

Competition Tribunal



Tribunal de la Concurrence

CT - 1990 / 001 – Doc # 272

IN THE MATTER of an application by the Director of Investigation and Research for orders pursuant to section 92 of the *Competition Act*, R.S.C., 1985, c. C-34, as amended;

AND IN THE MATTER of the direct and indirect acquisitions by Southam Inc. of equity interests in the businesses of publishing *The Vancouver Courier*, the *North Shore News* and the *Real Estate Weekly*.

B E T W E E N:

The Director of Investigation and Research

Applicant

and

Southam Inc.  
Lower Mainland Publishing Ltd.  
Rim Publishing Inc.  
Yellow Cedar Properties Ltd.  
North Shore Free Press Ltd.  
Specialty Publishers Inc.  
Ely Publications Ltd.

Respondents



**ORDER VARYING CONSENT INTERIM ORDER**

**Date of Hearing:**

November 11, 1992

**Presiding Member:**

The Honourable Mr. Justice Max M. Teitelbaum

**Lay Members:**

Dr. Frank Roseman  
Mr. Victor Clarke

**Counsel for the Applicant:**

**Director of Investigation and Research**

Stanley Wong  
Susan L. Julmi

**Counsel for the Respondents:**

**Southam Inc.**  
**Lower Mainland Publishing Ltd.**  
**Rim Publishing Inc.**  
**Yellow Cedar Properties Ltd.**  
**North Shore Free Press Ltd.**  
**Specialty Publishers Inc.**  
**Ely Publications Ltd.**

Glenn F. Leslie  
John J. Quinn  
Robert E. Kwinter

**COMPETITION TRIBUNAL**  
**ORDER VARYING CONSENT INTERIM ORDER**

*Director of Investigation and Research*

v.

*Southam Inc. et al.*

FURTHER TO the Consent Interim Order dated March 18, 1991, as corrected by order dated March 22, 1991;

AND FURTHER TO the Notice of Application to Vary Consent Interim Order and the Draft Order Varying Consent Interim Order filed by the respondents on November 11, 1992;

AND UPON HEARING the submissions of counsel for the parties;

AND UPON CONSIDERING the further Draft Order Varying Consent Interim Order filed by the parties in accordance with the directions given orally by the Tribunal on November 11, 1992;

THE TRIBUNAL ORDERS THAT:

The Consent Interim Order (the "Interim Order") shall be varied as follows:

1. Upon the consent of the parties:
  - (a) LMPL shall be permitted to appoint Sam Grippo as Chief Executive Officer, to replace David Perks;
  - (b) that notwithstanding paragraphs 2 and 3 of the Interim Order, LMPL shall be permitted to implement an Employee Stock Ownership Plan (the "Plan") which will enable qualifying LMPL employees to acquire, in the aggregate, up to 20% of the common equity of LMPL upon such terms as LMPL shall determine in its sole discretion; and
  - (c) any prospective purchasers under the Plan shall be advised by LMPL that the value of the shares may be affected by any remedial order which may be made by the Competition Tribunal or a court of competent jurisdiction in connection with Competition Tribunal application no. CT-90/1.
2. (a) LMPL shall be permitted to appoint John Collison as Chief Operating Officer, with supervisory responsibility for the businesses controlled by LMPL, including notwithstanding paragraph 11 of the Interim Order, the businesses of publishing the *North Shore News*, *The Vancouver Courier* and the *Real Estate Weekly*,

provided that Mr. Collison will exercise no supervisory responsibility in respect of the "Homes" real estate advertising supplement to the *North Shore News*;

(b) notwithstanding paragraphs 7, 8 and 14 of the Interim Order, Mr. Collison will be permitted access to all confidential business information in respect of the businesses owned by LMPL, including the *North Shore News*, *The Vancouver Courier* and the *Real Estate Weekly*, necessary to the performance of his duties as Chief Operating Officer, provided that Mr. Collison shall neither directly nor indirectly disclose to Southam or its affiliates, other than LMPL, any confidential business information in respect of the *North Shore News*, *The Vancouver Courier* or the *Real Estate Weekly* and further provided that Mr. Collison shall not have access to any confidential business information in respect of the "Homes" real estate advertising supplement to the *North Shore News*;

(c) where the operation of the terms of sub-paragraph 2(a) of this order would result in a significant change in any operational, sales, distribution, circulation, marketing or financial activities of the businesses, including without limitation, a change relating to the matters enumerated in sub-paragraphs 14 (a) - (h) of the Interim Order, then the respondents shall provide the Director with 21 days written notice of the implementation of any such change.

3. Except as specifically varied by the terms of this order, the Interim Order shall continue in full force and effect.

DATED at Ottawa, this 24<sup>th</sup> day of November, 1992.

SIGNED on behalf of the Tribunal by the presiding judicial member.

(s) M.M. Teitelbaum  
M.M. Teitelbaum