

THE COMPETITION TRIBUNAL

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

AND IN THE MATTER OF an inquiry pursuant to subsection 10(1)(b)(ii) of the *Competition Act* relating to the marketing practices of Universal Payphone Systems Inc.;

AND IN THE MATTER OF an Application by the Commissioner of Competition for an order pursuant to section 74.1 of the *Competition Act*.

B E T W E N:

THE COMMISSIONER OF COMPETITION

Applicant

-and-

**UNIVERSAL PAYPHONE SYSTEMS INC.
and GEORGE KATSOULAKIS, a.k.a. GEORGE KATS**

Respondents

**REPLY TO RESPONSE OF UNIVERSAL PAYPHONE SYSTEMS INC.
AND GEORGE KATSOULAKIS, a.k.a. GEORGE KATS**

1. Except insofar as the Response consists of admissions, the Applicant joins issue with and denies each ground and material fact relevant thereto as set out in the Response.
2. The Applicant pleads in reply to paragraph 27 of the Response that the viability

of any individual investor's payphone business is not an issue *per se* in this proceeding. The issues are whether or not the Respondents:

- promoted their payphone business opportunity by means of representations to the public which are or were false or misleading in a material respect, and
 - made representations to the public in the form of guarantees where there is no reasonable prospect that the guarantees will be carried out.
3. The Applicant specifically denies the allegations in paragraph 30 of the Response, and pleads in reply that the Respondents have continued to advertise their payphone business opportunity in print media as well as on the Internet up to and including the present time.
4. The Applicant hereby joins issue with the Respondents on their response.

Dated at Ottawa this ____ day of January, 2000.

Johanne D'Auray
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