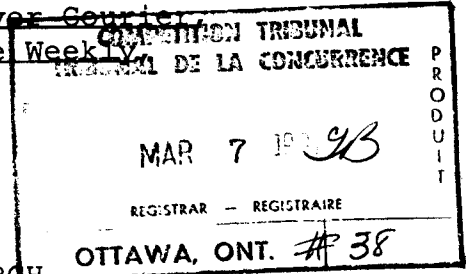


CF-9011

COMPETITION TRIBUNAL

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., ELTY PUBLICATIONS LTD.

Respondents.

**AFFIDAVIT OF ANDRÉ BRANTZ
SWORN THE 7TH DAY OF MARCH, 1991**

Stanley Wong
Mary L. Ruhl

Counsel for the Director
of Investigation and Research

Davis & Company
Barristers and Solicitors
2800 - 666 Burrard Street
Vancouver, British Columbia

Tel: 604-687-9444
Fax: 604-687-1612

COMPETITION TRIBUNAL

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RIM PUBLISHING INC., YELLOW CEDAR PROPERTIES
LTD., NORTH SHORE FREE PRESS LTD., SPECIALTY
PUBLISHERS INC., ELTY PUBLICATIONS LTD.

Respondents.

AFFIDAVIT OF ANDRÉ BRANTZ

I, ANDRÉ BRANTZ, public servant, of the City of Ottawa in the Regional Municipality of Ottawa-Carleton in the Province of Ontario MAKE OATH AND SAY AS FOLLOWS:

1. I am employed by the Government as a senior commerce officer on the staff of the Director of Investigation and Research ("the Director") under the Competition Act. I have been engaged since June of 1990 in the review by the Director of the

transactions completed on January 27, 1989 and May 8, 1990 whereby the Respondent Southam Inc. ("Southam") acquired direct and indirect control of, or a significant interest in, inter alia, 13 community newspapers, a real estate advertising publication, three flyer distribution businesses and two printing businesses operating in the Lower Mainland area of the Province of British Columbia. During the course of this review, I have received information in writing and orally from representatives of the Respondents and their counsel, as well as from others. Accordingly, I have knowledge of the matters hereinafter deposed to.

2. I have reviewed the Affidavit of David Perks, dated March 6, 1991 (the "Perks Affidavit") and filed in this action. With respect to paragraph 8 which discusses the January 7, 1989 transaction involving North Shore Free Press, the Director, in his March 6, 1989 letter, advised Southam that:

"The Director does not have grounds, at this time, to commence an inquiry under section 10 in respect of this transaction."

3. I am informed that contrary to the statement contained in paragraph 9 of the Perks Affidavit, the Director was not advised of the May 8th, 1990 transactions prior to their becoming public. The Director's office became aware of these transactions as the result of inquiries which the Senior Deputy Director of

Investigation and Research ("SDDIR") received from representatives of the media in Vancouver who were soliciting comment with respect to the transactions. The SDDIR thereupon contacted counsel for Southam (J. Quinn) who confirmed the transaction and provided him with some initial information as to the nature of the transactions. On December 3, 1990, the SDDIR was advised by counsel for the Director that counsel for Southam had requested our consent to: (i) an extension of the time for filing of a response by Southam to the Application filed with the Competition Tribunal by the Director and (ii) that the Director take no action before the Competition Tribunal by way of default or seeking an interim order, pending the determination by the Federal Court of the Southam's application for a Stay of Proceedings before the Competition Tribunal. The SDDIR instructed counsel to consent to the request. This consent was communicated to counsel for Southam in a letter dated December 4, 1990 and marked as Exhibit "H" to my Affidavit of March 4, 1991.

4. On the basis of searches conducted by Erin Hyde and Susan Julmi, articling students with Davis & Company in Vancouver, I am informed that the officers and directors of Lower Mainland Publishing Ltd., North Shore Free Press Ltd., Rim Publishing Inc., Specialty Publishers Inc. and Elty Publications Ltd. are as set out in Exhibit "A" to my Affidavit. I have always been advised by Mr. J.J. Quinn, counsel for Southam that Mr. Collison is a corporate manager of the Real Estate Weekly.

DATED at the City of Hull in the Province of Quebec this
7th day of March, 1991.



André Brantz

Sworn before me this 7th
day of March, 1991 in the
City of Hull, in the
Province of Quebec

Elizabeth K. St. Laurent
A Notary Public or Commissioner
for Oaths in and for the
Province of Quebec

TO: The Registrar
 The Competition Tribunal

AND TO: Glenn Leslie
 J. Quinn
 N. Fickelstein
 Counsel for the Respondents

This is Exhibit "A" to the affidavit of

ANDRE BRANTZ

sworn before me this

7th day of March

19 91

A Commissioner
Notary Public, etc

Elizabeth G. (with name)

Managers

Real Estate Weekly

John Collison

The Vancouver Courier

Peter Farris Ballard
Roger Phillip Hager

North Shore News

Peter Speck
Douglas Foot

Officers and Directors

Lower Mainland Publishing Ltd.

David W. Perks (Director, Chairman, C.E.O.)

Sam Grippo (Director, President)

Bruce Auger (Director, Secretary/Treasurer)

North Shore Free Press Ltd.

Peter Speck (Director, President)

David W. Perks (Director)

Douglas Foot (Director, Vice-President, Secretary)

J. William Gannon (Alternate Director)

Rim Publishing Inc.

Roger Phillip Hager (Director, President)

Peter Farris Ballard (Director, Secretary)

David W. Perks (Director)

Specialty Publishers Inc.

Sam Grippo (Director, President)

Sam Y. Joe (Director)

John Collison (Director)

Eltly Publishing Ltd.

John Collison (Director, President, Secretary)