accept such service.

Chief Justice

SCHEDULE I

RECORDS TO BE PRODUCED PURSUANT TO PARAGRAPH 11(1)(b) AND SUBSECTION 11(2) OF THE *COMPETITION ACT*

Notice Concerning Obstruction

Any person who in any manner impedes or prevents or attempts to impede or prevent any inquiry or examination under the *Competition Act* (the “Act”), or who destroys or alters or causes to be destroyed or altered any record or thing that is required to be produced under section 11 of the Act, may be subject to criminal prosecution for obstruction of justice, contempt of court or other federal criminal violations. Where a corporation commits such an offence, any officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in or participated in the commission of the offence may also be prosecuted. Conviction of any of these offences is punishable by fine or imprisonment or both.

Relevant Period

For the purpose of Schedule I, each Respondent shall produce records created or modified during, or that concern, the period from 1 January 2009 to the date of issuance of this Order, unless otherwise specified in this Schedule.

Definitions

For the purpose of Schedule I, the following definitions shall apply:

“**Act**” means the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

“**Advertised Rental Price**” means the price that is displayed or presented to consumers to rent a Passenger Car, excluding any Non-Optional Fees and any Customized Rental Products Price. It shall also exclude any price displayed or presented to consumers to rent a Passenger Car through a global distribution system or through any contractual affiliation program, including any insurance replacement, government or corporate affiliation programs;

“**and**” and “**or**” have both conjunctive and disjunctive meanings;

“**any**” means one or more, and is mutually interchangeable with “**all**” and each term encompasses the other;

“**Avis Budget Group**” means Avis Budget Group, Inc., which is an affiliate of Aviscar and Budgetcar, and all directors, officers, employees, agents and representatives of Avis Budget Group, Inc.;

“**Aviscar**” means Aviscar Inc. and all directors, officers, employees, agents and representatives of it;

“**Budgetcar**” means Budgetcar Inc. (also doing business as Budgetauto Inc.) and all directors, officers, employees, agents and representatives of it;

“Company” means Aviscar, Budgetcar or Avis Budget Group;

“Complaint” means any action, proceeding, demand, allegation, complaint, or request, including those received from consumers, competitors, potential consumers, potential competitors, consumer groups, media sources, or government agencies in Canada, relating to the Company’s display or presentation of the overall costs to rent Passenger Cars; or to any Specified Price Offer; any Specified Online Price Offer; or any Non-Optional Fees;

“Customized Rental Products” means any optional rental products or services consumers may rent or acquire with a Passenger Car, such as GPS Navigation Units, Child Safety Seats, Roadside Assistance, and Insurance/Coverage options;

“Customized Rental Products Price” means the price that is displayed or presented to consumers to rent or acquire any Customized Rental Products, excluding any Advertised Rental Price and any Non-Optional Fees;

“Distinct Specified Online Price Offer” means any Specified Online Price Offer that differs from another Specified Online Price Offer in any of the following respects:

- 1) how or when the Advertised Rental Price (i.e., at what point or step in the click-through sequence) is displayed or presented to consumers, but excluding any change made solely to the amount of the Advertised Rental Price;
- 2) how or when the Customized Rental Products Price (i.e., at what point or step in the click-through sequence) is displayed or presented to consumers, but excluding any change made solely to the amount of the Customized Rental Products Price;
- 3) how or when the Non-Optional Fees (i.e., at what point or step in the click-through sequence) are displayed or presented to consumers, but excluding any change made solely to the amounts of the Non-Optional Fees; and
- 4) the name, number, type, description of or representations concerning Non-Optional Fees;

“Including” means “including, but not limited to” and **“include”** means “includes, but is not limited to”;

“Mobile Applications” means any software application or code created by or for the exclusive use of the Company or its related entities that can be transmitted or downloaded to a Mobile Device;

“Mobile Device” means any mobile phone or other portable computing device, including any tablet computer, that operates using a mobile operating system, including Android, Blackberry OS, iOS, WebOS, and Windows Phone;

“Non-Optional Fees” means any charges, surcharges, fees, taxes or other amounts, excluding applicable provincial and federal sales taxes, that are added to the Advertised Rental Price and that consumers are required to pay to rent a Passenger Car. It shall also include any charges, surcharges, fees, taxes or other amounts, excluding applicable provincial and federal sales taxes, that are added to the Customized Rental Products Price and that consumers are required to pay to rent or acquire the Customized Rental Products. It shall exclude any charges, surcharges, fees, taxes or other amounts charged to consumers to rent a Passenger Car through a global distribution system or through any contractual affiliation program, including any insurance replacement, government or corporate affiliation programs;

“Online Media” means e-mail communications, the Relevant Websites, the Mobile Applications and other social media;

“Passenger Car” or **“Passenger Cars”** means any vehicle(s) available for rent in Canada under the Avis or Budget brands. It shall exclude any cargo vans or cube trucks;

“Person” or **“Persons”** means any natural person(s) who rent(s) a Passenger Car, excluding any natural person(s) who rent(s) a Passenger Car through a global distribution system or through any contractual affiliation program, including any insurance replacement, government or corporate affiliation programs;

“Record” has the meaning ascribed to it in subsection 2(1) of the *Competition Act*, and for greater certainty includes PIN-to-PIN messages, but unless indicated otherwise, shall exclude voicemail or other voice recordings, drafts and duplicates of Records other than where notations are made on a Record;

“Relating to” means in whole or in part constituting, containing, concerning, discussing, describing, analyzing, identifying, stating, or referring;

“Relevant Websites” means any of the following websites: www.avis.ca, www.budget.ca, www.avis.com and www.budget.com;

“Senior Officer” means the chairperson, president, chief executive officer, vice-president, secretary, treasurer, chief financial officer, chief operating officer, general manager, managing director, or director of a unit, or any individual who performs their functions within the Company;

“Specified Online Price Offer” means any representation made by the Company on Online Media that contains an Advertised Rental Price. For greater certainty, it shall exclude any representations made exclusively for loyalty programs, such as Air Miles and Aeroplan; and

“Specified Price Offer” means any representation made by the Company on any medium, other than on Online Media, that contains an Advertised Rental Price. For greater certainty,

it shall exclude any representations made exclusively for loyalty programs, such as Air Miles and Aeroplan.

Specifications

1. Provide a copy, in both French and English where applicable, of the following:
 - a. each Specified Price Offer. A Respondent need not provide copies of identical Specified Price Offers made in the same medium (e.g., where identical Specified Price Offers appear in different newspapers, the Respondent may provide a copy of that Specified Price Offer as it appears in one of the newspapers); and
 - b. each Distinct Specified Online Price Offer. The copies shall include any associated screenshots, icons, hyperlinks and text descriptions for the entire click-through sequence, order or progression a consumer follows during the reservation process to rent a Passenger Car, including any aspects of the sequence, order or progression that appear before any Advertised Rental Price is displayed or presented to consumers and any aspects of the sequence, order or progression that are associated with any Advertised Rental Price, Customized Rental Products, Customized Rental Products Price, or Non-Optional Fees.
2. For all Specified Price Offers and Specified Online Price Offers, provide all Records relating to:
 - a. creating, developing, displaying, placing, presenting, reviewing, modifying, approving or monitoring the Specified Price Offers and Specified Online Price Offers, but excluding Records referring exclusively to changes made to the amount of the Advertised Rental Price that is displayed or presented to consumers;
 - b. how the Specified Price Offers and Specified Online Price Offers are targeted to or selected for consumers;
 - c. the expected or actual effects of the Specified Price Offers and Specified Online Price Offers on the consumer's experience, behaviour and decision to rent a car; and
 - d. the expected or actual effects of the Specified Price Offers and Specified Online Price Offers on the Company's revenues and the volume of Passenger Cars rented by consumers.

This Specification is not limited to those Specified Online Price Offers and Specified Price Offers for which copies were provided in Specification 1.

3. Provide all Records relating to the various ways in which the Company displays or presents the overall costs to rent Passenger Cars to consumers, including the overall costs for Customized Rental Products, and all Records relating to why the overall costs are so displayed or presented to consumers, including:
 - a. all Records relating to the strategic or business justification for the various ways in which the Company displays or presents the overall costs to rent Passenger Cars to consumers;
 - b. all Records relating to other possible options for displaying or presenting the foregoing that the Company considered and all Records relating to why it did not adopt these other options;
 - c. all Records relating to how the Company's various ways of displaying or presenting the overall costs to rent Passenger Cars are targeted to or selected for consumers;
 - d. all directives, policies, guidelines, scripts and training manuals relating to the various ways in which the Company presents the overall costs to rent Passenger Cars by phone and in person;
 - e. all Records relating to the Company's display or presentation of the overall costs to rent Passenger Cars and its expected or actual effects on the consumer's experience, behaviour, and decision to rent a Passenger Car; and
 - f. all Records relating to the Company's display or presentation of the overall costs to rent Passenger Cars and its expected or actual effects on the Company's revenues and volume of Passenger Cars rented by consumers.
4. Provide all Records relating to (i) the various ways in which the Company displays or presents the overall costs to consumers to rent Passenger Cars on the Relevant Websites and (ii) the various ways in which the overall costs are displayed or presented to consumers on the following additional websites: www.avis.com.au; www.avis.co.uk; www.budget.com.au; and www.budget.co.uk, including all Records relating to why such charges, surcharges, fees, taxes or other amounts, excluding applicable sales taxes are so displayed or presented to consumers on these additional websites.
5. For all Non-Optional Fees, provide all Records, created or modified, or that concern, the period from 1 January 2008 to the date of the issuance of this Order, relating to:
 - a. naming, creating, developing, displaying, placing, presenting, translating from English to French (or vice versa), reviewing, modifying, approving or monitoring any Non-Optional Fees, including all Records relating to why the Non-Optional Fee is charged to consumers, including the strategic or business justification for the Non-Optional Fee;

- b. naming, creating, developing, displaying, placing, presenting or approving any potential charges, surcharges, fees, taxes or other amounts, excluding applicable provincial and federal taxes;
 - c. the use or contemplated use of any descriptions, definitions and representations relating to Non-Optional Fees, including any actual or contemplated disclaimers;
 - d. how the rates associated with each of the Non-Optional Fees are calculated, including all Records relating to any changes to the rates charged to consumers for each of the Non-Optional Fees and any reasons for those changes;
 - e. any obligations pursuant to which the Company pays or remits to an entity or individual some or all of any Non-Optional Fees it collects from consumers, including any contracts, and any amendments made thereto;
 - f. how any of the Non-Optional Fees is targeted to or selected for consumers;
 - g. the expected or actual effects of excluding any Non-Optional Fees from the initial price displayed or presented to consumers to rent a Passenger Car on (i) the consumer's experience, behaviour and decision to rent a car; and (ii) the Company's revenues and the volume of Passenger Cars rented by consumers; and
 - h. the expected or actual effects of the name, display or presentation of any of the Non-Optional Fees on (i) the consumer's experience, behaviour and decision to rent a car and (ii) the Company's revenues and the volume of Passenger Cars rented by consumers.
6. Provide all Records, created or modified, or that concern, the period from 1 January 2008 to the date of the issuance of this Order, relating to the various ways in which the Company's competitors display or present the overall costs to rent vehicles in Canada, including:
- a. all Records relating to how and why the Company's competitors name, create, develop, display, place, present, translate from English to French (or vice versa), review, modify, approve, monitor, calculate or justify any charges, surcharges, fees, taxes or other amounts, excluding applicable provincial and federal sales taxes, that they charge to consumers to rent a vehicle in Canada; and
 - b. all Records relating to why the Company's competitors do not charge any specific charges, surcharges, fees or taxes or other amounts, excluding applicable provincial and federal sales taxes, to consumers to rent a vehicle in Canada.
7. Provide all Complaints and all Records relating to such Complaints and, where applicable, their resolution.

8. Provide all memoranda, reports, studies, surveys, analyses, presentations, strategic, marketing and business plans, evaluations, recommendations, directives, policies, guidelines and customer service scripts relating to refunds, rebates or credits for any Specified Price Offers, Specified Online Price Offers and Non-Optional Fees.
9. Provide all memoranda, reports, studies, surveys, analyses, presentations, strategic, marketing and business plans, evaluations, recommendations, directives, policies, and guidelines prepared or received by a Senior Officer relating to the consumer's experience, behaviour, and decision to rent a Passenger Car on Online Media, including traffic analysis, reservation analysis, clickstream analysis, click-through rates, conversion rates, trended graphs, and all Omniture reports and Google Analytics reports.
10. Provide all the Company's Record retention and destruction policies and guidelines, including any amendments made to those policies and guidelines.

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SCHEDULE II

WRITTEN RETURNS OF INFORMATION TO BE MADE AND DELIVERED PURSUANT TO PARAGRAPH 11(1)(c) OF THE *COMPETITION ACT*

Notice Concerning Obstruction

Any person who in any manner impedes or prevents or attempts to impede or prevent any inquiry or examination under the *Competition Act* (the “Act”), or who destroys or alters or causes to be destroyed or altered any record or thing that is required to be produced under section 11 of the Act, may be subject to criminal prosecution for obstruction of justice, contempt of court or other federal criminal violations. Where a corporation commits such an offence, any officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in or participated in the commission of the offence may also be prosecuted. Conviction of any of these offences is punishable by fine or imprisonment or both.

Relevant Period

For the purpose of Schedule II, each Respondent shall make and deliver written returns of information for the period from 1 January 2009 to the date of issuance of this Order, unless otherwise specified in this Schedule.

Definitions

For the purpose of Schedule II, the following definitions shall apply:

“Act” means the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

“**Advertised Rental Price**” means the price that is displayed or presented to consumers to rent a Passenger Car, excluding any Non-Optional Fees and any Customized Rental Products Price. It shall also exclude any price displayed or presented to consumers to rent a Passenger Car through a global distribution system or through any contractual affiliation program, including any insurance replacement, government or corporate affiliation programs;

“and” and “or” have both conjunctive and disjunctive meanings;

“any” means one or more, and is mutually interchangeable with “all” and each term encompasses the other;

“**Avis Budget Group**” means Avis Budget Group, Inc., which is an affiliate of Aviscar and Budgetcar, and all directors, officers, employees, agents and representatives of Avis Budget Group, Inc.;

“**Aviscar**” means Aviscar Inc. and all directors, officers, employees, agents and representatives of it;

“**Budgetcar**” means Budgetcar Inc. (also doing business as Budgetauto Inc.) and all directors, officers, employees, agents and representatives of it;

“Company” means Aviscar, Budgetcar or Avis Budget Group;

“Complaint” means any action, proceeding, demand, allegation, complaint, or request, including those received from consumers, competitors, potential consumers, potential competitors, consumer groups, media sources, or government agencies in Canada, relating to the Company’s display or presentation of the overall costs to rent Passenger Cars; or to any Specified Price Offer; any Specified Online Price Offer; or any Non-Optional Fees;

“Customized Rental Products” means any optional rental products or services consumers may rent or acquire with a Passenger Car, such as GPS Navigation Units, Child Safety Seats, Roadside Assistance, and Insurance/Coverage options;

“Customized Rental Products Price” means the price that is displayed or presented to consumers to rent or acquire any Customized Rental Products, excluding any Advertised Rental Price and any Non-Optional Fees;

“Distinct Specified Online Price Offer” means any Specified Online Price Offer that differs from another Specified Online Price Offer in any of the following respects:

- 1) how or when the Advertised Rental Price (i.e., at what point or step in the click-through sequence) is displayed or presented to consumers, but excluding any change made solely to the amount of the Advertised Rental Price;
- 2) how or when the Customized Rental Products Price (i.e., at what point or step in the click-through sequence) is displayed or presented to consumers, but excluding any change made solely to the amount of the Customized Rental Products Price;
- 3) how or when the Non-Optional Fees (i.e., at what point or step in the click-through sequence) are displayed or presented to consumers, but excluding any change made solely to the amounts of the Non-Optional Fees; and
- 4) the name, number, type, description of or representations concerning Non-Optional Fees;

“Including” means “including, but not limited to” and **“include”** means “includes, but is not limited to”;

“Mobile Applications” means any software application or code created by or for the exclusive use of the Company or its related entities that can be transmitted or downloaded to a Mobile Device;

“Mobile Device” means any mobile phone or other portable computing device, including any tablet computer, that operates using a mobile operating system, including Android, Blackberry OS, iOS, WebOS, and Windows Phone;

“Non-Optional Fees” means any charges, surcharges, fees, taxes or other amounts, excluding applicable provincial and federal sales taxes, that are added to the Advertised Rental Price and that consumers are required to pay to rent a Passenger Car. It shall also include any charges, surcharges, fees, taxes or other amounts, excluding applicable provincial and federal sales taxes, that are added to the Customized Rental Products Price and that consumers are required to pay to rent or acquire the Customized Rental Products. It shall exclude any charges, surcharges, fees, taxes or other amounts charged to consumers to rent a Passenger Car through a global distribution system or through any contractual affiliation program, including any insurance replacement, government or corporate affiliation programs;

“Online Media” means e-mail communications, the Relevant Websites, the Mobile Applications and other social media;

“Passenger Car” or **“Passenger Cars”** means any vehicle(s) available for rent in Canada under the Avis or Budget brands. It shall exclude any cargo vans or cube trucks;

“Person” or **“Persons”** means any natural person(s) who rent(s) a Passenger Car, excluding any natural person(s) who rent(s) a Passenger Car through a global distribution system or through any contractual affiliation program, including any insurance replacement, government or corporate affiliation programs;

“Record” has the meaning ascribed to it in subsection 2(1) of the *Competition Act*, and for greater certainty includes PIN-to-PIN messages, but unless indicated otherwise, shall exclude voicemail or other voice recordings, drafts and duplicates of Records other than where notations are made on a Record;

“Relating to” means in whole or in part constituting, containing, concerning, discussing, describing, analyzing, identifying, stating, or referring;

“Relevant Websites” means any of the following websites: www.avis.ca, www.budget.ca, www.avis.com and www.budget.com;

“Selected Locations” means the following locations: Montreal Pierre Elliott Trudeau Airport (YUL); Toronto Pearson Airport (YYZ); Metcalfe Street, Montréal, QC, H3B 2V5; 161 Bay Street, Toronto, ON, M5J 2S1; and 895 de la Gauchetière Ouest, Montréal, QC, H3B 4G1;

“Senior Officer” means the chairperson, president, chief executive officer, vice-president, secretary, treasurer, chief financial officer, chief operating officer, general manager, managing director, or director of a unit, or any individual who performs their functions within the Company;

“Specified Online Price Offer” means any representation made by the Company on Online Media that contains an Advertised Rental Price. For greater certainty, it shall

exclude any representations made exclusively for loyalty programs, such as Air Miles and Aeroplan; and

“Specified Price Offer” means any representation made by the Company on any medium, other than on Online Media, that contains an Advertised Rental Price. For greater certainty, it shall exclude any representations made exclusively for loyalty programs, such as Air Miles and Aeroplan.

Specifications

1. Provide the following information: the names, titles, roles and responsibilities of all Senior Officers and employees of the Company involved with advertising, marketing (including online marketing), sales, and pricing of Passenger Cars; with managing the Relevant Websites and the Mobile Applications; and with handling Complaints; and all Senior Officers of Avis Budget Group with responsibility for Canada. Provide the direct and indirect reporting structure within the Company for all the individuals named in response to this Specification.
2. List all websites through which consumers can rent Passenger Cars, excluding websites of third parties that also allow consumers to rent vehicles in Canada under brands other than the Avis or Budget brands (such as Expedia, Hotwire and Travelocity).
3. For each Specified Price Offer provided in response to Schedule I, Specification I, provide the following information:
 - a. the coupon code, rate code, offer code, or similar tracking code, where available;
 - b. the dates when each Specified Price Offer was first and, where applicable, last displayed or presented to consumers;
 - c. the number of times and the dates when each Specified Price Offer was displayed or presented to consumers;
 - d. the medium where each Specified Price Offer was displayed or presented to consumers; and list all sources (i.e., all magazines, newspapers, etc.) where an identical Specified Price Offer was made and the number of times and dates when an identical Specified Price Offer was displayed or presented to consumers in those sources;
 - e. the names and rates for each of the Non-Optional Fees associated with each Specified Price Offer; and where applicable, specify each of the Non-Optional Fees associated with the Customized Rental Products Price;
 - f. a description of how each Specified Price Offer is targeted to or selected for consumers; and

- g. the number of Persons who rented Passenger Cars further to each Specified Price Offer, and the proportion of those Persons who paid one or more Non-Optional Fees; and the number of Persons who rented Passenger Cars further to each identical Specified Price Offer, and the proportion of those Persons who paid one or more Non-Optional Fees;
- 4. For each Distinct Specified Online Price Offer provided in response to Schedule I, Specification 1, provide the following information:
 - a. the coupon code, rate code, offer code, or similar tracking code, where available;
 - b. the dates when each Distinct Specified Online Price Offer was first and, where applicable, last displayed or presented to consumers;
 - c. the number of times and the dates when each Distinct Specified Online Price Offer was displayed or presented to consumers;
 - d. the medium (and where applicable the URL address) where each Distinct Specified Online Price Offer was displayed or presented to consumers;
 - e. the names and rates for each of the Non-Optional Fees associated with each Distinct Specified Online Price Offer; and where applicable, specify each of the Non-Optional Fees associated with the Customized Rental Products Price;
 - f. a description of how each Distinct Specified Online Price Offer is targeted to or selected for consumers; and
 - g. the number of Persons who rented Passenger Cars further to each Distinct Specified Online Price Offer; and the proportion of those Persons who paid one or more Non-Optional Fees..
- 5. Describe the entire click-through sequence, order or progression that a consumer follows during the reservation process where an Advertised Rental Price is displayed or presented to consumers on the Relevant Websites and the Mobile Applications, including the following:
 - a. how and when (i.e. at what point or step in the click-through sequence) the Advertised Rental Price is displayed or presented to consumers during the reservation process;
 - b. how and when (i.e. at what point or step in the click-through sequence) the Customized Rental Products Price is displayed or presented to consumers during the reservation process; and

- c. how and when (i.e. at what point or step in the click-through sequence) the Non-Optional Fees are displayed or presented to consumers during the reservation process.
6. Describe and explain how the Company's display or presentation of the overall costs to rent a Passenger Car is targeted to or selected for consumers.
7. Separately, for each of the Relevant Websites and Mobile Applications, specify the date when the Company first displayed or presented the overall costs to rent a Passenger Car by displaying or presenting an Advertised Rental Price and any Non-Optional Fees during the reservation process.
8. List (in English and French where applicable) all the Non-Optional Fees charged to consumers from 1 January 2008 to the date of the issuance of this Order and provide the following information:
 - a. define and describe each Non-Optional Fee listed and any representations relating to the Non-Optional Fees;
 - b. describe all changes made to the definition, description or purpose of the Non-Optional Fee and to any representations relating to the Non-Optional Fee and explain all the reasons why any such changes were made;
 - c. specify the date when each Non-Optional Fee was first and, where applicable, last displayed or presented to consumers;
 - d. explain all the reasons why the Non-Optional Fee was introduced and where applicable all the reasons why it was discontinued;
 - e. for those Non-Optional Fees displayed or presented as taxes, recovery fees, or by reference to any province, territory or to Canada, explain all the reasons why they are named, displayed or presented as such; and
 - f. for the rates associated with each of the Non-Optional Fees:
 - i. specify all the rates (whether expressed in dollars or percentages) that have been and are charged to consumers for the Non-Optional Fees;
 - ii. specify the time period when each rate was in effect;
 - iii. describe and explain how the rates were and are calculated;
 - iv. describe and explain all changes made to the way in which the rates were and are calculated, and explain all the reasons why those changes were made;

- v. specify the geographic area in Canada where each rate was and is in effect;
 - vi. specify the portion of the rates that were and are paid to any third party or third parties and the names of those third parties;
 - vii. describe and explain why a portion of the rates was and is paid to the third parties identified in (vi); and
 - viii. describe all changes made to the portion of the rates that were and are paid to the third parties identified in (vi), and explain why those changes were made.
9. Explain all the reasons why the Company excludes Non-Optional Fees from the initial price represented to consumers to rent a Passenger Car on Online Media and, where applicable, any other media, and explain what other possible options the Company considered for displaying or presenting the overall costs to rent a Passenger Car to consumers and why it did not adopt those other options.
10. Explain all the reasons why the Company excludes or excluded Non-Optional Fees from the initial price represented to consumers to rent or acquire any Customized Rental Products on Online Media and, where applicable, any other media. Describe and explain all the reasons for any changes made to the way in which the Company displays or presents the overall costs to rent or acquire Customized Rental Products on Online Media and, where applicable, any other media. Specify when any such changes were made.
11. Describe and explain all the factors, including their relative importance, that the Company has considered and does consider when making and approving decisions relating to displaying or presenting the overall costs to rent a Passenger Car, including the overall costs to rent or acquire Customized Rental Products. Specify the identities of those individuals within the Company who were or are involved in the making and approving of these decisions and explain their roles and responsibilities in the decision-making process.
12. Describe and explain all the factors, including their relative importance, that the Company has considered and does consider when making and approving decisions relating to naming, creating, developing, displaying, placing, presenting, modifying and translating from English to French (or vice versa) any potential or existing Non-Optional Fees. Specify the identities of those individuals within the Company who were or are involved in the making and approving of these decisions and explain their roles and responsibilities in the decision-making process.
13. Advise if the Company has examined or analyzed the following in any way:

- a. whether excluding any charges, surcharges, fees, taxes or other amounts, excluding applicable provincial and federal sales taxes, from the initial price represented to consumers to rent a Passenger Car; or
- b. whether the way in which Non-Optional Fees are named, displayed or presented to consumers

affects the consumer's experience, behaviour or decision to rent a car. If so, describe and explain what information the Company has considered and does consider to assess the foregoing and any results of this examination or analysis, including any actions that the Company may have taken further to such examination or analysis.

14. Advise if the Company has examined or analyzed the following in any way:

- a. whether excluding any charges, surcharges, fees, taxes or other amounts, excluding applicable provincial and federal sales taxes, from the initial price represented to consumers to rent a Passenger Car; or
- b. whether the way in which Non-Optional Fees are named, displayed or presented to consumers

affects the Company's revenues and volume of Passenger Cars rented by consumers. If so, describe and explain what information the Company has considered and does consider to assess the foregoing and any results of this examination or analysis, including any actions that the Company may have taken further to such examination or analysis.

15. Advise if the Company has examined or analyzed the following in any way:

- a. the various ways in which the Company displays or presents the overall costs for consumers to rent Passenger Cars and the way in which same is done (i) by the Company's competitors; or (ii) on additional websites through which consumers may rent cars exclusively under the Avis or Budget brands, including on the following additional websites: www.avis.com.au; www.avis.co.uk; www.budget.com.au; and www.budget.co.uk; or
- b. the various ways in which the Company names, creates, develops, displays, presents, translates from English to French (or vice versa), reviews, modifies, approves, justifies or calculates any Non-Optional Fees and the way in which same is done (i) by the Company's competitors; or (ii) on additional websites through which consumers may rent cars exclusively under the Avis or Budget brands, including on the following additional websites: www.avis.com.au; www.avis.co.uk; www.budget.com.au; and www.budget.co.uk.

If so, describe and explain the nature and purposes of this examination or analysis and any results of this examination or analysis, including describing and explaining any

differences between the Company's approach and its competitors' approach and the Company's approach to the foregoing on its Relevant Websites and the approach adopted on the additional websites noted above; and any actions relating to Non-Optional Fees the Company may have taken further to such examination or analysis.

16. Identify, describe and explain all the actual effects on the consumer's experience, behaviour or decision to rent a car (i) of excluding Non-Optional Fees from the initial price represented to consumers to rent a Passenger Car, and (ii) of naming, displaying or presenting each of the Non-Optional Fees.
17. Identify, describe and explain all the actual effects on the Company's revenues and the volume of Passenger Cars rented by consumers (i) of excluding Non-Optional Fees from the initial price represented to consumers to rent a Passenger Car, and (ii) of naming, displaying, or presenting each of the Non-Optional Fees.
18. Advise if the Company has examined or analyzed whether any Specified Price Offer or Specified Online Price Offer:
 - a. is affecting or has affected the Company's revenues and volume of Passenger Cars rented by consumers; or
 - b. is affecting or has affected the consumer's experience, behaviour or decision to rent a car.

If so, describe and explain what information the Company has considered and does consider to assess the foregoing and any results of this examination or analysis, including any actions that the Company may have taken further to such examination or analysis.

19. Advise if the Company has examined or analyzed how consumers respond to price representations, icons, hyperlinks, text descriptions and disclaimers made on Online Media, including examining or analyzing when in the reservation process a consumer decides to discontinue or pursue his or her reservation. If so, describe and explain what information the Company has considered and does consider to assess the foregoing and any results of this examination or analysis, including any actions that the Company may have taken further to such examination or analysis.
20. Separately, for each of the Relevant Websites and Mobile Applications, provide the following information:
 - a. on a quarterly basis, the Advertised Rental Price that was displayed or presented to consumers for the longest period of time for a compact class passenger car and for each of the Selected Locations;
 - b. the dates when the Advertised Rental Price in (a) were displayed or presented to consumers;

- c. the names and rates associated with each of the Non-Optional Fees that are associated with the Advertised Rental Price identified in (a);
 - d. the number of Persons who rented a compact class passenger car at the Advertised Rental Price identified in (a); and the proportion of those Persons who paid one or more Non-Optional Fees;
 - e. the total amount of dollars charged to Persons who have rented Passenger Cars through each Relevant Website and each of the Mobile Applications, in the aggregate and on a monthly basis, excluding any provincial and federal sales taxes; and, where applicable, state the total amount of dollars charged to Persons, on a monthly basis, excluding any provincial and federal sales taxes, for each code listed in response to Specification 3(a) and 4(a);
 - f. for the amount stated in Specification 20(e), break down the total amount of dollars charged for:
 - i. time and mileage;
 - ii. each Non-Optional Fee listed in response to Specification 8, where applicable;
 - iii. Customized Rental Products; and
 - iv. any other charges, surcharges, fees, taxes or other amounts and the names of these charges, surcharges, fees, taxes or other amounts;
 - g. For the amount stated in Specification 20(f)(ii), the total amount of dollars paid to any third party or third parties and the names of those third parties; and
 - h. The total amount of refunds, rebates or credits paid in relation to Complaints, on a monthly basis, to Persons who booked through any of the Relevant Websites and any of the Mobile Applications.
21. Identify, describe and explain all the circumstances in which the Company creates Records relating to Complaints. Advise whether the Company creates Records relating to all Complaints or only certain Complaints. If the Company records only certain Complaints describe and explain all the reasons for this policy or practice.

22. Describe the Company's Record retention and destruction policies, guidelines and practices, including any amendments made thereto, in effect from 1 January 2008 to the date of the issuance of this Order. Specify the dates when the Record retention and destruction policies and guidelines came into effect; and, if applicable, when they were discontinued.

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TAB C

April 24, 2015

Mr. Derek Leschinsky
Lawyer, Competition Bureau Legal Services

Mr. Antonio Di Domenico
Counsel, Competition Bureau Legal Services

Department of Justice / Government of Canada
Place du Portage, Phase 1
22nd Floor
50 Victoria Street
Gatineau, QC
K1A 0C9

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kevin.ackhurst@nortonrosefulbright.com

Our reference
01012106-0047

Dear Mr. Leschinsky and Mr. Di Domenico:

Order for the production of records and written returns of information in the matter of the *Competition Act*, R.S.C. 1985, c. C-34, as amended; and in the matter of an inquiry under section 10 of the *Competition Act* relating to marketing practices of Aviscar Inc., Budgetcar Inc., and Avis Budget Group, Inc.; and in the matter of an *ex parte* application by the Commissioner of Competition for an Order requiring Aviscar Inc. and Budgetcar Inc. to produce records pursuant to paragraph 11(1)(b) and subsection 11(2) of the *Competition Act* and to make and deliver written returns of information pursuant to paragraph 11(1)(c) of the *Competition Act*

Further to our telephone call this morning, we write to correct and clarify the responses provided to the above-noted order (**Order**) by Aviscar Inc., Budgetcar Inc., and Avis Budget Group, Inc. which were collectively defined in the Order and in the responses to the Order as the "Company."

It has recently come to our attention that certain of the information and records provided in response to the Order were information and records of a different entity, Avis Budget Car Rental, LLC, an indirect subsidiary of Avis Budget Group, Inc. This information and these records were provided in the spirit of full cooperation with the Commissioner's investigation, notwithstanding that Avis Budget Car Rental, LLC was not a respondent or affiliate named in the Order.

Having learned of this information, we felt it incumbent upon us to advise you of this development, as we did this morning, and to provide you the following clarification and correction to the responses to the Order:

- 1 For the purposes of the written responses to Schedule II of the Order, the defined term "Company" should be revised to include Aviscar Inc., Budgetcar Inc., Avis Budget Group, Inc. and Avis Budget Car Rental, LLC.
- 2 The records produced in response to the Order are records of Aviscar Inc., Budgetcar Inc., and Avis Budget Car Rental, LLC but not Avis Budget Group, Inc., as Avis Budget Group, Inc., which is a holding company that owns subsidiaries that carry on the rental car business, has and had no records that are responsive to the Order.

This is Exhibit "C" referred to in the
affidavit of Sojourner King
sworn before me, this 6th
day of May, 2015

DOCSTOR: 5169209V1

Norton Rose Fulbright Canada LLP is a limited liability partnership established in Canada.

Norton Rose Fulbright Canada LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa (incorporated as Berneys Reitz Inc) and Fulbright & Jaworski LLP, each of which is a separate legal entity, are members of Norton Rose Fulbright Verein, a Swiss Verein. Details of each entity, with certain regulatory information, are at nortonrosefulbright.com. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients.

Christine M. Kilby

April 24, 2015



- 3 The persons identified as employees of Avis Budget Group, Inc. in response to Specification 1 of Schedule II of the Order are in fact employees of Avis Budget Car Rental, LLC. See Appendix A for a revised response to Specification 1.

For your information, Avis Budget Car Rental, LLC is a limited liability company incorporated under the laws of Delaware, headquartered at 6 Sylvan Way, Parsippany, New Jersey, United States of America. Avis Budget Car Rental, LLC, is a wholly-owned indirect subsidiary of Avis Budget Group, Inc. and an indirect parent company of Aviscar Inc. and Budgetcar Inc., the two Canadian respondents.

We trust this is satisfactory, however if you have any questions regarding the foregoing, please do not hesitate to contact us.

Yours very truly,

A handwritten signature in blue ink, appearing to read "K Ackhurst".

Kevin Ackhurst
Partner

KA/mdg

CC: *R. Muhs, Avis Budget Group Inc.*
M. Brown, Norton Rose Fulbright Canada LLP

Court File No. CT-2015-001

THE COMPETITION TRIBUNAL

THE COMMISSIONER OF COMPETITION

Applicant

- and -

AVISCAR INC. et al.

Respondents

AFFIDAVIT OF SOJOURNER KING

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Lawyers for the Respondents

TAB 3

CT-2015-001

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 application for orders pursuant to section 74.1 of the *Competition Act* for conduct reviewable pursuant to paragraph 74.01(1)(a) and sections 74.05 and 74.011 of the *Competition Act*.

BETWEEN:

COMPETITION TRIBUNAL TRIBUNAL DE LA CONCURRENCE	
FILED / PRODUIT CT-2015-001 March 11, 2015 Jos LaRose for / pour REGISTRAR / REGISTRAIRE	
OTTAWA, ONT	# 1

THE COMMISSIONER OF COMPETITION

Applicant

- and -

AVISCAR INC., BUDGETCAR INC. / BUDGETAUTO INC.
and AVIS BUDGET GROUP, INC.

I hereby certify this to be a true copy of the
original document/
Je certifie par la présente que ceci est une copie
conforme au document original

Dated this / Fait ce 11th day of March 2015


For Registrar, Competition Tribunal /
Pour Registraire, Tribunal de la concurrence

Respondents

NOTICE OF APPLICATION

TAKE NOTICE that the Commissioner of Competition (the "**Commissioner**") will make an application to the Competition Tribunal (the "**Tribunal**") for an order pursuant to section 74.1 of the *Competition Act*, R.S.C. 1985, c. C-34 (the "**Act**"), as amended, in respect of conduct reviewable pursuant to paragraph 74.01(1)(a), section 74.05 and subsections 74.011(1) and (2) of the Act.

AND TAKE NOTICE that the Commissioner relies on the following Statement of the Grounds and Material Facts for this application.

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TO: AVISCAR INC.
1 Convair Drive E.
Etobicoke, Ontario
M9W 6Z9
Canada

AND TO: BUDGETCAR INC. / BUDGETAUTO INC.
1 Convair Drive E.
Etobicoke, Ontario
M9W 6Z9
Canada

AND TO: AVIS BUDGET GROUP, INC.
6 Sylvan Way
Parsippany, New Jersey
07054
United States of America

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APPLICATION

1. The Commissioner makes this application pursuant to section 74.1 of the Act for:
 - (a) a declaration that each Respondent is engaging in or has engaged in reviewable conduct, contrary to paragraph 74.01(1)(a), section 74.05 and subsections 74.011(1) and (2) of the Act;
 - (b) an order prohibiting each Respondent from engaging in the reviewable conduct or substantially similar reviewable conduct, in Canada, for a period of ten years from the date of such order;
 - (c) an order requiring each Respondent to publish or otherwise disseminate notices of the determinations made herein pursuant to paragraph 74.1(1)(b) of the Act, in such manner and at such times as the Commissioner may advise and this Tribunal shall permit;
 - (d) an order requiring each Respondent to pay an administrative monetary penalty in the amount of \$10,000,000;
 - (e) an order requiring the Respondents to jointly and severally reimburse current and former customers an amount reflective of, but not to exceed, revenue collected and retained in association with, or resulting from, the reviewable conduct between 12 March 2009 and the date of the order, to be distributed among the persons who rented passenger vehicles from the Respondents or their affiliates in such a manner as this Tribunal considers appropriate;
 - (f) costs; and
 - (g) such further and other relief as the Commissioner may advise and this Tribunal may permit.

I. OVERVIEW

2. The Respondents – among the largest rental car companies carrying on business in Canada – are engaging in deceptive marketing practices. They have made, and are continuing to make, representations to the public that are false or misleading in a material respect about the price consumers must pay to rent their passenger vehicles and associated products in Canada. They do so at the expense of Canadian consumers to promote their passenger vehicles rentals, their associated products and their business interests more generally.
3. As described below, the Respondents promote their products to the public at prices or discounts that are not in fact attainable. The Respondents' representations create the general impression that consumers can rent their cars and associated products for less than what the Respondents actually charge. The Respondents' representations are false or misleading in a material respect because the Respondents require consumers to pay additional Non-Optional Fees (defined below). The Respondents further represent these Non-Optional Fees (when they ultimately do reveal them) as taxes, surcharges and/or fees that rental car companies are required to collect from consumers, notwithstanding that it is the Respondents themselves who choose to impose these Non-Optional Fees on consumers to recoup part of their own cost of doing business.
4. The Respondents' Non-Optional Fees increase the cost of a rental by up to approximately 35%, depending on the rental location and type of vehicle.
5. The Respondents' false or misleading representations pervade their extensive marketing to the public, examples of which are particularized below. The Respondents however make various substantially similar false or misleading representations in a variety of media that are not limited to the representations particularized below.

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6. The Commissioner brings this application to stop the Respondents' deceptive marketing practices and to remedy the harm these practices have caused to Canadian consumers.

II. THE PARTIES

7. The Commissioner is an officer appointed by the Governor in Council under section 7 of the Act and is responsible for the administration and enforcement of the Act.
8. The Respondents Aviscar Inc. and Budgetcar Inc./Budgetauto Inc. are private corporations organized and existing under the laws of Canada, with head offices in Etobicoke, Ontario. Aviscar Inc. and Budgetcar Inc. operate a car rental services business throughout Canada.
9. The Respondent Avis Budget Group, Inc. ("**Avis Budget Group**") is a publicly-traded company organized and existing under the laws of Delaware. Avis Budget Group and its licensees operate the Avis and Budget brands of rental cars in approximately 175 countries throughout the world. Avis Budget Group is the parent company of Aviscar Inc. and Budgetcar Inc./Budgetauto Inc., and in this capacity, planned, directed and was, ultimately, essential to the making of the representations that are subject to this application.
10. The Respondents Aviscar Inc. and Avis Budget Group are collectively referred to hereafter as **Avis**. The Respondents Budgetcar Inc./Budgetauto Inc. and Avis Budget Group are collectively referred to hereafter as **Budget**.

III. THE RESPONDENTS' FALSE OR MISLEADING REPRESENTATIONS

A. Respondents Promote their Products to the Public at Prices or Discounts that are not Attainable

11. The Respondents' representations create the general impression that consumers can rent passenger vehicles and associated products at prices or discounts that the Respondents represent.

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12. Consumers cannot, however, rent passenger vehicles and associated products from Avis and Budget at the prices Avis and Budget represent. Consumers instead pay higher prices or receive lower discounts than the Respondents' representations convey.
13. Consumers pay higher prices or receive lower discounts than the Respondents represent because the Respondents require consumers to pay extra non-optional fees to rent passenger vehicles and associated products from them (the "**Non-Optional Fees**").
14. For rentals under the Avis brand, Avis has chosen to impose various Non-Optional Fees. Avis has chosen to charge consumers for an increasing variety of Non-Optional Fees, including the following:

English	Français	Introduced by Avis
Concession Recovery Fee	Frais de redevance aéroportuaire	1998
Premium Location Surcharge	Surtaxe emplacement de prestige	1998
Vehicle License Fee	Frais d'immatriculation du véhicule	2001
AC Excise Tax	Taxe d'accise sur la climatisation	2001
Energy Recovery Fee	Frais de récupération d'énergie	2008
Tire Management Fee	Taxe de mise au rebut des pneumatiques	2008
Parking Surcharge	Surtaxe stationnement	2008
Ontario Environmental Fee	Taxe environnementale de l'Ontario	2009

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15. Avis also requires consumers to pay other Non-Optional Fees, such as "Other Fees" or "Autres frais".
16. For rentals under the Budget brand, Budget has chosen to impose various Non-Optional Fees on its customers, which have also increased in number over time, including the following:

English	Français	Introduced by Budget
Concession Recovery	Frais de redevance aéroportuaire	1998
Car Tax	Frais d'immatriculation des véhicules	2001
Energy Recovery Fee	Frais de récupération d'énergie	2008
Tire Management Fee	Taxe de mise au rebut des pneumatiques	2008
Ont Environ Fee	Taxe environnementale de l'Ontario	2009

17. Budget also mandates other Non-Optional Fees on its customers, such as "Fees" or "Frais supplémentaires".
18. The Non-Optional Fees Avis and Budget charge for passenger vehicles and associated products are known to the Respondents at the time they make their price or discount representations to the public. The Respondents nevertheless exclude these Non-Optional Fees from the representations they make to promote their rental cars, associated products and business interests.
19. The Respondents' Non-Optional Fees increase the cost of a rental by up to approximately 35%, depending on the rental location and type of vehicle.

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B. Respondents Represent Non-Optional Fees as Mandated by Third Parties

20. In addition, when the Respondents ultimately do reveal their Non-Optional Fees, their representations are themselves false or misleading in a material respect.
21. The Respondents' representations create the general impression that their Non-Optional Fees are taxes, surcharges or fees that governments and authorized agencies require rental car companies to collect from consumers.
22. The Non-Optional Fees are not charges that governments and authorized agencies require rental car companies to collect from consumers. Instead, they are charges the Respondents themselves choose to impose on consumers to recoup part of their own cost of doing business.

IV. Examples of the Respondents' False or Misleading Representations

23. The dates, places and media in which the Respondents have made such false or misleading representations to the public are known to them. They have made these false or misleading representations to the public since 1997 or thereabouts and continue to make them.
24. The places and media include representations the Respondents make on their print advertisements, websites, mobile applications, commercials and through other means.
25. Examples of the Respondents' false or misleading representations are set out below.

A. Examples of the Respondents' False or Misleading Avis Representations

(i) Example of False or Misleading Newspaper Ad

26. Avis displays prices and percentage discounts in newspaper advertisements that are not attainable. For example, Avis placed the following advertisement in

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the Toronto Metro Newspaper on or about 8 March 2011, 22 March 2011 and 5 April 2011. The representation conveys the general impression that it is possible for a consumer to obtain a 2-Day Weekend Rental for \$55 and additional days for \$21 per day.



AVIS
DELIVERS GREAT
WEEKEND RATES

**2-Day Weekend Rental
Rates Starting at \$55!**
And each additional day
(to a maximum of 5 days)
from \$21/day.

Plus earn 1,000 Bonus
Aeroplan® Miles.*

For details and to reserve visit
avis.ca/metro
or call 1 800 TRY-AVIS
(879-2847)

aeroplan

AVIS
We try harder.

*Terms & Conditions apply. Rates quoted are valid on a sub-compact or compact car. Special rates also available on mid-size cars (group C). Offers valid at off-airport locations in the GTA until June 19, 2011. Blackout periods apply.
©2011 Avis Rent a Car System Inc. All Rights Reserved. *Avis is a registered trademark licensed to Avis Rent a Car System Inc. for use in Canada.
®Aeroplan is a registered trademark of Aeroplan Canada Inc.

27. Avis' representation is false or misleading in a material respect because it is not possible for a consumer to obtain a 2-Day Weekend Rental for \$55 or obtain additional days for \$21 per day. Avis instead requires consumers to pay additional Non-Optional Fees that increase the cost of the rental above the price Avis represents.

(ii) *Example of False or Misleading Promotional Flyer*

28. Avis displays prices and percentage discounts in its promotional flyers that are not attainable. For example, Avis mailed the following postcard to Edmonton residents in September 2009. The representation conveys the general impression that it is possible for a consumer who joins the Avis Weekender Club to rent a car for \$14.99 per weekend day.



29. Avis' representation is false or misleading in a material respect because it is not possible for a consumer to rent a car for \$14.99 per weekend day. Avis instead requires consumers to pay additional Non-Optional Fees that increase the cost of the rental above the price Avis represents.

30. Avis' representation is false or misleading in a material respect for an additional reason. The fine print on the back of Avis' postcard states: "All taxes (including Airport Concession and Air Conditioning Excise Tax), Vehicle License Recovery Fee, surcharges, optional items (such as LDW) and refuelling are additional ..." [emphasis added]. This statement conveys the general impression that Avis' Non-Optional Fees are taxes, fees or surcharges that rental car companies are required to collect from consumers.



AVIS

We try harder with:

- where2™ GPS Navigation available with any vehicle rental*
- FREE XM satellite Radio in select GM vehicles
- FREE enrollment in the Avis Weekender Club
- No more lost receipts! Avis e-Receipt, our paperless alternative to rental receipts. Customers can receive an electronic receipt directly in their inbox
- Aeroplan® Members can earn 250 Aeroplan Miles

Terms and Conditions: Valid at Avis downtown location only: 10235 101 Street, Edmonton, AB, T5J 3E9 on a Compact (group B) vehicle. Other car groups available. Special rates are valid only on a minimum 3 day weekend and maximum 4 day weekend rental. Weekend rental period begins Thursday and car must be returned by Monday 11:59 a.m. or higher rate may apply. An **advance reservation is required**. May not be used in conjunction with any other coupon, promotion or offer. A Saturday night keep is required. Vehicles are subject to availability at time of rental. Renter must meet Avis requirements.

additional daily surcharge may apply for renters under 25 years old. All taxes (including Airport Concession and Air Conditioning Excise Tax), Vehicle License Recovery Fee, surcharges, optional items (such as LDW) and refuelling are additional. Offer subject to vehicle availability at time of rental. Offer may not be available on some rates at some times. Offer may not be available during holiday and other blackout periods. Offer expires 12/15/09.

AVIS

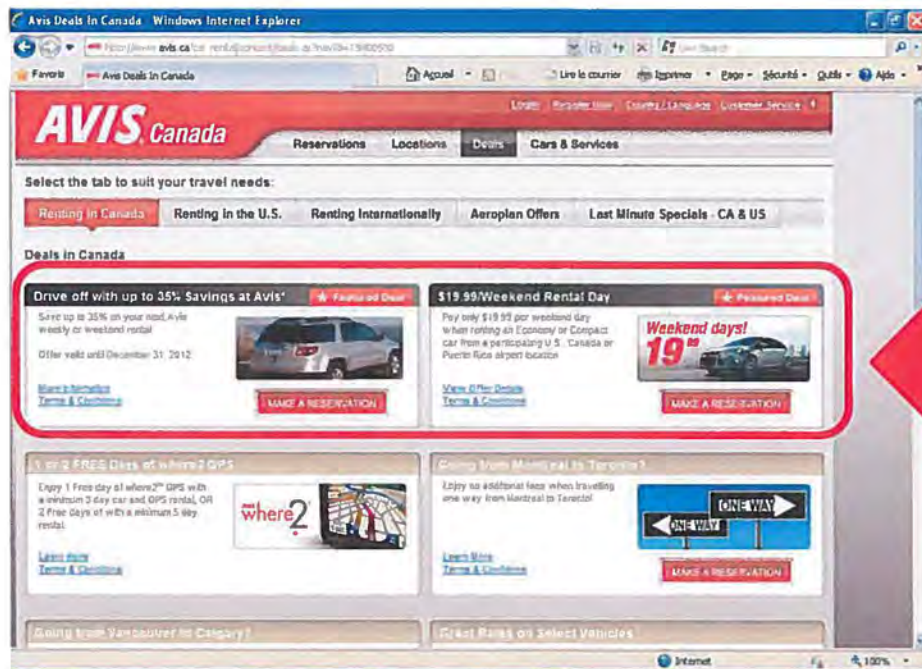
We try harder.

© 2009 Avis Rent a Car System, Inc. All Rights Reserved. ® Registered trademark licensed to Avis Rent a Car System, Inc. for use in Canada. ® Aeroplan is a registered trademark of Aeroplan Canada Inc. *Available at participating locations for an add'l (and fee).

31. The fine print on the back of Avis' postcard is false or misleading in a material respect. Avis' Non-Optional Fees are not taxes, fees or surcharges that rental car companies are required to collect from consumers. Rather, Avis' Non-Optional Fees are charges that Avis itself chooses to impose on consumers to recoup part of its own cost of doing business.

(iii) **Example of False or Misleading Website Representations**

32. Avis displays prices and percentage discounts on its websites that are not attainable. For example, the following representations appeared on an Avis website on or about 5 June 2012. Avis' representation conveys the general impression that it is possible for consumers to rent a car for \$19.99 per weekend day or save 35% on their rental.



33. Avis' representation is false or misleading in a material respect because it is not possible for a consumer to rent a car for \$19.99 per weekend day or save 35% on his or her rental. Avis instead requires consumers to pay additional Non-Optional Fees that increase the cost of the rental above the price Avis represents.

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34. Avis' representation about the prices and percentage discounts on its websites are also false or misleading in a material respect for an additional reason. As set out in the example below from on or about 5 June 2012, Avis' representation conveys the general impression that its Non-Optional Fees are taxes and surcharges that rental car companies are required to collect from consumers.

The screenshot shows the Avis Canada website's reservation process. The 'Estimated Total' section is highlighted with a red box and pointed to by a large red arrow. The section lists the following items:

Estimated Total	
Base Rate: 1 day(s)	\$9.99 CAD
Taxes & Surcharges:	\$9.99 CAD
Surcharge	\$0.54 CAD
- \$2.98 per day, maximum 23 days (Energy Recovery Fee)	
\$2.78 per day (Air Conditioning Excess Tax)	
(Up to \$1.15 per day (Vehicle License Fee))	
\$2.15 per day (Onl Enr Fee)	
15.61% (Premium Location Surcharge)	
Tax (13.000%)	\$3.45 CAD
Kilometers:	Unlimited
Base Rate and Charges	29.98 CAD
Estimated Total	29.98 CAD

The 'About This Reservation' section below the summary includes 'RENTAL INFORMATION' and 'Pick-up Information'.

35. Avis' representation is false or misleading in a material respect as it is Avis that chooses to impose these Non-Optional Fees on consumers to recoup part of its own cost of doing business.

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36. Further, Avis' representation set out at paragraph 34 above is false or misleading in a material respect for two additional reasons. First, Avis' representation conveys the general impression that it is possible for a consumer to rent a GPS Navigation Unit for \$14.95 per day and/or obtain additional protections/coverages for daily rates that Avis specifies on its webpage.

The screenshot shows the Avis Canada website during a reservation process. The page is titled "Avis Rent A Car: Make a Reservation - Options & Services - Step 3 - Windows Internet Explorer". The main heading is "STEP 1 2 3 : PRODUCTS & SERVICES".

RENTAL OPTIONS:

- ☐ GPS Navigation: 14.95 CAD Per Day. A red box highlights this option, and a red arrow points to it from the right.
- ☐ Fuel Service Option (FSO): (Price not included in Estimated Total). Purchase a full tank of gas in advance with no need for refuel on return.
- ☐ Child Safety Seats: [Child Seat Information / Availability](#)

PROTECTIONS / COVERAGES:

Protections/Coverages are subject to tax in certain locations. This tax is not reflected in the Estimated Total and will be calculated at the time of rental.

- ☐ Loss Damage Waiver (LDW): 27.95 CAD Per Day
- ☐ Personal Accident Insurance (PAI): 4.99 CAD Per Day
- ☐ Personal Effects Protection (PEP): 3.99 CAD Per Day
- ☐ Additional Liability Insurance (ALI): Not Available
- ☐ Roadside Assistance (RA): 8.99 CAD Per Day

Estimated Total:

Base Rate: 1 day(s)	18.95 CAD
Taxes & Surcharges:	8.99 CAD
Surcharge:	6.54 CAD
30.50 per day: maximum 20 days / Energy	
Recovery Fee:	
30.75 per day (Air Conditioning Excess Tax)	
(Up to) 31.15 per day (Vehicle License Fee)	
30.15 per day (Onl Env Fee)	
15.81% (Premises Location Surcharge)	
Tax (13.000%)	3.45 CAD
Base Rate and Charges	29.98 CAD
Estimated Total	29.98 CAD

Rate Rules:

- Rental rental by Monday
- Check-out before 3PM Sunday

About This Reservation

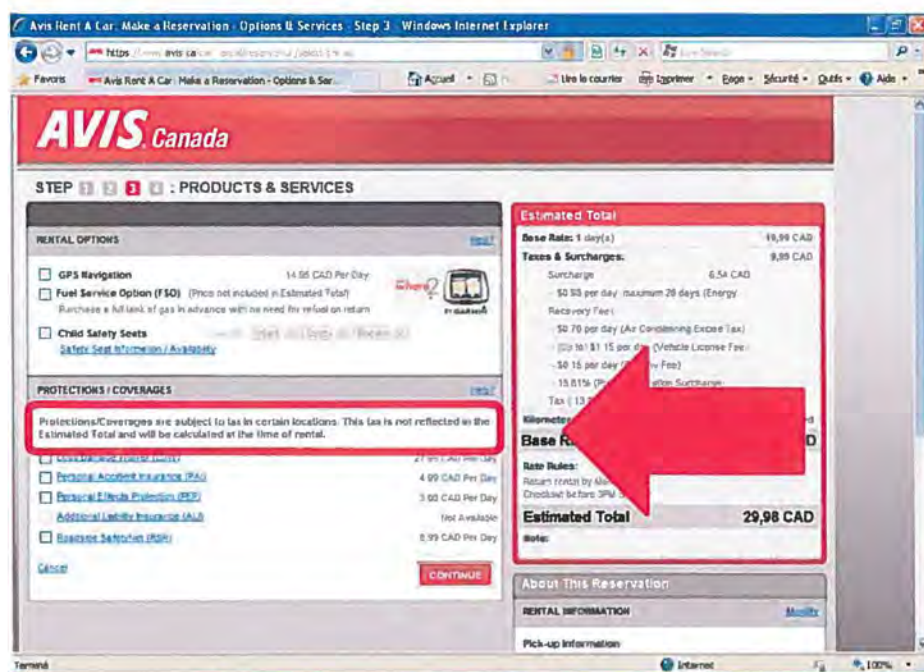
RENTAL INFORMATION

Pick-up Information

37. Avis' representation set out at paragraph 36 (and 34) above is false or misleading in a material respect. It is not possible for a consumer to rent a GPS Navigation Unit for \$14.95 per day from an airport location and/or obtain additional protections/coverages for rates that Avis specifies. A consumer would instead have to pay higher prices than Avis represents because Avis requires consumers to pay additional Non-Optional Fees to rent or obtain these associated products.

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38. Second, Avis' representation set out at paragraph 36 (and 34) above conveys the general impression that governments require rental companies to collect taxes from consumers who obtain additional protections/coverages from certain locations. Avis states "Protections/Coverages are subject to **tax** in certain locations. This **tax** is not reflected in the Estimated Total and will be calculated at the time of rental" [emphasis added].



39. Avis' representation is false or misleading in a material respect. Governments do not require rental car companies to collect additional taxes from consumers who obtain additional protections/coverages from certain locations. Avis rather chooses to charge consumers additional Non-Optional Fees at these locations to recoup part of its own cost of doing business.
40. Avis also increases the price of its protections/coverages by charging consumers Non-Optional Fees. Avis chooses to do so to recoup part of its own cost of doing business.

(iv) **Example of False or Misleading Mobile Application Representations**

41. Avis displays prices on its mobile applications that are not attainable. For example, the following representation appeared on Avis' mobile application on or about 3 December 2012. Avis' representation conveys the general impression that it is possible for a consumer to rent a small to full size vehicle for \$57.99.

The screenshot shows the Avis mobile application interface. At the top is the Avis logo. Below it are three sections: 'Step 3: Your Information' (Optional), 'Step 4: Discounts' (Optional), and 'Step 5: Vehicle Selection' (Required). Step 3 contains fields for 'Last Name' and 'Wizard Number'. Step 4 contains fields for 'Avis Worldwide Discount' (with 'AWD' entered) and 'Coupon Code'. Step 5 contains two vehicle options: 'Small to Full Size' with a price of 'from 57.99 CAD' and 'Luxury & Convertibles' with a price of 'from 72.99 CAD'. A red box highlights the 'from 57.99 CAD' text, and a large red arrow points to it from the right.

42. Avis' representation is false or misleading in a material respect because it is not possible for a consumer to rent a small to full size vehicle for \$57.99. A consumer would instead have to pay higher prices than Avis represents because Avis requires consumers to pay additional Non-Optional Fees.

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43. Avis' representation is false or misleading in a material respect for an additional reason. Avis' representation conveys the general impression that rental car companies are required to collect additional taxes and fees.

The screenshot shows the Avis mobile app interface during the final reservation step. The top status bar indicates the time is 9:53 AM. The app header features the Avis logo and a menu icon. Below the header, there are input fields for 'Email Address' and 'Mobile Number'. The main section is titled 'Step 8: Finish Reservation' and contains a table of costs:

Base Rate	57.99	CAD
Options	0.00	CAD
Taxes & Fees	26.48	CAD
Estimated Total	84.47	CAD

A red box highlights the 'Taxes & Fees' row, and a large red arrow points to it from the right. At the bottom of the screen, there is a red 'Reserve' button and the total amount '84.47 CAD' displayed in a red box.

44. Avis' representation is false or misleading in a material respect. Rental car companies are not required to collect additional taxes and fees from consumers. Avis rather chooses to charge consumers additional Non-Optional Fees to recoup part of its own cost of doing business.

(v) ***Example of False or Misleading Oral Representations***

45. Avis orally represents prices that are not attainable. For example, in June 2011, the following on-hold script ran across all Canadian Avis locations (excluding Winnipeg and Ottawa). The representation conveys the general impression that it is possible for a consumer to rent a FIAT 500 for \$55 per day:

Rent the NEW, fuel-efficient FIAT 500 at Avis today and earn Bonus Aeroplan Miles! **Rent the FIAT 500 from \$55 per day** and receive 500 Bonus Aeroplan Miles. Applicable coupon number and AWD number must be quoted. Visit avis.ca or ask your Avis representative for more details. [Emphasis added]

46. Avis' representation is false or misleading in a material respect because it is not possible for a consumer to rent the FIAT 500 for \$55 per day. Avis instead requires consumers to pay additional Non-Optional Fees that increase the cost of the rental above the price Avis represents.

(vi) ***Examples of False or Misleading Customer Service Scripts***

47. Avis makes representations to its customers who seek an explanation of their total rental charges. In form emails sent to its customers, Avis represents that the government and other authorized agencies mandate all rental companies, including Avis, to collect the Non-Optional Fees from customers. Avis states:

Please be aware that in addition to the base car rental rate **customers are required to pay taxes, surcharges, and other rental related fees, which are mandated by the government and other authorized agencies. All rental companies, including Avis, must collect them in order to continue to provide the appropriate services to our customers.** [Emphasis added]

48. Avis' representation is false or misleading in a material respect. Governments and other authorized agencies do not mandate all rental companies, including Avis, to collect Non-Optional Fees from their customers. Avis instead chooses to impose these Non-Optional Fees on its customers to recoup part of its own cost of doing business.

(vii) **Example of False or Misleading Subject Matter Information and Electronic Message**

49. Avis sends or causes to be sent false or misleading electronic messages. The subject matter information for these messages is false or misleading. The electronic messages themselves are also false or misleading in a material respect. For example, on 26 August 2014, Avis sent or caused to be sent the following electronic message. The subject matter information and the electronic message itself conveys the general impression that it is possible for a consumer to save up to 25% off his or her next weekend rental.



50. The subject matter information for the electronic message is false or misleading. Avis does not apply the discount to its Non-Optional Fees or the total cost of the weekend rental. Accordingly, it is not possible for a consumer to obtain up to 25% off a weekend rental. A consumer must instead pay more to obtain a weekend rental than Avis represents. The electronic message is itself false or misleading in a material respect for the same reason.

(i) Example of False or Misleading Newspaper Ad

- # Savings worthy of a mini-vacay.
- 
- Sub-compact vehicle
\$19⁹⁵/weekend days*
- Explore Toronto or plan a weekend getaway.
 Rent for 2 days or more and enjoy big savings
 when you use BCD # D601800.
- Visit budget.ca or call 1 800 268-8900
- 
- 
- *Terms & conditions: More available for rental from April 18, 2011 through June 30, 2012 at participating locations BCD001 and BCD0021 locations. Rate applies to the sub-compact vehicle only (group A). Weekend rentals require Saturday pickup and Monday return. Friday night over stay is required. Minimum 2 day keep is required. Vehicle and all rates are subject to availability. Insurance and other financial products may apply. Vehicle must be returned to rental location. Rates are non-negotiable and cannot be combined with any other coupon discounts. Use of personal or other rates are subject to Canadian law. Rental must meet Budget's age, driver, and credit requirements. Minimum age is 25 but may vary by location. An additional daily charge may apply for renters under 25 years old. In some areas, additional charges may apply for renters under 25 years old. In some areas, additional charges may apply for renters under 25 years old. In some areas, additional charges may apply for renters under 25 years old. ©2011 Budget Car Inc. All Rights Reserved. Budget is a registered trademark licensed to Budget Car Inc. for use in Canada.

- # Savings worthy of a mini-vacay.
- 
- Sub-compact vehicle
\$19⁹⁵/weekend days*
-
- Explore Toronto or plan a weekend getaway.
 Rent for 2 days or more and enjoy big savings
 when you use BCD # D601800.
- Visit budget.ca or call 1 800 268-8900
-  **Budget®**
- *Taxes & conditions: Offer available for rentals from April 18, 2013 through April 30, 2013 at participating offices in Ontario and Quebec. Offer applies to U.S. registered rental cars (Group A). Weekend rentals require Tuesday (or Saturday) and Monday (or Friday) night stay (day required). Minimum 2 day keep-in required. Vehicles and rates are subject to availability. Pick-up and other location prices may apply. Vehicles are subject to rental location. Rates are non-refundable and cannot be combined with any other coupon, discount rate or promotion. Rates are for weekly rentals for renters under 25 years of age. Changes in rate 14 days before pickup.
- Excludes all taxes, fees, airport charges and all the following: Local Tax, Vehicle License, Insurance, Delivery Fee, a charge and rental fees are additional. ©2013 Budget Car Inc. All Rights Reserved. Budget is a registered trademark of Budget Car Inc. for use in Canada.

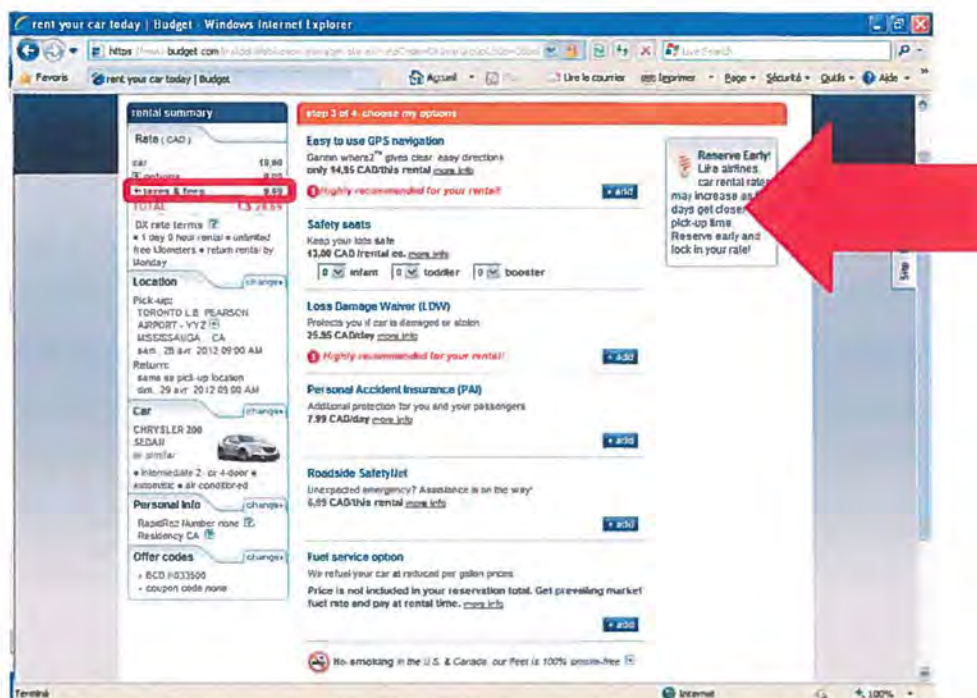
54. The fine print on the bottom of Budget's advertisement is false or misleading in a material respect as Budget's Non-Optional Fees, such as its Airport Concession and Air Conditioning Excise Tax and Vehicle License Recovery Fee, are not taxes the government requires rental companies to collect from consumers. Budget's Non-Optional Fees are charges that Budget itself chooses to impose on consumers to recoup part of its own cost of doing business.

(ii) **Example of False or Misleading Website Representations**

55. Budget displays prices and percentage discounts on its websites that are not attainable. For example, the following representation appeared on a Budget website on or about 25 April 2012. Budget's representation conveys the general impression that it is possible for a consumer to rent a car for \$19 a weekend day, \$149 a week on a midsize vehicle or save 35% on their rental.



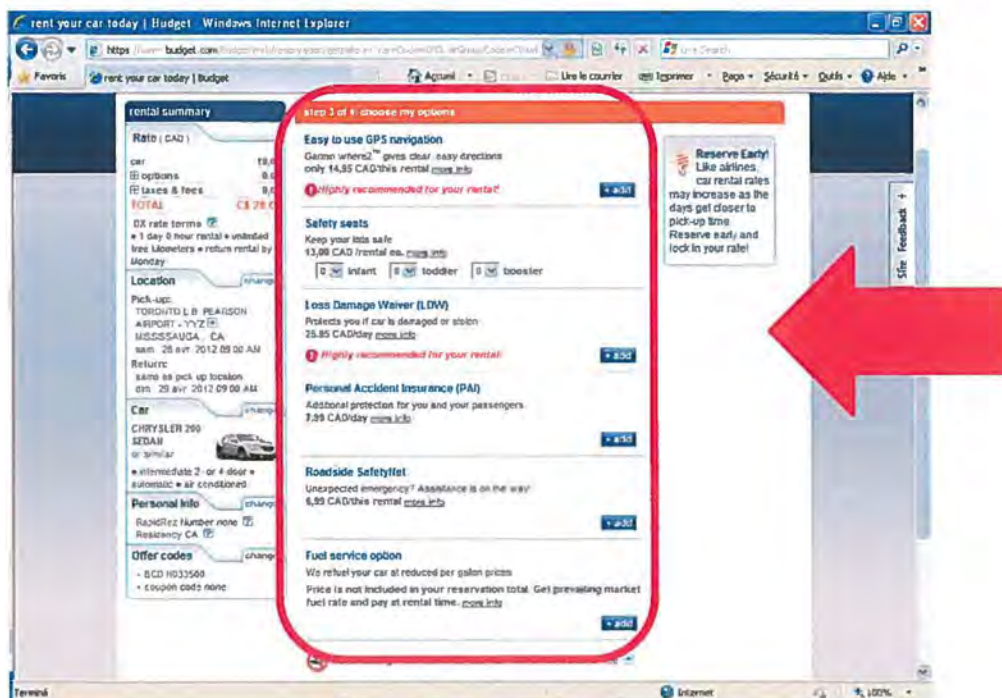
56. Budget's representation is false or misleading in a material respect. It is not possible for a consumer to rent a car for for \$19 a weekend day, \$149 a week on a midsize vehicle or save 35% on their rental. Budget instead requires consumers to pay additional Non-Optional Fees that increase the cost of the rental above the price Budget represents.
57. Budget's representation about the prices and percentage discounts on its website are also false or misleading in a material respect for an additional reason. As set out in the example below from on or about 25 April 2012, Budget's representation conveys the general impression that rental companies are required to collect additional taxes and fees from consumers.



58. Budget's representation is false or misleading in a material respect as it is Budget that chooses to impose its Non-Optional Fees on consumers to recoup part of its own cost of doing business.

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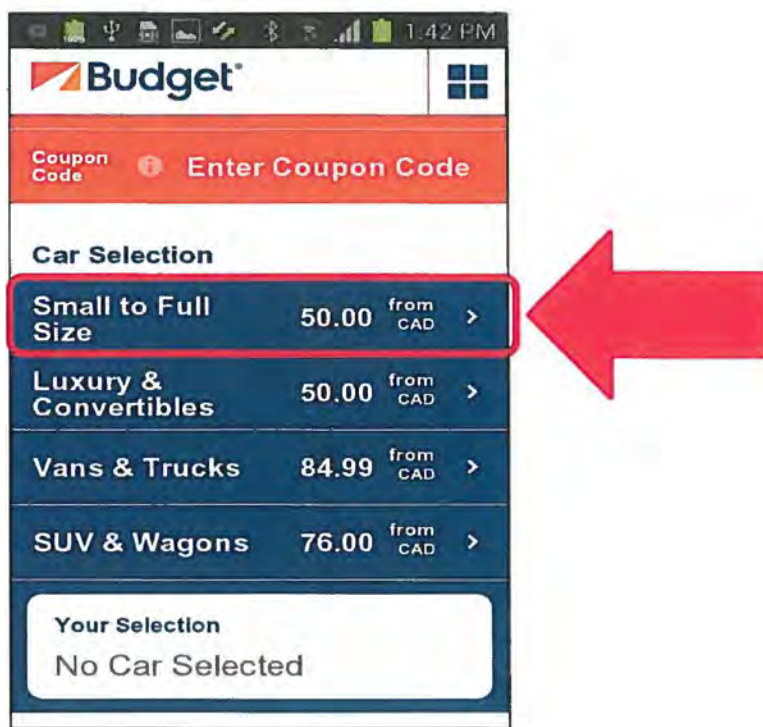
59. Further, Budget's representation set out at paragraph 57 above is false or misleading for an additional reason. Budget's representation conveys the general impression that it is possible for consumers to obtain options such as a GPS navigation unit for \$14.95, a child safety seat for \$13, a loss damage waiver for \$25.95 per day, personal accident insurance for \$7.99 per day and/or roadside safety assistance for \$6.99.



60. Budget's representation set out at paragraph 59 (and 57) above is false or misleading in a material respect. It is not possible for a consumer to obtain options such as a GPS navigation unit for \$14.95, a child safety seat for \$13, loss damage waiver for \$25.95 per day, personal accident insurance for \$7.99 per day or roadside safety assistance for \$6.99. A consumer would instead have to pay a higher price because Budget requires consumers to pay additional Non-Optional Fees to obtain these options.

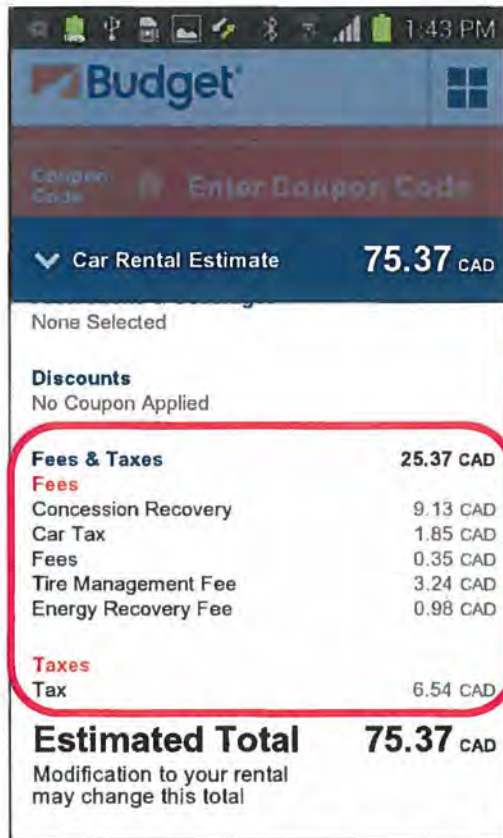
(iii) **Example of False or Misleading Mobile Application Representations**

61. Budget displays prices on its mobile applications that are not attainable. For example, the following representation appeared on Budget's mobile application on or about 10 June 2014. Budget's representation conveys the general impression that it is possible for a consumer to rent a small to full size car for \$50.00.



62. Budget's representation is false or misleading in a material respect because it is not possible for a consumer to rent a small to full size car for \$50. A consumer would instead have to pay a higher price than Budget represents because Budget requires consumers to pay additional Non-Optional Fees.

63. Budget's representation is false or misleading in a material respect for an additional reason. Budget's representation conveys the general impression that rental car companies are required to collect additional taxes and fees.



Budget

Coupon Code Enter Coupon Code

Car Rental Estimate **75.37** CAD

None Selected

Discounts
No Coupon Applied

Fees & Taxes **25.37** CAD

Fees

Concession Recovery	9.13 CAD
Car Tax	1.85 CAD
Fees	0.35 CAD
Tire Management Fee	3.24 CAD
Energy Recovery Fee	0.98 CAD

Taxes

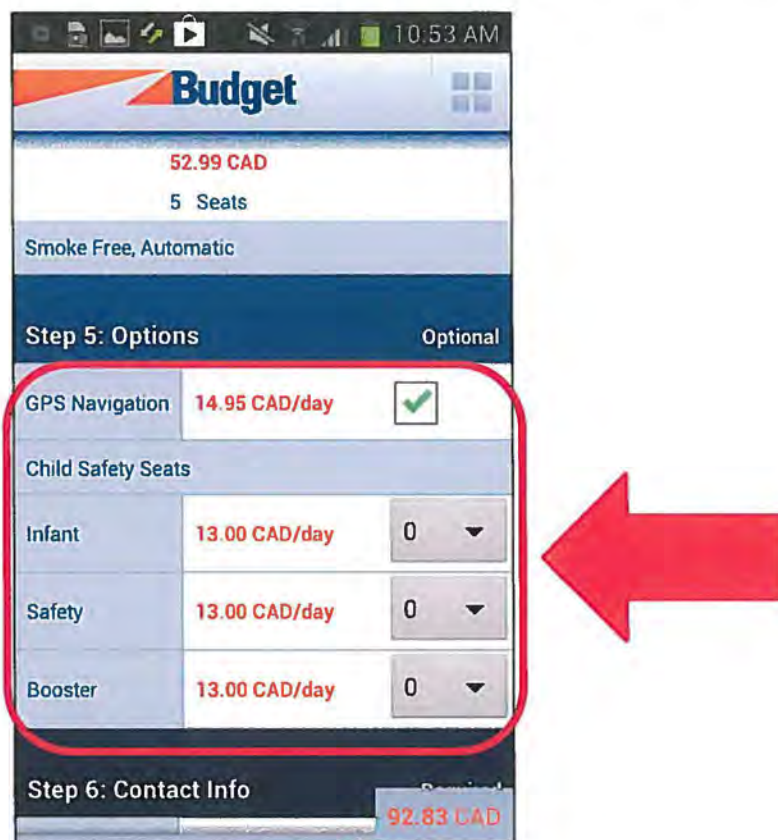
Tax	6.54 CAD
-----	----------

Estimated Total **75.37** CAD

Modification to your rental may change this total

64. Budget's representation is false or misleading in a material respect. Rental car companies are not required to collect additional taxes and fees from consumers. Budget rather chooses to charge consumers additional Non-Optional Fees to recoup part of its own cost of doing business.

65. Budget also displays prices for associated equipment and coverages on its mobile applications that are not attainable. For example, Budget's representation from on or about 3 December 2012 conveyed the general impression that it is possible for a consumer to rent a GPS navigation unit for \$14.95 per day, or child safety seats for \$13.00 per day.



66. Budget's representation is false or misleading in a material respect because it is not possible for a consumer to rent a GPS navigation unit for \$14.95 per day or a child safety seat for \$13.00 per day. A consumer would instead have to pay higher prices than Budget represents because Budget requires consumers to pay additional Non-Optional Fees to rent these products.

(iv) ***Example of False or Misleading Television Commercial***

67. Budget makes price representations in its television commercials that are not attainable. For example, between March and April 2012, a Budget commercial aired 2,473 times on over 30 different Canadian television channels promoting vehicle rentals for \$19 per weekend day. Budget's representation conveyed the general impression that cars were available for \$19 per weekend day.
68. Budget's representation is false or misleading in a material respect because it is not possible for a consumer to rent a vehicle for \$19 per weekend day. A consumer would instead have to pay a higher price than Budget represents because Budget requires consumers to pay additional Non-Optional Fees.

(v) ***Example of False or Misleading Oral Representations***

69. Budget orally represents prices that are not attainable. For example, in June 2011, the following on-hold script ran across all Canadian Budget locations. The representation conveys the general impression that it is possible for a consumer to rent a Chrysler 300 for only \$57 per day:

The NEW Chrysler 300 has arrived! **The Chrysler 300 is available to rent at Budget for only \$57 per day.** Applicable BCD number must be quoted. Ask your Budget representative for more details. [Emphasis added]

70. Budget's representation is false or misleading in a material respect because it is not possible for a consumer to rent the Chrysler 300 for only \$57 per day. A consumer would instead have to pay a higher price than Budget represents because Budget requires consumers to pay additional Non-Optional Fees.

(vi) ***Example of False or Misleading Customer Service Scripts***

71. Budget makes representations to its customers who seek an explanation of their total rental charges. In form emails sent to its customers, Budget represents that the government and other authorized agencies mandate all

rental companies, including Budget, to collect Non-Optional Fees from customers. Budget states:

Please be aware that in addition to the base car rental rate customers **are required to pay taxes, surcharges, and other rental related fees, which are mandated by the government and other authorized agencies. All rental companies, including Budget, must collect them in order to continue to provide the appropriate services to our customers.** [Emphasis added]

72. Budget's representations are false or misleading in a material respect. Governments and other authorized agencies do not mandate all rental companies, including Budget, to collect all Non-Optional Fees from their customers. Budget instead chooses to impose these Non-Optional Fees on its consumers to recoup part of its own cost of doing business.

V. Aggravating Factors

73. The Respondents have made, and continue to make, the foregoing false or misleading representations to the public for the purpose of promoting their passenger vehicle rentals, their associated products and their business interests more generally. Avis and Budget have collected and continue to collect millions of dollars a year by imposing the Non-Optional Fees on consumers who rent passenger vehicles and associated products from them.
74. Pursuant to section 74.1(5) of the Act, the deceptive conduct described herein is aggravated by the following:
- a. the national reach of the Respondents' conduct;
 - b. the Respondents have made the same or similar representations frequently and over an extended period of time;
 - c. the Respondents' false or misleading representations, described herein, are material;

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- d. self-correction being unlikely to remedy adequately or at all the Respondents' conduct;
- e. the Respondents have collected more than \$35 million in Non-Optional Fees from their customers who have rented a passenger vehicle for use in Canada through the Respondents' websites and mobile applications since 12 March 2009; and
- f. the Respondents are one of the largest rental car companies carrying on business in Canada.

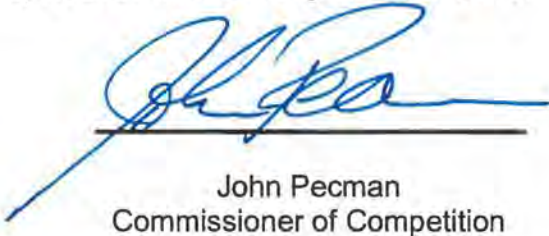
VI. Relief Sought

75. The Commissioner claims the relief set out in paragraph 1.

VII. Procedural Matters

76. The Commissioner requests that this proceeding be conducted in the English language.
77. The Commissioner requests that this application be heard in the City of Ottawa.
78. For the purposes of this application, service of all documents on the Commissioner may be effected on:

DATED AT Gatineau, Quebec this 10th day of March 2015.



John Pecman
Commissioner of Competition

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DEPARTMENT OF JUSTICE CANADA

Competition Bureau Legal Services
Place du Portage, Phase 1
50 Victoria Street, 22nd Floor
Gatineau, QC K1A 0C9

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D. Michael Brown

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Fax: (416) 216-3930

Kevin Ackhurst

Tel: (416) 216-3993

Fax: (416) 216-3930

**AND TO: The Registrar
Competition Tribunal**

Thomas D'Arcy McGee Building
90 Sparks Street, Suite 600
Ottawa, Ontario
K1P 584

TAB 4

CT-2015-001

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 application for orders pursuant to section 74.1 of the *Competition Act* for conduct reviewable pursuant to paragraph 74.01(1)(a) and sections 74.05 and 74.011 of the *Competition Act*.

BETWEEN:

COMPETITION TRIBUNAL TRIBUNAL DE LA CONCURRENCE FILED / PRODUIT CT-2015-001 April 29, 2015 J'ai LaRose for / pour REGISTRAR / REGISTRAIRE	
OTTAWA, ONT	# 4

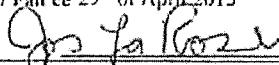
THE COMMISSIONER OF COMPETITION

Applicant

- and -

AVISCAR INC., BUDGETCAR INC. / BUDGETAUTO INC.,
 and AVIS BUDGET GROUP, INC. and AVIS BUDGET CAR RENTAL, LLC

I hereby certify this to be a true copy of the
 original document/
 Je certifie par la présente que ceci est une copie
 conforme au document original

Dated this / Fait ce 29th of April 2015


For Registrar, Competition Tribunal /
 Pour Registraire, Tribunal de la concurrence

Respondents

AMENDED NOTICE OF APPLICATION

TAKE NOTICE that the Commissioner of Competition (the "**Commissioner**") will make an application to the Competition Tribunal (the "**Tribunal**") for an order pursuant to section 74.1 of the *Competition Act*, R.S.C. 1985, c. C-34 (the "**Act**"), as amended, in respect of conduct reviewable pursuant to paragraph 74.01(1)(a), section 74.05 and subsections 74.011(1) and (2) of the Act.

AND TAKE NOTICE that the Commissioner relies on the following Statement of the Grounds and Material Facts for this application.

- 2 -

TO: AVISCAR INC.
1 Convair Drive E.
Etobicoke, Ontario
M9W 6Z9
Canada

AND TO: BUDGETCAR INC. / BUDGETAUTO INC.
1 Convair Drive E.
Etobicoke, Ontario
M9W 6Z9
Canada

AND TO: AVIS BUDGET GROUP, INC.
6 Sylvan Way
Parsippany, New Jersey
07054
United States of America

AND TO: AVIS BUDGET CAR RENTAL, LLC
6 Sylvan Way
Parsippany, New Jersey
07054
United States of America

APPLICATION

1. The Commissioner makes this application pursuant to section 74.1 of the Act for:
 - (a) a declaration that each Respondent is engaging in or has engaged in reviewable conduct, contrary to paragraph 74.01(1)(a), section 74.05 and subsections 74.011(1) and (2) of the Act;
 - (b) an order prohibiting each Respondent from engaging in the reviewable conduct or substantially similar reviewable conduct, in Canada, for a period of ten years from the date of such order;
 - (c) an order requiring each Respondent to publish or otherwise disseminate notices of the determinations made herein pursuant to paragraph 74.1(1)(b) of the Act, in such manner and at such times as the Commissioner may advise and this Tribunal shall permit;
 - (d) an order requiring each ~~Respondent~~ Aviscar Inc., Budgetcar Inc. and the Parent Companies (defined below) to pay an administrative monetary penalty in the amount of \$10,000,000;
 - (e) an order requiring the Respondents to jointly and severally reimburse current and former customers an amount reflective of, but not to exceed, revenue collected and retained in association with, or resulting from, the reviewable conduct between 12 March 2009 and the date of the order, to be distributed among the persons who rented passenger vehicles from the Respondents or their affiliates in such a manner as this Tribunal considers appropriate;
 - (f) costs; and
 - (g) such further and other relief as the Commissioner may advise and this Tribunal may permit.

I. OVERVIEW

2. The Respondents – among the largest rental car companies carrying on business in Canada – are engaging in deceptive marketing practices. They have made, and are continuing to make, representations to the public that are false or misleading in a material respect about the price consumers must pay to rent their passenger vehicles and associated products in Canada. They do so at the expense of Canadian consumers to promote their passenger vehicles rentals, their associated products and their business interests more generally.
3. As described below, the Respondents promote their products to the public at prices or discounts that are not in fact attainable. The Respondents' representations create the general impression that consumers can rent their cars and associated products for less than what the Respondents actually charge. The Respondents' representations are false or misleading in a material respect because the Respondents require consumers to pay additional Non-Optional Fees (defined below). The Respondents further represent these Non-Optional Fees (when they ultimately do reveal them) as taxes, surcharges and/or fees that rental car companies are required to collect from consumers, notwithstanding that it is the Respondents themselves who choose to impose these Non-Optional Fees on consumers to recoup part of their own cost of doing business.
4. The Respondents' Non-Optional Fees increase the cost of a rental by up to approximately 35%, depending on the rental location and type of vehicle.
5. The Respondents' false or misleading representations pervade their extensive marketing to the public, examples of which are particularized below. The Respondents however make various substantially similar false or misleading representations in a variety of media that are not limited to the representations particularized below.

6. The Commissioner brings this application to stop the Respondents' deceptive marketing practices and to remedy the harm these practices have caused to Canadian consumers.

II. THE PARTIES

7. The Commissioner is an officer appointed by the Governor in Council under section 7 of the Act and is responsible for the administration and enforcement of the Act.
8. The Respondents Aviscar Inc. and Budgetcar Inc./Budgetauto Inc. are private corporations organized and existing under the laws of Canada, with head offices in Etobicoke, Ontario. Aviscar Inc. and Budgetcar Inc. operate a car rental services business throughout Canada.
9. The Respondent Avis Budget Group, Inc. ("**Avis Budget Group**") is a publicly-traded company organized and existing under the laws of Delaware. Directly, or through its subsidiaries, including Aviscar Inc. and Budgetcar Inc. and Avis Budget Car Rental, LLC ("**ABC Rental**"), Avis Budget Group and its licensees operate the Avis and Budget brands of rental cars in approximately 175 countries throughout the world.
10. The Respondent ABC Rental is a limited liability company organized and existing under the laws of Delaware. ABC Rental is a parent company of Aviscar Inc. and Budgetcar Inc.
11. The Respondents Avis Budget Group and ABC Rental are collectively referred to hereafter as the **Parent Companies**. Avis Budget Group is the parent company of Aviscar Inc. and Budgetcar Inc./Budgetauto Inc., and in this capacity, The Parent Companies planned, directed and werewas ultimately, essential to the making of the representations that are subject to this application.

12. The Respondents Aviscar Inc., ABC Rental and Avis Budget Group are collectively referred to hereafter as **Avis**. The Respondents Budgetcar Inc./Budgetauto Inc., ABC Rental and Avis Budget Group are collectively referred to hereafter as **Budget**.

III. THE RESPONDENTS' FALSE OR MISLEADING REPRESENTATIONS

A. Respondents Promote their Products to the Public at Prices or Discounts that are not Attainable

13. The Respondents' representations create the general impression that consumers can rent passenger vehicles and associated products at prices or discounts that the Respondents represent.
14. Consumers cannot, however, rent passenger vehicles and associated products from Avis and Budget at the prices the Avis and Budget represent. Consumers instead pay higher prices or receive lower discounts than the Respondents' representations convey.
15. Consumers pay higher prices or receive lower discounts than the Respondents represent because the Respondents require consumers to pay extra non-optional fees to rent passenger vehicles and associated products from them (the "**Non-Optional Fees**").
16. For rentals under the Avis brand, Avis has chosen to impose various Non-Optional Fees. Avis has chosen to charge consumers for an increasing variety of Non-Optional Fees, including the following:

English	Français	Introduced by Avis
Concession Recovery Fee	Frais de redevance aéroportuaire	1998
Premium Location Surcharge	Surtaxe emplacement de prestige	1998
Vehicle License Fee	Frais d'immatriculation du	2001

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English	Français	Introduced by Avis
	véhicule	
AC Excise Tax	Taxe d'accise sur la climatisation	2001
Energy Recovery Fee	Frais de récupération d'énergie	2008
Tire Management Fee	Taxe de mise au rebut des pneumatiques	2008
Parking Surcharge	Surtaxe stationnement	2008
Ontario Environmental Fee	Taxe environnementale de l'Ontario	2009

17. Avis also requires consumers to pay other Non-Optional Fees, such as "Other Fees" or "Autres frais".
18. For rentals under the Budget brand, Budget has chosen to impose various Non-Optional Fees on its customers, which have also increased in number over time, including the following:

English	Français	Introduced by Budget
Concession Recovery	Frais de redevance aéroportuaire	1998
Car Tax	Frais d'immatriculation des véhicules	2001
Energy Recovery Fee	Frais de récupération d'énergie	2008
Tire Management Fee	Taxe de mise au rebut des pneumatiques	2008
Ont Environ Fee	Taxe environnementale de l'Ontario	2009

19. Budget also mandates other Non-Optional Fees on its customers, such as "Fees" or "Frais supplémentaires".
20. The Non-Optional Fees Avis and Budget charge for passenger vehicles and associated products are known to the Respondents at the time they make their price or discount representations to the public. The Respondents nevertheless exclude these Non-Optional Fees from the representations they make to promote their rental cars, associated products and business interests.
21. The Respondents' Non-Optional Fees increase the cost of a rental by up to approximately 35%, depending on the rental location and type of vehicle.

B. Respondents Represent Non-Optional Fees as Mandated by Third Parties

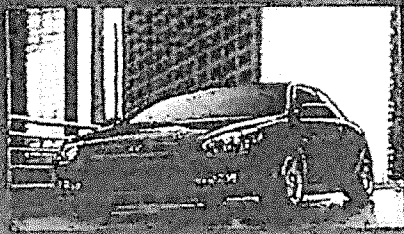
22. In addition, when the Respondents ultimately do reveal their Non-Optional Fees, their representations are themselves false or misleading in a material respect.
23. The Respondents' representations create the general impression that their Non-Optional Fees are taxes, surcharges or fees that governments and authorized agencies require rental car companies to collect from consumers.
24. The Non-Optional Fees are not charges that governments and authorized agencies require rental car companies to collect from consumers. Instead, they are charges the Respondents themselves choose to impose on consumers to recoup part of their own cost of doing business.

IV. Examples of the Respondents' False or Misleading Representations

25. The dates, places and media in which the Respondents have made such false or misleading representations to the public are known to them. They have made these false or misleading representations to the public since 1997 or thereabouts and continue to make them.

26. The places and media include representations the Respondents make on their print advertisements, websites, mobile applications, commercials and through other means.
27. Examples of the Respondents' false or misleading representations are set out below.
 - A. **Examples of the Respondents' False or Misleading Avis Representations**
 - (i) *Example of False or Misleading Newspaper Ad*
28. Avis displays prices and percentage discounts in newspaper advertisements that are not attainable. For example, Avis placed the following advertisement in the Toronto Metro Newspaper on or about 8 March 2011, 22 March 2011 and 5 April 2011. The representation conveys the general impression that it is possible for a consumer to obtain a 2-Day Weekend Rental for \$55 and additional days for \$21 per day.

AVIS
DELIVERS GREAT
WEEKEND RATES





2-Day Weekend Rental Rates Starting at \$55!
 And each additional day (to a maximum of 5 days) from \$21/day.

Plus earn 1,000 Bonus Aeroplan® Miles.*

For details and to reserve visit
avis.ca/metro
 or call 1 800 TRY-AVIS
 (879-2847)

**Must quote AWD # H900200
 and Coupon # MCAA009**

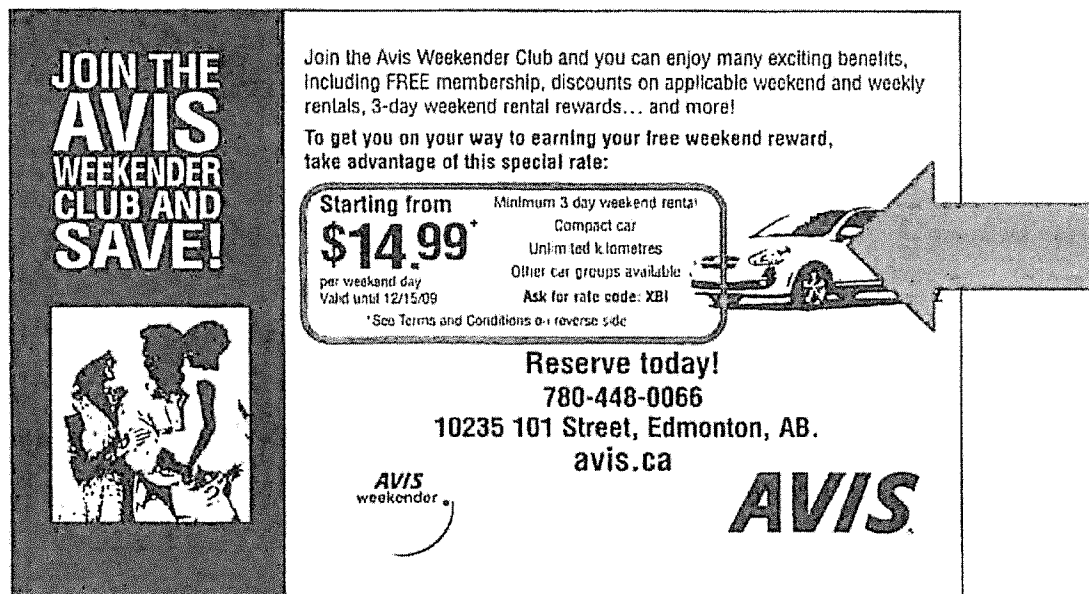
 

*Terms & Conditions apply. Rates quoted are valid on a sub-compact or compact car. Special rates also available on mid-size cars (group C). Offers valid at off-airport locations in the GTA until June 19, 2011. Blackout periods apply.
 ©2011 Aviscar, Inc. All Rights Reserved. *Avis is a registered trademark licensed to Aviscar, Inc. for use in Canada.
 *Aeroplan is a registered trademark of Aeroplan Canada Inc.

29. Avis' representation is false or misleading in a material respect because it is not possible for a consumer to obtain a 2-Day Weekend Rental for \$55 or obtain additional days for \$21 per day. Avis instead requires consumers to pay additional Non-Optional Fees that increase the cost of the rental above the price Avis represents.

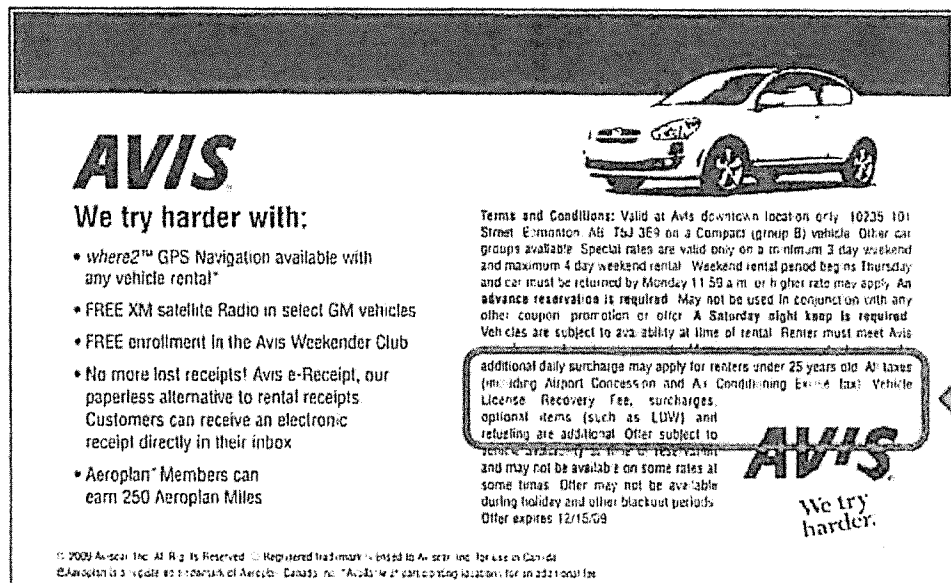
(ii) *Example of False or Misleading Promotional Flyer*

30. Avis displays prices and percentage discounts in its promotional flyers that are not attainable. For example, Avis mailed the following postcard to Edmonton residents in September 2009. The representation conveys the general impression that it is possible for a consumer who joins the Avis Weekender Club to rent a car for \$14.99 per weekend day.



31. Avis' representation is false or misleading in a material respect because it is not possible for a consumer to rent a car for \$14.99 per weekend day. Avis instead requires consumers to pay additional Non-Optional Fees that increase the cost of the rental above the price Avis represents.

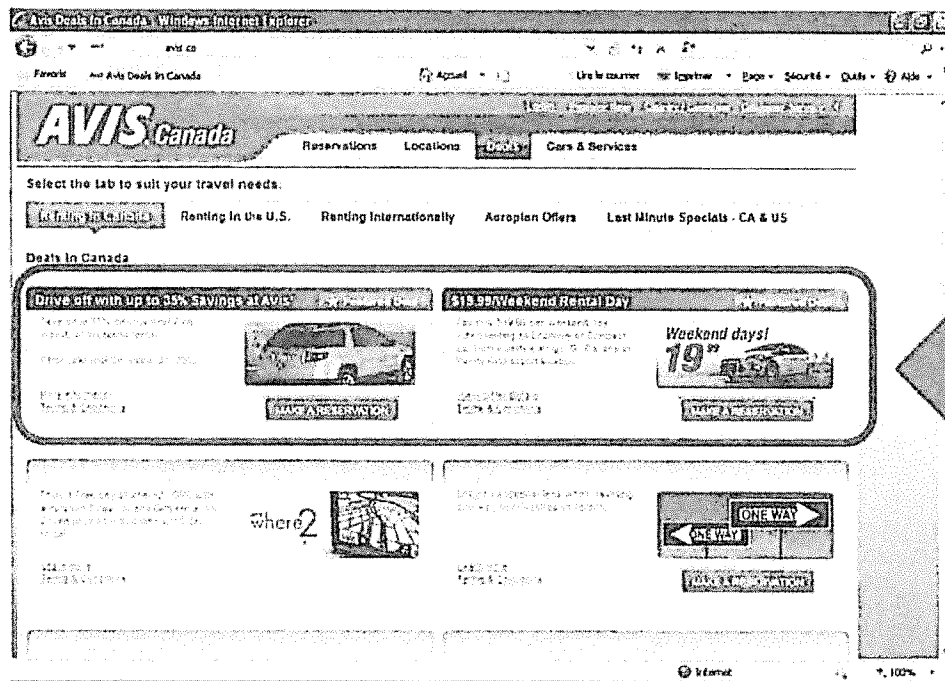
32. Avis' representation is false or misleading in a material respect for an additional reason. The fine print on the back of Avis' postcard states: "All taxes (including Airport Concession and Air Conditioning Excise Tax), Vehicle License Recovery Fee, surcharges, optional items (such as LDW) and refuelling are additional ..." [emphasis added]. This statement conveys the general impression that Avis' Non-Optional Fees are taxes, fees or surcharges that rental car companies are required to collect from consumers.



33. The fine print on the back of Avis' postcard is false or misleading in a material respect. Avis' Non-Optional Fees are not taxes, fees or surcharges that rental car companies are required to collect from consumers. Rather, Avis' Non-Optional Fees are charges that Avis itself chooses to impose on consumers to recoup part of its own cost of doing business.

(iii) **Example of False or Misleading Website Representations**

34. Avis displays prices and percentage discounts on its websites that are not attainable. For example, the following representations appeared on an Avis website on or about 5 June 2012. Avis' representation conveys the general impression that it is possible for consumers to rent a car for \$19.99 per weekend day or save 35% on their rental.



35. Avis' representation is false or misleading in a material respect because it is not possible for a consumer to rent a car for \$19.99 per weekend day or save 35% on his or her rental. Avis instead requires consumers to pay additional Non-Optional Fees that increase the cost of the rental above the price Avis represents.

36. Avis' representation about the prices and percentage discounts on its websites are also false or misleading in a material respect for an additional reason. As set out in the example below from on or about 5 June 2012, Avis' representation conveys the general impression that its Non-Optional Fees are taxes and surcharges that rental car companies are required to collect from consumers.

AVIS Canada

STEP 3: PRODUCTS & SERVICES

RENTAL OPTIONS

- ☐ GPS Navigation
- ☐ Fuel Service Option (FSO)
- ☐ Child Safety Seats

PROTECTIONS / COVERAGES

- ☐ Collision Damage Waiver
- ☐ Theft Protection
- ☐ Personal Accident Insurance
- ☐ Liability Insurance
- ☐ Supplemental Liability Protection

Estimated Total

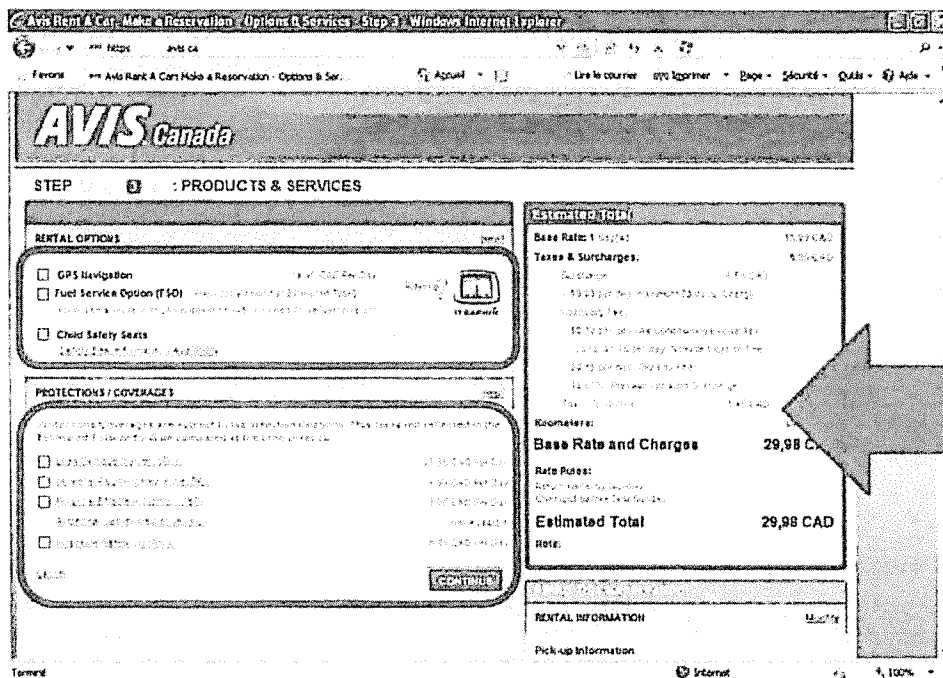
Base Rate: 1 day: \$1	19.99 CAD
Taxes & Surcharges:	5.50 CAD
Kilometers:	50 km per day, maximum 20 days free
Rate Rules:	15.00 per day (A/C), 15.00 per day (A/C), 15.00 per day (A/C), 15.00 per day (A/C), 15.00 per day (A/C), 15.00 per day (A/C)
Estimated Total	29.98 CAD

RENTAL INFORMATION

Pick-up information

37. Avis' representation is false or misleading in a material respect as it is Avis that chooses to impose these Non-Optional Fees on consumers to recoup part of its own cost of doing business.

38. Further, Avis' representation set out at paragraph 3436 above is false or misleading in a material respect for two additional reasons. First, Avis' representation conveys the general impression that it is possible for a consumer to rent a GPS Navigation Unit for \$14.95 per day and/or obtain additional protections/coverages for daily rates that Avis specifies on its webpage.



39. Avis' representation set out at paragraph 3638 (and 3436) above is false or misleading in a material respect. It is not possible for a consumer to rent a GPS Navigation Unit for \$14.95 per day from an airport location and/or obtain additional protections/coverages for rates that Avis specifies. A consumer would instead have to pay higher prices than Avis represents because Avis requires consumers to pay additional Non-Optional Fees to rent or obtain these associated products.

40. Second, Avis' representation set out at paragraph 3638 (and 3436) above conveys the general impression that governments require rental companies to collect taxes from consumers who obtain additional protections/coverages from certain locations. Avis states "Protections/Coverages are subject to tax in certain locations. This tax is not reflected in the Estimated Total and will be calculated at the time of rental" [emphasis added].

The screenshot shows the Avis Rent A Car website in a Windows Internet Explorer browser window. The page title is "Avis Rent A Car: Make a Reservation - Options & Services - Step 3". The main heading is "STEP 3: PRODUCTS & SERVICES".

RENTAL OPTIONS:

- ☐ GPS Navigation
- ☐ Fuel Service Option (F10)
- ☐ Child Safety Seats

PROTECTIONS / COVERAGES:

Protections/Coverages are subject to tax in certain locations. This tax is not reflected in the Estimated Total and will be calculated at the time of rental.

- ☐ Collision Damage Waiver
- ☐ Theft Protection
- ☐ Personal Accident Insurance
- ☐ Supplemental Liability Protection
- ☐ Breakdown Assistance

Estimated Total:

Base Rate: 15,98 CAD
Taxes & Surcharges: 13,98 CAD
Estimated Total: 29,98 CAD

A large arrow points to the "Estimated Total" field.

RENTAL INFORMATION:

Pick-up Information

41. Avis' representation is false or misleading in a material respect. Governments do not require rental car companies to collect additional taxes from consumers who obtain additional protections/coverages from certain locations. Avis rather chooses to charge consumers additional Non-Optional Fees at these locations to recoup part of its own cost of doing business.
42. Avis also increases the price of its protections/coverages by charging consumers Non-Optional Fees. Avis chooses to do so to recoup part of its own cost of doing business.

(iv) **Example of False or Misleading Mobile Application Representations**

43. Avis displays prices on its mobile applications that are not attainable. For example, the following representation appeared on Avis' mobile application on or about 3 December 2012. Avis' representation conveys the general impression that it is possible for a consumer to rent a small to full size vehicle for \$57.99.

The screenshot shows the Avis mobile application interface. At the top is the Avis logo and a hamburger menu icon. Below the logo is a status bar with various icons and the time 9:51 AM. The main content area is divided into three sections: 'Step 3: Your Information' (Optional), 'Step 4: Discounts' (Optional), and 'Step 5: Vehicle Selection' (Required). The 'Step 5: Vehicle Selection' section is highlighted with a red box. It contains two options: 'Small to Full Size' with a price of 'from 57.99 CAD' and 'Luxury & Convertibles' with a price of 'from 72.99 CAD'. A large red arrow points to the 'Small to Full Size' option and its price.

Step	Section	Requirement
Step 3	Your Information	Optional
Step 4	Discounts	Optional
Step 5	Vehicle Selection	Required

Vehicle Type	Price
Small to Full Size	from 57.99 CAD
Luxury & Convertibles	from 72.99 CAD

44. Avis' representation is false or misleading in a material respect because it is not possible for a consumer to rent a small to full size vehicle for \$57.99. A consumer would instead have to pay higher prices than Avis represents because Avis requires consumers to pay additional Non-Optional Fees.

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45. Avis' representation is false or misleading in a material respect for an additional reason. Avis' representation conveys the general impression that rental car companies are required to collect additional taxes and fees.

The screenshot shows the Avis mobile app interface. At the top, there's a status bar with various icons and the time 9:53 AM. Below that is the Avis logo and a hamburger menu icon. The form has fields for 'Email Address' and 'Mobile Number'. A section titled 'Step 8: Finish Reservation' contains a table of costs:

Base Rate	57.99	CAD
Options	0.00	CAD
Taxes & Fees	26.48	CAD
Estimated Total	84.47	CAD

A large grey arrow points to the 'Taxes & Fees' row. At the bottom, there is a 'Reserve' button and a total cost of '84.47 CAD'.

46. Avis' representation is false or misleading in a material respect. Rental car companies are not required to collect additional taxes and fees from consumers. Avis rather chooses to charge consumers additional Non-Optional Fees to recoup part of its own cost of doing business.

(v) *Example of False or Misleading Oral Representations*

47. Avis orally represents prices that are not attainable. For example, in June 2011, the following on-hold script ran across all Canadian Avis locations (excluding Winnipeg and Ottawa). The representation conveys the general impression that it is possible for a consumer to rent a FIAT 500 for \$55 per day:

Rent the NEW, fuel-efficient FIAT 500 at Avis today and earn Bonus Aeroplan Miles! **Rent the FIAT 500 from \$55 per day** and receive 500 Bonus Aeroplan Miles. Applicable coupon number and AWD number must be quoted. Visit avis.ca or ask your Avis representative for more details. [Emphasis added]

48. Avis' representation is false or misleading in a material respect because it is not possible for a consumer to rent the FIAT 500 for \$55 per day. Avis instead requires consumers to pay additional Non-Optional Fees that increase the cost of the rental above the price Avis represents.

(vi) *Examples of False or Misleading Customer Service Scripts*

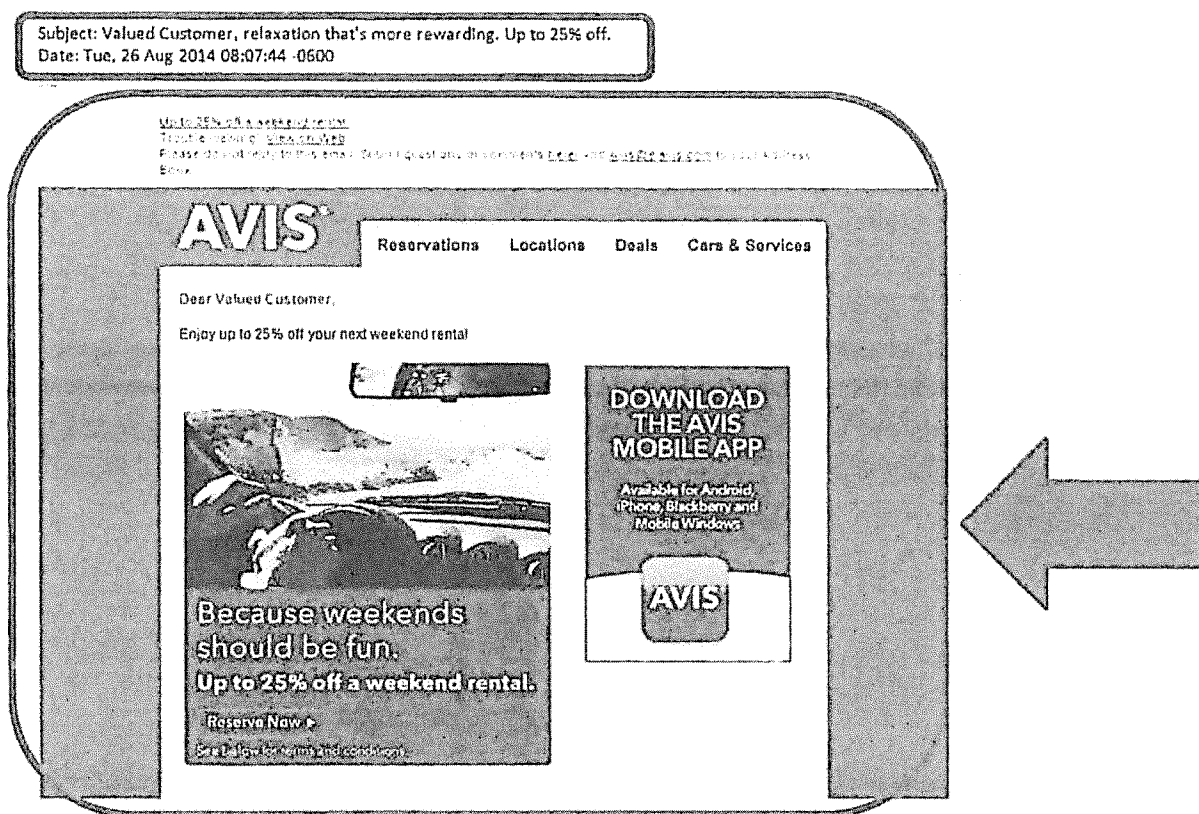
49. Avis makes representations to its customers who seek an explanation of their total rental charges. In form emails sent to its customers, Avis represents that the government and other authorized agencies mandate all rental companies, including Avis, to collect the Non-Optional Fees from customers. Avis states:

Please be aware that in addition to the base car rental rate **customers are required to pay taxes, surcharges, and other rental related fees, which are mandated by the government and other authorized agencies. All rental companies, including Avis, must collect them in order to continue to provide the appropriate services to our customers.** [Emphasis added]

50. Avis' representation is false or misleading in a material respect. Governments and other authorized agencies do not mandate all rental companies, including Avis, to collect Non-Optional Fees from their customers. Avis instead chooses to impose these Non-Optional Fees on its customers to recoup part of its own cost of doing business.

(vii) **Example of False or Misleading Subject Matter Information and Electronic Message**

51. Avis sends or causes to be sent false or misleading electronic messages. The subject matter information for these messages is false or misleading. The electronic messages themselves are also false or misleading in a material respect. For example, on 26 August 2014, Avis sent or caused to be sent the following electronic message. The subject matter information and the electronic message itself conveys the general impression that it is possible for a consumer to save up to 25% off his or her next weekend rental.



52. The subject matter information for the electronic message is false or misleading. Avis does not apply the discount to its Non-Optional Fees or the total cost of the weekend rental. Accordingly, it is not possible for a consumer to obtain up to 25% off a weekend rental. A consumer must instead pay more to obtain a weekend rental than Avis represents. The electronic message is itself false or misleading in a material respect for the same reason.

B. Examples of the Respondents' False or Misleading Budget Representations

(i) Example of False or Misleading Newspaper Ad

53. Budget displays prices and percentage discounts in newspaper advertisements that are not attainable. For example, Budget placed the following advertisement in the Toronto Metro Newspaper eight times in April and May, 2013. The representation conveys the general impression that it is possible for a consumer to rent a sub-compact vehicle for \$19.95 per weekend day.

Savings worthy of a mini-vacay.

Sub-compact vehicle
\$19.95/weekend days*


Explore Toronto or plan a weekend getaway
 Rent for 2 days or more and enjoy big savings
 when you use BCD # D601800.
 Visit budget.ca or call 1 800 268-8900

Budget

*Savings based on a standard rate of \$29.95 per day. Excludes taxes, fees, and optional equipment. Offer valid for rentals of 2 days or more. BCD # D601800. See website for details. ©2013 Budget Rent A Car System, Inc. All rights reserved.

54. Budget's representation is false or misleading in a material respect because it is not possible for a consumer to rent a sub-compact vehicle for \$19.95 per weekend day. Budget instead requires consumers to pay additional Non-Optional Fees that increase the cost of the rental above the price Budget represents.
55. Budget's representation set out at paragraph 54~~53~~ above is false or misleading in a material respect for an additional reason. The fine print on the bottom of Budget's advertisement states: "In Toronto **all taxes (including** Airport Concession and Air Conditioning Excise Tax, Vehicle License Recovery Fee, surcharges and optional items **are additional)**" [emphasis added]. The fine print conveys the general impression Budget's Non-Optional Fees are taxes the government requires rental companies to collect from consumers.


**Savings worthy
of a mini-vacay.**



Sub-compact vehicle
\$19⁹⁵/weekend days*

Explore Toronto or plan a weekend getaway.
Rent for 2 days or more and enjoy big savings
when you use BCD # D601800.

Visit budget.ca or call 1 800 268-8900

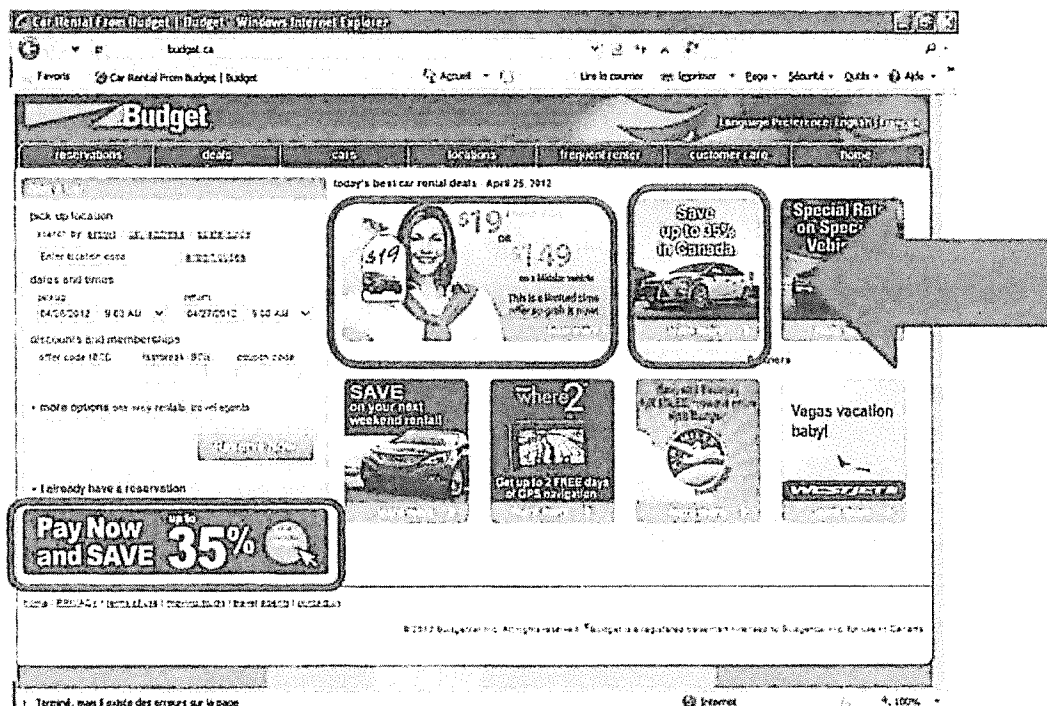
 **Budget**

*In Toronto, all taxes (including Airport Concession and Air Conditioning Excise Tax, Vehicle License Recovery Fee, surcharges and optional items are additional). In other locations, taxes and fees may vary. See website for details. ©2011 Budget Rent A Car System, Inc. All rights reserved. Budget Rent A Car System, Inc. is a registered trademark of Budget Rent A Car System, Inc. in the United States and other countries. Budget Rent A Car System, Inc. is not responsible for the content of this advertisement. The information contained herein is for informational purposes only and does not constitute an offer. The actual price and availability of the vehicle may vary. See website for details. *In Toronto, all taxes (including Airport Concession and Air Conditioning Excise Tax, Vehicle License Recovery Fee, surcharges and optional items are additional). In other locations, taxes and fees may vary. See website for details. ©2011 Budget Rent A Car System, Inc. All rights reserved. Budget Rent A Car System, Inc. is a registered trademark of Budget Rent A Car System, Inc. in the United States and other countries. Budget Rent A Car System, Inc. is not responsible for the content of this advertisement. The information contained herein is for informational purposes only and does not constitute an offer. The actual price and availability of the vehicle may vary. See website for details.

56. The fine print on the bottom of Budget's advertisement is false or misleading in a material respect as Budget's Non-Optional Fees, such as its Airport Concession and Air Conditioning Excise Tax and Vehicle License Recovery Fee, are not taxes the government requires rental companies to collect from consumers. Budget's Non-Optional Fees are charges that Budget itself chooses to impose on consumers to recoup part of its own cost of doing business.

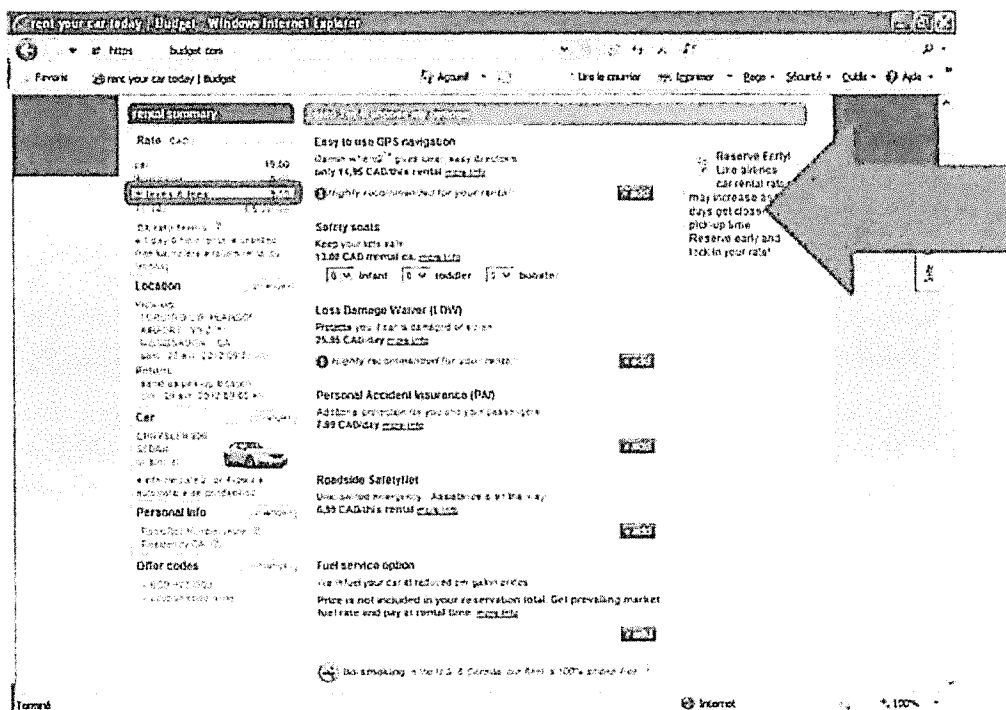
(ii) *Example of False or Misleading Website Representations*

57. Budget displays prices and percentage discounts on its websites that are not attainable. For example, the following representation appeared on a Budget website on or about 25 April 2012. Budget's representation conveys the general impression that it is possible for a consumer to rent a car for \$19 a weekend day, \$149 a week on a midsize vehicle or save 35% on their rental.



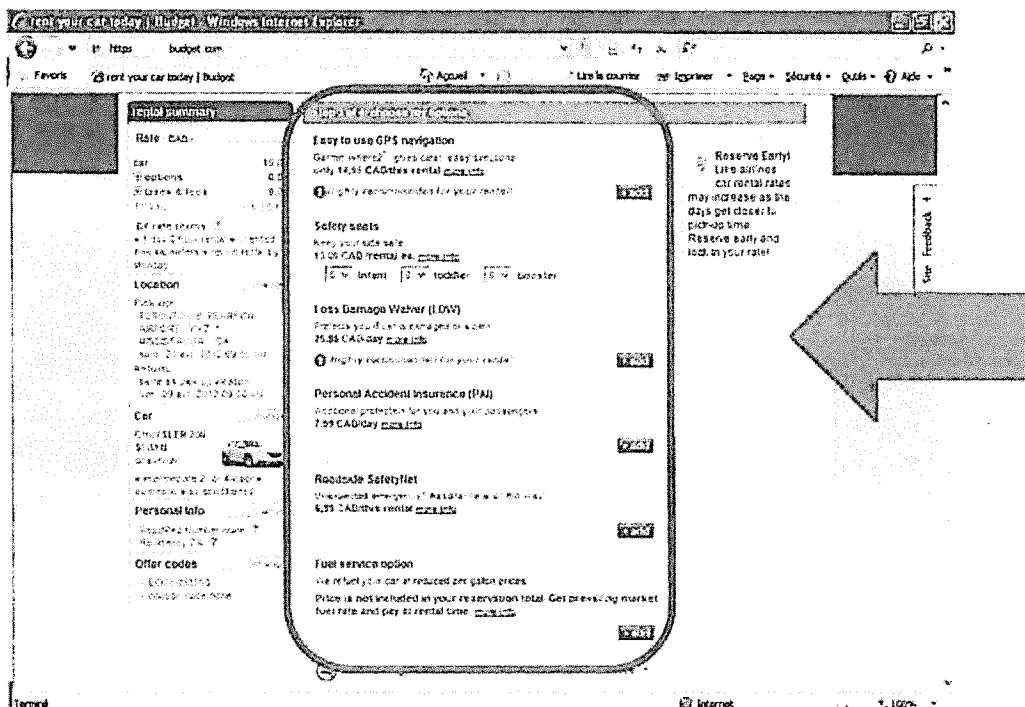
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58. Budget's representation is false or misleading in a material respect. It is not possible for a consumer to rent a car for for \$19 a weekend day, \$149 a week on a midsize vehicle or save 35% on their rental. Budget instead requires consumers to pay additional Non-Optional Fees that increase the cost of the rental above the price Budget represents.
59. Budget's representation about the prices and percentage discounts on its website are also false or misleading in a material respect for an additional reason. As set out in the example below from on or about 25 April 2012, Budget's representation conveys the general impression that rental companies are required to collect additional taxes and fees from consumers.



60. Budget's representation is false or misleading in a material respect as it is Budget that chooses to impose its Non-Optional Fees on consumers to recoup part of its own cost of doing business.

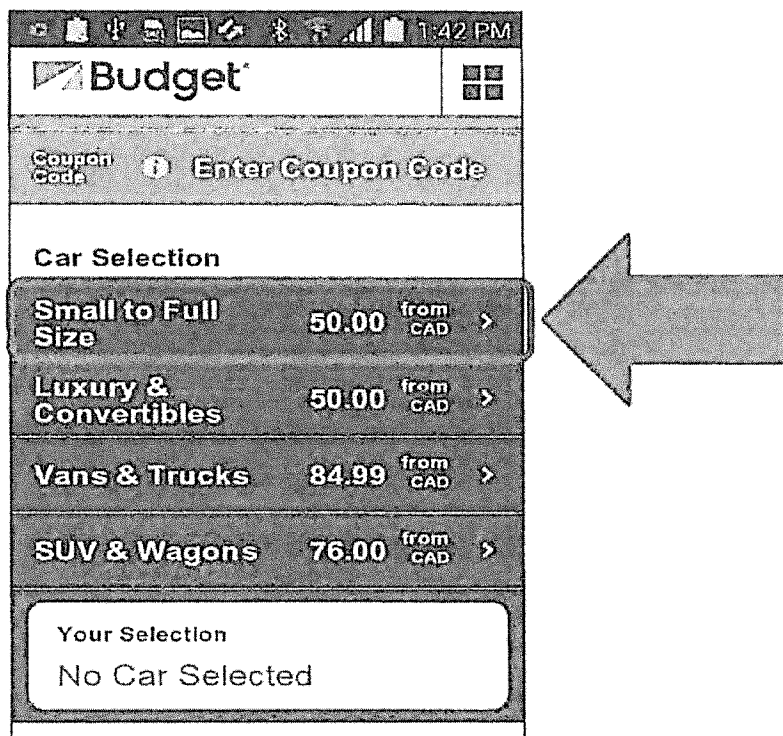
61. Further, Budget's representation set out at paragraph 5759 above is false or misleading for an additional reason. Budget's representation conveys the general impression that it is possible for consumers to obtain options such as a GPS navigation unit for \$14.95, a child safety seat for \$13, a loss damage waiver for \$25.95 per day, personal accident insurance for \$7.99 per day and/or roadside safety assistance for \$6.99.



62. Budget's representation set out at paragraph 5961 (and 5759) above is false or misleading in a material respect. It is not possible for a consumer to obtain options such as a GPS navigation unit for \$14.95, a child safety seat for \$13, loss damage waiver for \$25.95 per day, personal accident insurance for \$7.99 per day or roadside safety assistance for \$6.99. A consumer would instead have to pay a higher price because Budget requires consumers to pay additional Non-Optional Fees to obtain these options.

(iii) ***Example of False or Misleading Mobile Application Representations***

63. Budget displays prices on its mobile applications that are not attainable. For example, the following representation appeared on Budget's mobile application on or about 10 June 2014. Budget's representation conveys the general impression that it is possible for a consumer to rent a small to full size car for \$50.00.



64. Budget's representation is false or misleading in a material respect because it is not possible for a consumer to rent a small to full size car for \$50. A consumer would instead have to pay a higher price than Budget represents because Budget requires consumers to pay additional Non-Optional Fees.

65. Budget's representation is false or misleading in a material respect for an additional reason. Budget's representation conveys the general impression that rental car companies are required to collect additional taxes and fees.

Budget

Car Rental Estimate **75.37 CAD**

None Selected

Discounts
No Coupon Applied

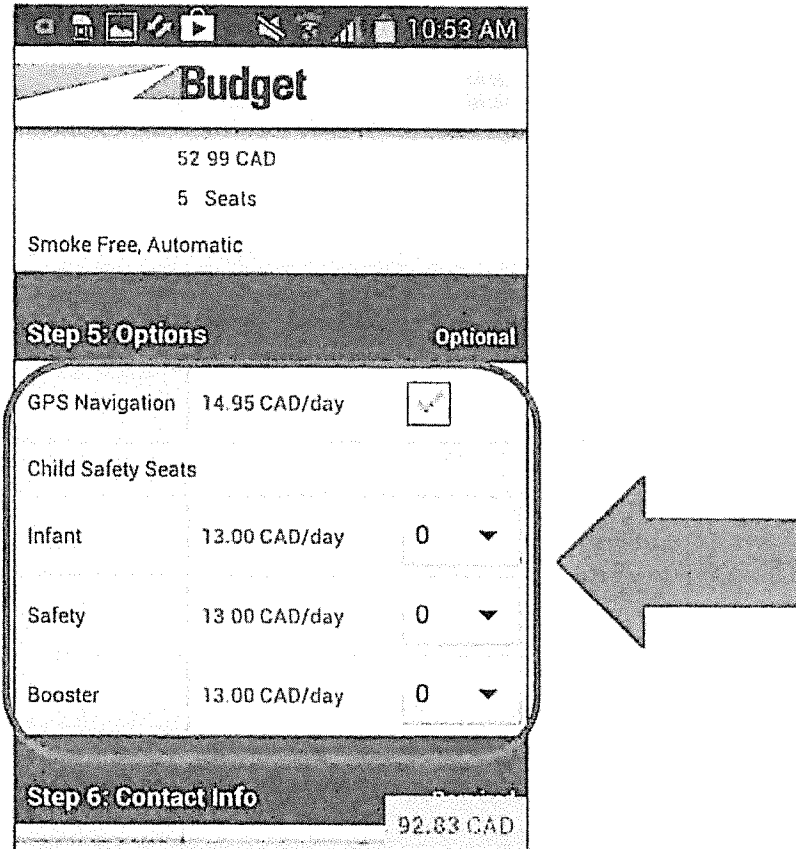
Fees & Taxes		25.37 CAD
Fees		
Concession Recovery	9.13 CAD	
Car Tax	1.85 CAD	
Fees	0.35 CAD	
Tire Management Fee	3.24 CAD	
Energy Recovery Fee	0.98 CAD	
Taxes		
Tax	6.54 CAD	

Estimated Total **75.37 CAD**

Modification to your rental may change this total

66. Budget's representation is false or misleading in a material respect. Rental car companies are not required to collect additional taxes and fees from consumers. Budget rather chooses to charge consumers additional Non-Optional Fees to recoup part of its own cost of doing business.

67. Budget also displays prices for associated equipment and coverages on its mobile applications that are not attainable. For example, Budget's representation from on or about 3 December 2012 conveyed the general impression that it is possible for a consumer to rent a GPS navigation unit for \$14.95 per day, or child safety seats for \$13.00 per day.



68. Budget's representation is false or misleading in a material respect because it is not possible for a consumer to rent a GPS navigation unit for \$14.95 per day or a child safety seat for \$13.00 per day. A consumer would instead have to pay higher prices than Budget represents because Budget requires consumers to pay additional Non-Optional Fees to rent these products.

(iv) *Example of False or Misleading Television Commercial*

69. Budget makes price representations in its television commercials that are not attainable. For example, between March and April 2012, a Budget commercial aired 2,473 times on over 30 different Canadian television channels promoting vehicle rentals for \$19 per weekend day. Budget's representation conveyed the general impression that cars were available for \$19 per weekend day.
70. Budget's representation is false or misleading in a material respect because it is not possible for a consumer to rent a vehicle for \$19 per weekend day. A consumer would instead have to pay a higher price than Budget represents because Budget requires consumers to pay additional Non-Optional Fees.

(v) *Example of False or Misleading Oral Representations*

71. Budget orally represents prices that are not attainable. For example, in June 2011, the following on-hold script ran across all Canadian Budget locations. The representation conveys the general impression that it is possible for a consumer to rent a Chrysler 300 for only \$57 per day:

The NEW Chrysler 300 has arrived! **The Chrysler 300 is available to rent at Budget for only \$57 per day.** Applicable BCD number must be quoted. Ask your Budget representative for more details. [Emphasis added]

72. Budget's representation is false or misleading in a material respect because it is not possible for a consumer to rent the Chrysler 300 for only \$57 per day. A consumer would instead have to pay a higher price than Budget represents because Budget requires consumers to pay additional Non-Optional Fees.

(vi) *Example of False or Misleading Customer Service Scripts*

73. Budget makes representations to its customers who seek an explanation of their total rental charges. In form emails sent to its customers, Budget represents that the government and other authorized agencies mandate all

rental companies, including Budget, to collect Non-Optional Fees from customers. Budget states:

Please be aware that in addition to the base car rental rate customers **are required to pay taxes, surcharges, and other rental related fees, which are mandated by the government and other authorized agencies. All rental companies, including Budget, must collect them in order to continue to provide the appropriate services to our customers.** [Emphasis added]

74. Budget's representations are false or misleading in a material respect. Governments and other authorized agencies do not mandate all rental companies, including Budget, to collect all Non-Optional Fees from their customers. Budget instead chooses to impose these Non-Optional Fees on its consumers to recoup part of its own cost of doing business.

V. **Aggravating Factors**

75. The Respondents have made, and continue to make, the foregoing false or misleading representations to the public for the purpose of promoting their passenger vehicle rentals, their associated products and their business interests more generally. Avis and Budget have collected and continue to collect millions of dollars a year by imposing the Non-Optional Fees on consumers who rent passenger vehicles and associated products from them.
76. Pursuant to section 74.1(5) of the Act, the deceptive conduct described herein is aggravated by the following:
- a. the national reach of the Respondents' conduct;
 - b. the Respondents have made the same or similar representations frequently and over an extended period of time;
 - c. the Respondents' false or misleading representations, described herein, are material;

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- d. self-correction being unlikely to remedy adequately or at all the Respondents' conduct;
- e. the Respondents have collected more than \$35 million in Non-Optional Fees from their customers who have rented a passenger vehicle for use in Canada through the Respondents' websites and mobile applications since 12 March 2009; and
- f. the Respondents are one of the largest rental car companies carrying on business in Canada.

VI. Relief Sought

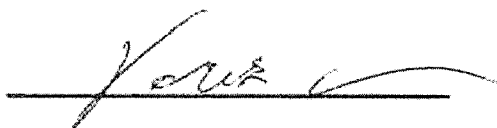
77. The Commissioner claims the relief set out in paragraph 1.

VII. Procedural Matters

78. The Commissioner requests that this proceeding be conducted in the English language.
79. The Commissioner requests that this application be heard in the City of Ottawa.
80. For the purposes of this application, service of all documents on the Commissioner may be effected on:

DATED AT Gatineau, this 10th day of March 2015.

AMENDED AT Gatineau, this 29th day of April 2015.



for:

John Pecman
Commissioner of Competition

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DEPARTMENT OF JUSTICE CANADA

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AND TO: The Registrar

Competition Tribunal

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Ottawa, Ontario
K1P 584

THE COMPETITION TRIBUNAL

THE COMMISSIONER OF COMPETITION

Applicant

- and -

AVISCAR INC. et al.

Respondents

MOTION RECORD OF THE RESPONDENTS

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