

BETWEEN:

THE COMMISSIONER OF COMPETITION  
represented by  
THE ATTORNEY GENERAL OF CANADA

- and -

PAUL KRAMER

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UNDERTAKING

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IN THE MATTER OF an inquiry initiated by the Commissioner of Competition (the "Commissioner") pursuant to paragraph 10(1)(b) of the *Competition Act*, Bureau file number 1026103, relating to the practices of Lifestyles Canada Limited with respect to the multi-level marketing provisions contained in section 55 of the *Competition Act*.

AND WHEREAS it is established that Lifestyles Canada Limited (hereinafter referred to as "Lifestyles Canada") operates a multi-level marketing plan (hereinafter referred to as the "Plan") as defined in subsection 55(1) of the *Competition Act* for the sale of botanical extract blends such as IntraQ, as well as nutritional supplements, personal care products, household cleaning products, vitamin and mineral supplements and a diet program.

AND WHEREAS it is established that Lifestyles Canada was incorporated November 6, 1989, in the Province of Ontario and carries on business at 790 Arrow Road, Toronto, Ontario.

AND WHEREAS it is established that Paul Kramer, residing at 601 Durne Street, Toronto, Ontario M6S 3H2 is currently an employee of Lifestyles Canada and was an employee of Lifestyles Canada on January 26, 1999.

AND WHEREAS it is alleged that on January 26, 1999, in London, Ontario, Paul Kramer, an employee of Lifestyles Canada, did make at a meeting of Lifestyles Canada participants, representations relating to compensation under the Plan, to prospective participants in the Plan, without including fair, reasonable and timely disclosure of information relating to compensation actually received or likely to be received by typical participants in the Plan, contrary to subsection 55(2) of the *Competition Act*.

THEREFORE in order to resolve this matter with respect to Paul Kramer and comply with the *Competition Act*, Paul Kramer undertakes to:

- A) AVOID making any representations relating to compensation under a multi-level marketing plan of which he is an employee or participant, to a prospective participant in the plan, unless the representations constitute or include fair, reasonable and timely disclosure of the information within his knowledge, relating to compensation actually received or likely to be received by typical participants in the plan;
- B) AVOID involvement, either directly or indirectly, in the making of any representations relating to compensation under a multi-level marketing plan unless the representations constitute or include fair, reasonable and timely disclosure of the information within the knowledge of the person making the representations relating to compensation actually received or likely to be received by typical participants in the plan; and
- C) COMPLY with the provisions of the Act.

FURTHER, without limiting the generality of the foregoing, this Undertaking will apply to:

- i) representations described in paragraphs A) or B) above, made through any means including, but not limited to, representations made verbally, in published material or through any electronic means such as audio or audio-visual tape recordings, Internet web sites and email.

This document shall be a public record.

Notices or other communications required or permitted by this Undertaking shall be in writing and shall be given by personal delivery to the party to whom such notice is given or by registered mail or by confirmed facsimile to the address or facsimile number below:

(a) If to the Attorney General of Canada

François Handfield/Josephine A.L. Palumbo  
Crown Counsel  
Department of Justice, Competition Law Division  
Place du Portage, Phase 1, 22<sup>nd</sup> Floor  
50 Victoria Street  
Hull, Quebec, K1A 0C9

Telephone: (819) 953-3902  
Facsimile: (819) 953-9267

(b) If to Paul Kramer

Paul Kramer  
Product Manager  
c/o Lifestyles Canada Limited  
790 Arrow Road  
Toronto, Ontario  
M9M 2Y5

With a copy to:

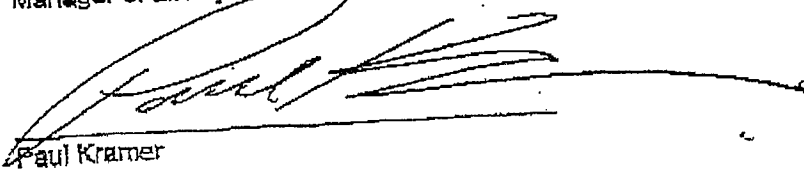
Mark Katz  
Davies Ward Phillips & Vineberg, LLP  
Barristers and Solicitors  
1 First Canadian Place  
44<sup>th</sup> floor  
Toronto, Ontario  
M5X 1B1

Telephone: (416) 863-5578  
Facsimile: (416) 863-0871

FURTHER, nothing in this undertaking shall be taken as an admission now or in the future of any facts, submissions or legal arguments for any purposes, by Paul Kramer or Lifestyles Canada nor shall it derogate from any rights or defenses of Paul Kramer or Lifestyles Canada under the *Competition Act* or otherwise.

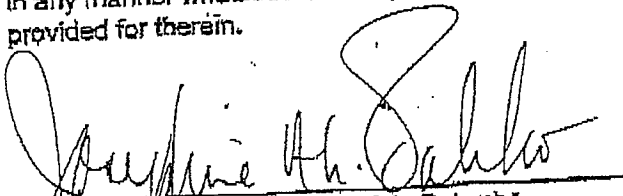
DATED at TORONTO, this 3<sup>RD</sup> day of May, 2001

This Undertaking is provided by the undersigned in this capacity as Product Manager of Lifestyles Canada Limited.



Paul Kramer  
Product Manager  
Lifestyles Canada Limited

This Undertaking is accepted by the Attorney General of Canada without prejudice in any manner whatsoever to his jurisdiction under the *Competition Act*, as provided for therein.

  
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François Handfield/Josephine A.L. Palumbo  
Counsel on behalf of the Attorney General of Canada