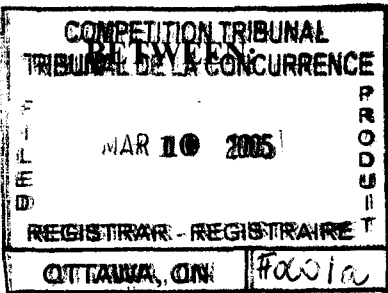


**THE COMPETITION TRIBUNAL**

**IN THE MATTER OF THE *COMPETITION ACT*, R.S.C. 1985, c. C-34, as amended;**

**AND IN THE MATTER OF** an inquiry pursuant to subsection 10(1)(b)(ii) of the *Competition Act* into certain marketing practices of the Respondents;

**AND IN THE MATTER OF** the filing and registration of a consent agreement pursuant to section 74.12 of the *Competition Act*.



**THE COMMISSIONER OF COMPETITION**

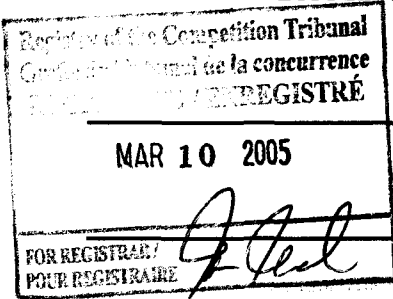
**Applicant**

-and-

**3283312 CANADA INC. o/a FEDERAL AUCTION SERVICE and**

**AMIR DURRANI**

**Respondents**



**CONSENT AGREEMENT**

WHEREAS the Commissioner of Competition (the "Commissioner") is head of the Competition Bureau and is responsible for the administration and the enforcement of the *Competition Act* (the "Act") including the deceptive marketing practices provisions of the Act (Part VII.1) which include the misleading representations and deceptive marketing practices provisions of the Act;

WHEREAS 3283312 Canada Inc. is a company located in Brampton, Ontario which coordinates and conducts auctions across Canada under the business name Federal Auction Service;

WHEREAS the Commissioner commenced an inquiry pursuant to subsection 10(1)(b)(ii) of the Act

into certain marketing practices of 3283312 Canada Inc.;

WHEREAS the Commissioner alleges that, beginning in or about 1999, the Respondents, for the purpose of promoting the sale of some items, made representations to the public that these items had been previously seized by customs and/or had been recovered from the proceeds of crime where virtually none of the items offered and/or sold fit neither description, therefore being, in the view of the Commissioner, false or misleading in a material respect contrary to section 74.01(1)(a) of the Act;

AND IT BEING UNDERSTOOD THAT though the Commissioner has reached certain conclusions and that the Respondents do not necessarily agree with those conclusions, however, the Respondents do not contest the statements for the purposes of this Consent Agreement, and for greater certainty, nothing in this Consent Agreement shall be taken as an admission now or in the future of any facts, submissions or legal arguments for any other purposes, nor shall it derogate from any rights or defenses of the Respondents under the Act or otherwise;

AND WHEREAS the parties are satisfied that this matter can be resolved and consent to the registration by the Competition Tribunal of an agreement:

1. For the purpose of the Agreement, the following definitions shall apply:
  - a) "Affiliates": one body corporate is affiliated with another body corporate if:
    - i) one of them is the subsidiary of the other;
    - ii) both are subsidiaries of the same body corporate; or
    - iii) each of them is controlled by the same person.
  - b) "Agreement" means this Consent Agreement entered into by 3283312 Canada Inc., Amir Durrani and the Commissioner of Competition;
  - c) "Commissioner" means the Commissioner of Competition, appointed pursuant to section 7 of the Act, and her authorised representatives;
  - d) "Government Department" means any department, Crown corporation, agency, police force or other part of the federal government of Canada or any provincial or municipal or foreign government;
  - e) "Parties" means the Commissioner of Competition and the Respondents;
  - f) "Respondents" means Amir Durrani and 3283312 Canada Inc.;
  - g) "Tribunal" means the Competition Tribunal established by the *Competition Tribunal Act*

(Canada), R.S.C. 1985, c. 19 (2nd Supp.), as amended.

2. The provisions of the Agreement shall apply to:
  - a) the Respondents, or to any of their subsidiaries, affiliates, successors, corporate officers, directors, senior management and all other personnel, agents and/or representatives acting for or on behalf of the Respondents; and,
  - b) The Commissioner.
3. The Respondents shall cease making, cause to be making, assist in making, or permit to be made by any means whatsoever, any representation, including, but not limited to, verbally, in print form, or on the internet, that they have been retained, authorised or instructed to sell items of any Government Department unless either of the Respondents has been retained, authorised, or instructed, in writing, to sell such items by such Government Department.
4. The Respondents shall not make, cause to be made, assist in making, or permit to be made by any means whatsoever, including, but not limited to, verbally, in print form, or on the internet, any representation that they have been retained, authorized or instructed to sell items of a Government Department and shall not make any reference to a contract that they have with a Government Department, with respect to items offered for sale at a specific auction, in a manner which may create the general impression that such items will be offered and sold under the terms of that contract unless:
  - a) all, or virtually all of the items offered at that sale or auction are items of a Government Department or offered and sold under the terms of that contract; or
  - b) the Respondents contemporaneously, clearly and prominently inform the public as to the volume which that portion represents of the total offered for sale or auction.
5. The Respondents shall not make, cause to be made or permit to be made, by any means whatsoever, a representation as to the source of an item unless they clearly identify which items are from each source either on the list of items provided at an auction, on the item itself or on the display.
6. The Respondents shall provide a copy of records for each sale or auction identifying the acquisition price for each item, the price at which it was sold, and the source of each item, to the Commissioner within 30 days of delivery of a written request from an authorised representative of the Commissioner to the Respondents.
7. The Respondents shall, upon the registration of this Agreement, pay an administrative monetary penalty in the amount of \$25,000.00.

8. The Respondents shall post a notice as set out in Appendix A, accessible on its Web site (through a link appearing on menu of the home page) with hyperlinks to the Tribunal web site to view this Agreement. This notice shall be posted on the web site for ten (10) weeks commencing no later than 10 days from execution of this Agreement.
9. The Respondents shall publish a notice as set out in Appendix B in accordance with the terms and conditions set out in the Appendix. The first notice will be published no later than 10 days from the registration of this Agreement.
10. The Respondents will, upon publication, confirm in writing to the Commissioner that the Notice was posted and published according to paragraphs 8 and 9 of this Agreement. Along with the written confirmation, the Respondents will attach a screen capture of the link and notice referred to in paragraph 8, and tear-sheets of the Notices from the publications referred to in paragraph 9.

#### **Corporate Compliance Program**

11. The Respondents will establish and implement a marketing and pricing practices Corporate Compliance Program (the “Compliance Program”) the goal of which will be to promote compliance with the Act generally, and the deceptive marketing provisions of the Act (Part VII.1) which include the false or misleading representations provisions of the Act (section 74.01). This Compliance Program will be implemented no later than (90) ninety days of the execution of this Agreement.
12. The Respondents will appoint an individual responsible for administering and implementing the Compliance Program within thirty (30) days of the execution of this Agreement.
13. The Compliance Program will include the following features:
  - (a) the development of a written Corporate Compliance Program;
  - (b) the ongoing distribution of a copy of the Corporate Compliance Program to all 3283312 Canada Inc. corporate officers, directors, senior management and employees materially involved in the formulation of advertising, pricing policies and sales of any items; and
  - (c) a signed statement indicating that 3283312 Canada Inc. personnel described in subparagraph 14(b) of this Agreement have read and understood the Corporate Compliance Program and of this Agreement;
14. Copies of records regarding the implementation of the Corporate Compliance Program will be provided to the Competition Bureau within thirty (30) days, upon written request of the Deputy Commissioner of Competition, Fair Business Practices Branch.

15. This Agreement shall be applicable for a period of 10 years from the date of its registering.
16. With the exception of the obligations contained in paragraphs 3, 4, and 5 of this Agreement, the ongoing responsibilities in this Agreement will cease to apply to Amir Durrani personally should he terminate his association with 3283312 Canada Inc.
17. Any notice required to be given pursuant to any term of this Agreement is valid if given by facsimile transmission or registered mail to:
  - (a) For the Commissioner of Competition  
  
Attention: Raymond Pierce  
Deputy Commissioner of Competition  
Competition Bureau  
50 Victoria Street  
Gatineau, Quebec K1A 0C9  
Facsimile: (819) 953-9267
  - (b) For the Respondent  
  
Attention: 3283312 Canada Inc. (o/a Federal Auction Service)  
80 Devon Road, Suite 3  
Brampton, Ontario L6T 5B3
18. For greater certainty, the Tribunal shall retain jurisdiction for the purpose of any application by the Commissioner or the Respondents to rescind or vary any of the provisions of the Agreement in the event of a change of circumstances or otherwise pursuant to section 74.13 of the Act, or with respect to any issue concerning the Agreement with the exception of matters contained in paragraph 7.
19. In the event of a dispute as to the interpretation or application of the Agreement, including any decision by the Commissioner pursuant to the Agreement or breach of the Agreement by the Respondents, either of the Parties shall be at liberty to apply to the Tribunal for an order interpreting any of the provisions of the Agreement.
20. In the event that the Agreement is rescinded or varied for any reason prior to its registration, then either of the Parties may terminate the Agreement within thirty (30) days of such rescission or variation on written notice to the other Party hereto.

AND WHEREAS the undersigned parties agree that upon the signing of this Consent Agreement it

**PUBLIC VERSION**

may be filed with the Tribunal for immediate registration.

Raymond Pierce [signed]

\_\_\_\_\_

Deputy Commissioner of Competition

Dated at Gatineau, Québec, this  
6<sup>th</sup> day of March, 2005.

3283312 CANADA INC. o/a FEDERAL AUCTION SERVICE AND AMIR DURRANI

By:

Amir Durrani [signed]

\_\_\_\_\_

Amir Durrani,  
President and authorized signing officer

Dated at Toronto, Ontario this  
8<sup>th</sup> day of February, 2005.

Signature witnessed by:

Michelle Wong [signed]

\_\_\_\_\_

(print and sign name) Michelle Wong

Dated at Toronto, Ontario this  
8<sup>th</sup> day of February, 2005.

Appendix A

**NOTICE BY  
3283312 CANADA INC. o/a FEDERAL AUCTION SERVICE**

The Commissioner of Competition believes that, beginning in or about 1999, 3283312 Canada Inc. c.o.b. as Federal Auction Service made representations to the public which were false or misleading in a material respect contrary to the misleading advertising provisions of the *Competition Act*. These advertisements were to the effect that certain items offered at their auctions had been previously seized by customs and/or were recovered from the proceeds of crime when the Commissioner has concluded this was not true.

Link: [www.ct-tc.gc.ca](http://www.ct-tc.gc.ca)

As a resolution of the Commissioner's concerns, 3283312 Canada Inc., without admitting any of these conclusions, has agreed, among other things:

- to cease making such representations unless they clearly identify the volume and the source of each item, either on the list of items provided at an auction, on the item itself or on the display;
- to pay an administrative monetary penalty in the amount of \$ 25,000.00; and
- to implement a formal compliance program regarding the use of advertisements and other promotions.

---

- The link to this Notice shall appear on the menu of the home page of Federal Auction Service's web site shall be in 10-point font in unembellished print, and clearly visible.

- The text of the Notice on Federal Auction Service's web site shall be in 10-point font in unembellished print.

- The title of the Notice shall appear in bolded 12-point font.

- There will also be an hyperlink to the Tribunal to view the Consent Agreement.

Appendix B

**NOTICE BY  
3283312 CANADA INC. o/a FEDERAL AUCTION SERVICE**

The Commissioner of Competition believes that , beginning in or about 1999, 3283312 Canada Inc. c.o.b. as Federal Auction Service made representations to the public which were false or misleading in a material respect contrary to the misleading advertising provisions of the *Competition Act*. These advertisements were to the effect that certain items offered at their auctions had been previously seized by customs and/or were recovered from the proceeds of crime when the Commissioner has concluded this was not true. For more information you can visit the Competition Bureau's web site at: [www.bc-cb.gc.ca](http://www.bc-cb.gc.ca).

As a resolution of the Commissioner's concerns, 3283312 Canada Inc., without admitting any of these conclusions, has agreed, among other things:

- to cease making such representations unless they clearly identify the volume and the source of each item, either on the list of items provided at an auction, on the item itself or on the display;
- to pay an administrative monetary penalty in the amount of \$ 25,000.00; and
- to implement a formal compliance program regarding the use of advertisements and other promotions.

---

- Federal Action Service shall publish the Notice for two consecutive weeks in the Wednesday and Saturday editions of the following newspapers: Vancouver Sun, Toronto Star, Montreal Gazette, Ottawa Citizen and Calgary Herald.

- The Notice shall appear in a space no less than 6 inches x 4.5 inches in size.

- The title of the Notice shall be capitalized and shall appear in a 16-point bold font unembellished print.

- The text of the Notice shall appear in 10-point font unembellished print.

- Federal Auction Service shall obtain publication space within the cover section.