

In the Court of Québec

BEFORE THE HONOURABLE) The 7th DAY, THE
M JUSTICE) DAY OF OCTOBER ,1999
GILLES GARNEAU, J.C.P.

BETWEEN:

HER MAJESTY THE QUEEN, upon the
information of the Attorney General
of Canada

Applicant

-and-

728511 Alberta Ltd.,
having changed its name to Cave Promotions Ltd.,
and carrying on business as
Cave Promotions, Inc., Cave and CPI

Respondent

ORDER

UPON THE APPLICATION of the Attorney General of Canada for an order pursuant to subsection 34(1) of the *Competition Act*, R.S.C. 1985, c. C-34, as amended, and upon having registered a conviction on one count this day against the Respondent for having committed an indictable offence, contrary to section 52(1)(a) of the *Competition Act*, and upon reading the Agreed Statement of Facts and hearing the submissions of counsel on behalf of the parties:

WHEREAS 728511 Alberta Ltd. was incorporated February 21, 1997, and changed its name to Cave Promotions Ltd. ("Cave") by a Certificate of Amendment dated December 1, 1997, and has at various times held itself out as Cave Promotions, Cave Promotions Inc., CPI and Cave;

scratch cards distributed by the provincial lottery corporations;

AND WHEREAS Cave's game cards invited consumers to scratch a latex-concealed 'play area' on the card to see if they would uncover a winning combination of symbols, and if consumers uncovered a winning combination of symbols, they were encouraged to call Cave's 1-900 pay-per-call lines in order to obtain prize claim instructions to claim their prize;

AND WHEREAS many consumers were misled into believing that they had won a cash or otherwise valuable prize, and called the pay-per-call numbers set up by Cave as a result;

AND WHEREAS once consumers called the pay-per-call number, most consumers learned from a recording that they had either not won a prize at all, or had won a lesser prize than that which they had believed they had won, which lesser prize was of significantly inferior value to what was represented on the scratch-and-win game cards;

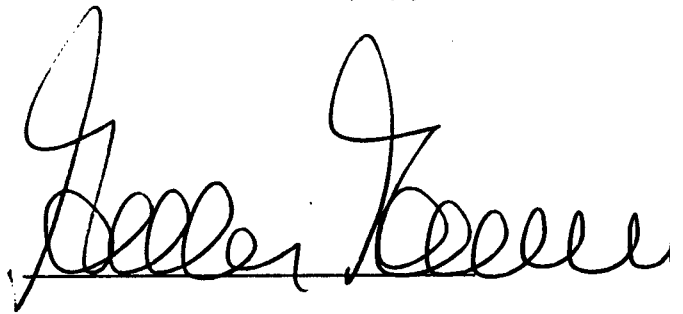
AND WHEREAS on average, these calls cost consumers \$20 to \$40 dollars for each call;

THIS COURT ORDERS THAT:

1. THIS COURT DOES PROHIBIT the doing of any act or thing by the Respondent and each and every of the Respondent's affiliates, directors, officers, owners, shareholders, agents and employees, past, present, and future, including, but not limited to, Colin A. Kryski, Victor Di Criscio, Enrico Serena, and Alexander Loncar, constituting or directed towards the commission or continuation of the said offence through any form of promotional representation;
2. AND THIS COURT DOES FURTHER PROHIBIT the Respondent from making any representations to the public by any means whatsoever that are false or misleading in a material respect for the purpose of promoting, directly or indirectly, calls to any pay-per-call phone number;
3. AND, MORE PARTICULARLY, THIS COURT DOES PROHIBIT the Respondent from encouraging consumers to call a pay-per-call phone number by using any

form of representation that may tend to mislead consumers by any means whatsoever into believing that they have won a prize different from that which they have actually won;

5. AND, MORE PARTICULARLY, THIS COURT DOES PROHIBIT the Respondent from encouraging consumers to call a pay-per-call phone number by using any form of representation that may tend to mislead consumers by any means whatsoever into believing that they have won a prize more valuable than the value of the prize that they have actually won;
6. AND THIS COURT DOES ORDER that this Order shall terminate ten (10) years from the date hereof.

A handwritten signature in black ink, appearing to read "James J. Keller". The signature is written in a cursive style with a horizontal line underneath the name.

File No.

THE COURT OF QUÉBEC

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