Competition Tribunal File Nc_{CT-2013-007}

The Competition Tribunal

In the matter of an Application by Safa Enterprises Inc.

doing business as My Convenience Store

for an order pursuant to Section 103.1

of the Competition Act, RSC 1985 c. C-34, as amended

granting leave to bring an application pursuant to

Section 76 of the Competition Act

BETWEEN:

Safa Enterprises Inc.

Applicant

AND:

COMPETITION TRIBUNAL
TRIBUNAL DE LA CONCURRENCE

FILED / PRODUIT

CT-2013-007
September 19, 2013

Jos LaRose for / pour
REGISTRAR / REGISTRAIRE

OTTAWA, ONT

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Imperial Tobacco Company Limited.

Respondent

AFFIDAVIT

- I, ADNAN MUSTAFA of 11957 96A Avenue, Surrey BC V3V 2A5, MAKE OATH AND SAY AS FOLLOWS:
 - 1. I am the Manager of the Applicant and such have personal knowledge of the facts and matters hereinafter deposed to except where stated to be made on information and belief and where so stated, I verily believe them to be true.
 - 2. I am authorized by the Applicant to make this Affidavit.

The Parties

- The Applicant Safa Enterprises Inc. ("SEI") is a corporation incorporated under the laws
 of British Columbia. It has a head office in Surrey, British Columbia and registered to
 carry on a small family business of convenience store in Vancouver, British Columbia.

 Exhibit A (SEI profile from BC Registry Services)
- 4. The Defendant Imperial Tobacco Company Limited ("ITCO") is a corporation incorporated under the laws of Canada from my knowledge. It has a head office in Montreal, Quebec and sole manufacturer and distributor of wide variety of tobacco products. Their major brands are Avanti, du Maurier, JPS, Marlboro, Matinee, Medallion, Pall Mall, Peter Jackson, Player's, John Player Standard, Viceroy, Vogue and more. *Exhibit B (ITCO Company profile from Industry Canada)*

History

- In June 2011, the Defendant ITCO offered Preferred Pricing Program (the "PPP") to Applicant's competitor New Hasty Market ("NHM") located at 440 West Hastings St. Vancouver.
- 6. In Preferred Pricing Program, ITCO is selling its products to the NHM up to \$5.60 before HST per carton (per 10 packs) cheaper than Applicant's cost from ITCO.
- 7. Typically our margin on one cigarette pack is 50-60 cents that makes \$5.00 to \$6.00 per carton.
- 8. It means If Applicant sells ITCO products at cost; Applicant's competitor NHM will still be making at least \$5.60 profit before HST on its ITCO products.
- 9. During June 2011 and September 2012, the Applicant kept on losing customers as the Applicant's competitor NHM were selling cigarettes cheaper to the customers.
- 10. In October 2012, Applicant's competitor dropped the prices of ITCO products below Applicant's cost from ITCO.
- 11. I requested ITCO Account Representative Mr. Rob Laing to visit our store in the first week of November 2012 and inquired if ITCO selling their products to Applicant's competitor at discounted prices. Mr. Laing confirmed that NHM is on PPP since June 2011.
- 12. I explained Mr. Laing the damage caused to the Applicant's business by ITCO's PPP offered to our neighbor NHM. I believe it was breach of trust towards the Applicant's

business by awarding unfair advantage to the Applicant's competitor without Applicant's knowledge.

- 13. I inquired from Mr. Laing how does PPP work. Mr. Laing explained that the determination to be on PPP is between the relationship between the Account representative and the store. I told Mr. Laing that we were never been visited by any Account representative since we set up our account with ITCO. The last visit at our store by ITCO Account representative was when we set up our account with ITCO to collect the Retail Tobacco Authorization and to let us know about our order day.
- 14. Mr. Laing expressed his opinion by saying, "It is unfortunate but I cannot do anything at this time. Our next review is in December at that time we might consider you for the PPP. I will come back next week and will add you on John Player Standard program. This will match Applicant's and the competitor NHM prices for John Player Standard.
- 15. I requested in the meeting and in the email to provide us the same business opportunity. I got this meeting documented with Mr. Laing via email on November 14, 2012.
 Exhibit C (Email dated Nov 14, 2012 to Mr. Laing documenting the meeting and concerns)
- 16. Mr. Laing put us on John Player Standard program after 3 weeks to match our price with our competitor NHM.
- 17. I was shocked to see the price difference between our old price and the new discounted price. There was \$5.17 per carton difference in the price. Then I realized how Applicant's competitor could offer low prices to the customers.

Exhibit D (ITCO Invoice 9108276797 dated 22/11/2012 reflecting our price before adding to John Player Standard Program)

Exhibit E (ITCO Invoice 9108323107 dated 06/12/2012 reflecting our New price after adding to John Player Standard Program)

- 18. I waited patiently through the month of November and December while Applicant's business was still suffering both due to losing customers and by reducing the price to the cost on rest of the product lines of ITCO to stay in the market.
- I contacted again Mr. Laing on December 27, 2012 via email to get an update about the review. Mr. Laing did not reply then I called again Mr. Laing on January 04, 2013 and requested for the visit.

Exhibit F (Email dated Dec 27, 2012 to Mr. Laing for the follow-up)

- 20. Mr. Laing visited our store on January 07, 2013 and informed us that Applicant has not been selected for PPP. I asked Mr. Laing if Applicant's competitor is still on the discounted program PPP. Mr. Laing replied yes NHM is still getting ITCO products at discounted prices.
- 21. I informed Mr. Laing via email that Applicant will be taking legal action against ITCO if ITCO did not resolve the issue as it is the violation of Competition Act.

 Exhibit G (Email dated Jan 07, 2013 to Mr. Laing)
- 22. Mr. Laing came back to our store on January 11, 2013 and instead of resolving the issue was threatening that ITCO has a very good legal team.
- 23. Exhibit H (Email dated Jan 11, 2013 to Mr. Laing)
- 24. I sent Mr. Laing the relevant section of Competition Act for review as I believed that this section applies to our situation:
 - **76.** (1) On application by the Commissioner or a person granted leave under section 103.1, the Tribunal may make an order under subsection (2) if the Tribunal finds that
 - (a) a person referred to in subsection (3) directly or indirectly
 - (i) by agreement, threat, promise or any like means, has influenced upward, or has discouraged the reduction of, the price at which the person's customer or any other person to whom the product comes for resale supplies or offers to supply or advertises a product within Canada, or
 - (ii) has refused to supply a product to or has otherwise discriminated against any person or class of persons engaged in business in Canada because of the low pricing policy of that other person or class of persons;
 and
 - (b) the conduct has had, is having or is likely to have an adverse effect on competition in a market.

• Marginal note: Order

- (2) The Tribunal may make an order prohibiting the person referred to in subsection (3) from continuing to engage in the conduct referred to in paragraph (1)(a) or requiring them to accept another person as a customer within a specified time on usual trade terms.
- Marginal note:Persons subject to order

- (3) An order may be made under subsection (2) against a person who
 - (a) is engaged in the business of producing or supplying a product;

Exhibit H (Email dated Jan 11, 2013 to Mr. Laing)

25. Mr. Thierry Schmidt the Regional Sales Manager of ITCO sent a letter dated January 17, 2013 in which Mr. Schmidt said that "It is legal to offer the PPP to some retailers and not to all". It means in my understanding that it is legal to discriminate two businesses operating side by side offering the same product lines; buying from the same manufacturer and supplier.

ExhibitI I (Mr. Schmidt Letter dated Jan 17, 2013)

- 26. Mr. Schmidt insisted that it is legal to offer different prices to different customers and even after explaining Applicant's situation insisting on continue to discriminate the Applicant's business in future as well.
- 27. I requested ITCO to provide us the copy of PPP policy so that we can better understand the PPP. In response Mr. Schmidt sent me the factors to be considered to be eligible for PPP which are beyond my understanding in Applicant's situation. Namely:
 - a. Retailer's volume of tobacco products relative to other stores in the area.
 - The geographical location of a retailer's outlet and demographic profile of the population surrounding the retailer's location; and
 - c. The retailer's willingness, capability and motivation to work with ITCO and to implement ITCO initiative.

Exhibit J (Mr. Schmidt Letter dated Jan 25, 2013)

- 28. I believe that there is no difference in Applicant and its competitor NHM's ordering or selling volume of tobacco products. If there was any difference of ordering/selling volume in past was due to the ability of Applicant's competitor ability to sell the ITCO tobacco products at lower prices for being on PPP.
- 29. How could two stores side by side differ in geographical location and demographic profile of the population?

Exhibit K (Street view of NHM 440 and SEI 450 West Hastings St. Vancouver, BC)

30. **Exhibit** K is a street view of Applicant's and its competitor's street view that clearly reflects the geographical location and products carried by both the businesses.

31. Applicant's business was never been visited by Account representative of ITCO during May 2011 till November 08, 2012 and even November 08, 2012 visit was on the request of the Applicant. How does ITCO get to know the willingness, capability and motivation to work with ITCO? And even now, when Applicant showing willingness, capability and motivation to work with ITCO, in response, Applicant is getting in response is it is unfortunate but you have to suffer further losses. What else should Applicant do so that ITCO stops its discriminating policy?

Justification for Discriminating Applicant

- 32. I tried to reason with Account representative Mr. Laing on his visit on November 08, 2012 that I can justify ITCO discriminating policy although it will still be unfair under following circumstances:
 - If Applicant's competitor is located at least 1 or 2 blocks away from the Applicant's location;
 - If Applicant's competitor is a specialty smoke shop (exclusively selling tobacco products); or
 - Applicant's competitor is getting a volume discount.
 - If ITCO is not the ONLY manufacturer of its products and just a mere wholesaler.
- 33. Mr. Laing confirmed that the discounted prices offered to NHM is not a volume discount but is a part of PPP awarded by ITCO.
- 34. Mr. Schmidt wrote in his letter dated January 17, 2013 that the main objective of PPP is to ultimately offer lower retail prices to consumers on ITCO products. What should a retailer do who is supplied ITCO products at higher prices located besides a retailer who is supplied ITCO products at discounted prices?

Effects on SEI Business

- 35. In this letter dated January 25, 2013 Mr. Schmidt explained that the limited financial resources prevent ITCO from offering PPP to every eligible retailer in Canada and ITCO selects carefully from the eligible outlets.
- 36. As I mentioned earlier that Safa Enterprises Inc. is a small family business; Safa is my 3.5 years old daughter and we named the business on her name. My wife is the sole

- shareholder/director of the business and I am managing the business. We have invested all the resources we had in order to make our living in this business.
- 37. If big corporation like ITCO is crying for their limited resources the Tribunal can imagine our condition as we do not have any other resources left. We have invested all our resources in this business and today we are forced to sell ITCO products at or below cost.
- 38. The Applicant is not a charitable institution nor Respondent ITCO is a charitable institution and we have no intention of working for ITCO for charity. The PPP offered to Applicant's competitor NHM is not only adversely affecting us financially but also affecting our health and family life.
- 39. The loss incurred by the Applicant is not limited only to tobacco sales, but also affecting sale of other merchandise as well. As customers buying tobacco product tend to buy lighters, gums, candies, soft drinks etc.
- 40. Customers have perception if a retailer charging more prices for tobacco product; He must be charging more prices for rest of the merchandise carried by the retailer as well.
- 41. In year 2012, Applicant purchased \$82,376.75 worth of tobacco products from the Respondent; this amount will be more than \$125,000.00 during current year. Applicant is having hard time paying lease, bills, employees' salaries and other expenses and will not be able to sustain further losses due to Respondent's discriminating policy.
- 42. Since February 2013, when we have informed the Respondent ITCO that we will be taking legal action against ITCO's actions, we have not been visited by any of ITCO representative to check the expiry of the tobacco products. It is the responsibility of ITCO to ensure that tobacco products sitting on the shelves are not expired.
- 43. We might have been selling expired products as we have no clue to figure out the expiry date on ITCO products as ITCO products contain certain number to identify their expiry date that can be identified only by ITCO representative.
- 44. According to Commissioner of Competition v. British American Tobacco (CT-1999-001) Statement of grounds states that Imperial Tobacco has 70% of the total share of manufactured cigarette market. It means the Applicant will have to sell at least 70% of its tobacco products at or below cost due to PPP offered to the Applicant's direct competition NHM to stay in the market.
- 45. I was fighting with cancer from July 2011 to June 2012 while our business was suffering because of ITCO discriminating policy without our knowledge that resulted in loss of business and now we are incurring loss due to dropped prices of ITCO products. This

situation is not limited to financial loss but also it has adverse effect on my health. I am under too much stress I cannot sleep at night properly; I have great strains in my shoulders, severe headache at times and cannot focus on business as I am always worried about our current situation due to ITCO discriminating policy.

- 46. If Defendant ITCO continues to discriminate Applicant's business; Applicant will be out of business in near future leaving a family and employees jobless.
- 47. I have tried to reason with ITCO at numerous levels and occasion since November 2012 to justify their discriminated policy towards our business but no vain. I have no other option left to request tribunal to intervene and hear our plea. Our only request is to provide us the same business opportunity.
- 48. The conduct of ITCO of low pricing policy has had, is having and will be having an adverse effect on Applicant's business and competition in the market.

Dated at Vancouver, British Columbia, this 6th day of September, 2013.

Adnan Mustafa

Manager

Safa Enterprises Inc.

SAIRAKE Notary Public #213, 8334 - 128th Street Surrey, BC V3W 4G2

Tel: 604-591-5824 Fax: 604-591-8273

saira@vannotary.com





Mailing Address: PO Box 9431 Stn Prov Govt Victoria BC V8W 9V3 www.corporateonline.gov.bc.ca Location: 2nd Floor - 940 Blanshard Street Victoria BC 250 356-8626

CERTIFIED COPY

Of a Document filed with the Province of British Columbia Registrar of Companies

Notice of Articles

BUSINESS CORPORATIONS ACT

CAROL PREST

This Notice of Articles was issued by the Registrar on: August 1, 2013 12:01 AM Pacific Time

Incorporation Number:

BC0900031

Recognition Date and Time: Incorporated on January 10, 2011 08:48 PM Pacific Time

NOTICE OF ARTICLES

Name of Company:

SAFA ENTERPRISES INC.

REGISTERED OFFICE INFORMATION

Mailing Address:

11957 96A AVENUE SURREY BC V3V 2A5 CANADA

Delivery Address:

11957 96A AVENUE SURREY BC V3V 2A5

CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

11957 96A AVENUE SURREY BC V3V 2A5 CANADA

Delivery Address:

11957 96A AVENUE SURREY BC V3V 2A5 CANADA

> This is Exhibit "A Affidavit/Declaration of ADNO Sworn/Declared before me at Super BC this 6 day of FOCMER 20

Saira Khan

Notary Public for the Province of

Prish Columbia

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

Adnan, Raina Khan

Mailing Address:

12718 97A AVENUE SURREY BC V3V 2H5 CANADA **Delivery Address:** 12718 97A AVENUE SURREY BC V3V 2H5 CANADA

AUTHORIZED SHARE STRUCTURE

1. 10,000

Common Shares

Without Par Value

Without Special Rights or Restrictions attached





Government of Canada Gouvernement du Canada

Canadä

B

Industry Canada

Home > Corporations > Corporations Canada > Search for a Federal Corporation

Corporations Canada

Federal Corporation Information - 3701590

Glossary of Terms used on this page Return to Search Results

Start New Search

Corporation

Number

3701590

Business Number (BN)

864627385RC0001

Governing Legislation

Canada Business Corporations Act - 1999-12-29

Corporate Name

IMPERIAL TOBACCO COMPANY LIMITED - IMPERIAL TOBACCO COMPAGNIE LIMITÉE

Status

Active

Registered Office Address

3711 ST. ANTOINE STREET WEST MONTREAL QC H4C 3P6

Canada

Active CBCA corporations are required to <u>update this information</u> within 15 days of any change.

Directors

Minimum

1

Maximum

10

To obtain addresses of directors, <u>contact Corporations</u> <u>Canada</u> by email or fax.

Directors

Tamara Gitto David Ellacott Marie Polet Éric Thauvette This is Exhibit " to the

Affidavit/Declaration of ADNAD AUCY FA

Sworn/Declared before me at Supercy

BC this 6 day of See6-1220 1

Saira Khan Notary Public for the Province of British Columbia

Active CBCA corporations are required to <u>update this information</u> within 15 days of any change.

Annual Filings

Anniversary Date (MM-DD) 12-29

Date of Last Annual Meeting 2009-02-19



B

Annual Filing Period (MM-DD)

12-29 to 02-27

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

2013 - Not due 2012 - Filed 2011 - Filed

Corporate History

Corporate Name History

1999-12-29 to Present IMPERIAL TOBACCO COMPANY LIMITED -1999-12-29 to Present IMPERIAL TOBACCO COMPAGNIE LIMITÉE

Certificates and Filings

Certificate of Incorporation

1999-12-29



Subject:	My Convenience Store	This is Exhibit "" to the Affidavit/Declaration of Abana (15) (15)
From:	Adnan Mustafa (adnan.must@yahoo.ca)	Swom/Declared before me at Supply day of Scothers 20 1
To:	rlaing@itl.ca;	Saira Khan
Date:	Wednesday, November 14, 2012 1:40:30 PM	Notary Public for the Province of British Columbia

Hi Rob,

I would like to take this opportunity to thank you for visiting our store last week. I appreciate the valuable time you took to listen to some of our concerns, and to assess ways in which we could improve our business selling ITCL products. Being a small establishment, we are pleased to be an ITCL affiliate, and look forward to a mutually beneficial relationship as we continue to grow.

Our main concern was the special pricing program by ITCL awarded to our next door neighbor since June 2011 (New Hasty Market located at 440 West Hastings St, Vancouver BC). It was really nice seeing a sales representative from Imperial Tobacco since we set up our account with ITCL. Hope to see you more often in future.

Purpose:

The reason for this email is to get our concern documented with your company so that we will not be ignored in future in case you get promoted or decided to leave the company our concern should be there for the person who will be in charge of your responsibilities.

Summary:

The reason for contacting you and requesting for the visit was to inform you the challenges faced by our small establishment due to special pricing program awarded to our neighbor. As we mentioned during your visit that our pricing for Imperial tobacco products were already one of the lowest in Vancouver. Now our neighbor has further dropped the pricing of your products to a level where we are forced to sell the same products at cost to keep our customers (to match the prices). We do not know if we will have to sell your products below cost if our neighbor further dropped the prices until your company review and put us under the same pricing umbrella as our neighbor's, as you mentioned that this review will take place sometime in December 2012. Our neighbor is able to offer these low prices to customers as he buys smokes cheaper than our cost from your company. Our neighbor is being practicing this policy of selling products at or below our cost to get us out of the business and we believe Imperial Tobacco supporting/helping him indirectly in his cause as he is our direct competition.

As we mentioned if our neighbor was 1 or 2 blocks away from our store or if he was a specialty smoke

shop (exclusively selling tobacco products) and the Imperial Tobacco awards him special pricing program then we have no problem, but at the moment we are in the same business, offering the same products for sale to the customers we find it unfair and unjust as there is barely a door between our and his store.

As you mentioned that Imperial Tobacco revise the special pricing program twice a year to decide to award or remove a store from the program and the way a store can be put on the program is determined by the relationship between the sale representative and the store and the authority to put a store on the program lies with the sales representative. We were not been visited by any Sales rep since we setup our account with Imperial Tobacco. The sales rep at that time was came to inform us about our order day and to collect the copy of tobacco retail authorization. As a result we were unable to build any relationship with the sales rep and been ignored at least last 3 reviews to be added to the program and November 08, 2012 was day 1 for us to build this relationship.

The situation is very frustrating for us especially after knowing that there is no assurance what is going to happen after the next review by Imperial Tobacco in December. As we mentioned that the coming 10-12 weeks are the busiest weeks of the year for us and even we been placed on the program we will be heading to slowest time of the year resulting us further losing money during these busy months. This frustration restraining us to stay focused to perform our normal business activities.

Action Requested:

After explaining all the circumstances including unfair advantage provided to our neighbor for last year and a half we are requesting Imperial Tobacco to take quick action to resolve the issue. We are not requesting to take our neighbor off the program and place us on the special pricing program. All we are requesting is at least provide us the same opportunity. Could you please escalate our request as we find ourselves in extra ordinary situation because Imperial Tobacco ignored us in last reviews and to save our small establishment from further loss?

We will highly appreciate to keep us updated with the actions taken. If you need any other information or have questions please contact us by email, phone or fax.

Thank you,

Adnan Mustafa

Manager

ITCL Customer No. 1060295

Safa Enterprises Inc.

dba My Convenience Store

450 West Hastings St,

0

Vancouver BC V6B 1L1

Phone (604) 566-9161

Fax (604) 566-9836

Email: adnan.must@yahoo.ca



Imperial Tobacco Company Limited

PO Box 6135, Station Centre Ville Montreal QC H3C 3S1

Tel.: 1-800-818-2771 Fax: 1-866-932-3589 www.imperialtobacco.com

INVOICE

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Route: 60007

Trip-Stop: 933281-039

Adresse de facturation / Billing Address

MY CONVENIENCE STORE SAFA ENTERPRISES INC. 450 WEST HASTINGS STREET VANCOUVER BC V6B 1L1

Adresse du destinataire / Shipping Address

MY CONVENIENCE STORE SAFA ENTERPRISES INC. 450 WEST HASTINGS STREET VANCOUVER BC V6B 1L1

Information

Nº Commande du client / Customer P.O. Nº

Date de commande / Order Date

Nº de facture / Invoice Nº Date de facturation / Invoice Date

N° de compte / Account N° Nº Livraison / Delivery Nº

Date livraison estimée / Estimated Delivery Date

Poids total / Total Weight Nombre de colis / Number of Packages

Nº de sceau / Seal Nº

Termes de paiement / Payment Terms(§)

20121121145105

21/11/2012 9108276797

22/11/2012 1060295

8108317755 23/11/2012 8.712 KG

00002

RVAN01205074, RVAN01205075 Payable within 7 days by pre-authorized debit

Note(§): Payment due date calculated from date of actual receipt of goods. Tel.: 6045669161 The prices appearing on this invoice could be subject to an adjustment in the event that any rebates have to be

withdrawn or the final unit prices reflected herein are incorrect. An adjusted invoice will then be issued.

MARQUE BRAND	CODE UPC UPC CODE	CONTENU / DESCRIPTION - SIZE	QUANTITÉ QUANTITY	Prix Unitaire Unit Price	Taxe unit. sur le tabac Tobacco Unit Tax	Modalités & Cond. (M&C) Retailer Price Adj. (TTC's)	Programmes au détail Trade Programs	Prix Unitaire Net Net Unit Price	MONTANT TOTAL Ind	Esc/Surc Paiement Payment Disc/Surc	Prix Unitaire Final Final Unit Price
		Prod. Sub-Total / Prod. Sous-Total Dist/Avail/Inventory Total Retailer Price Adjustments	31					45.40- 45.40-	2,064.57		
		H.S.T. (12.00 %) #864627 TOTAL AMOUNT	385RT0001						247.73 2,312.30		
¥		NET AMOUNT							2,312.30		
S. S		This is Exhibit "	on of ADNA	Mus / 20 13	164.		=				
	. ,	Saira Khan Notary Pub li c for British Columbia	the Province of	and the second second				A			
,	TAXE PROVINCIALE DE TABAC							JR/DY MO	ANYR		



Imperial Tobacco Company Limited

PO Box 6135, Station Centre Ville Montreal QC H3C 3S1 Tel.: 1-800-818-2771 Fax: 1-866-932-3589

www.imperialtobacco.com

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INVOICE

Adresse de facturation / Billing Address

MY CONVENIENCE STORE SAFA ENTERPRISES INC. 450 WEST HASTINGS STREET VANCOUVER BC V6B 1L1

Adresse du destinataire / Shipping Address

MY CONVENIENCE STORE SAFA ENTERPRISES INC. 450 WEST HASTINGS STREET VANCOUVER BC V6B 1L1 Information

N° Commande du client / Customer P.O. N°

20121121145105 21/11/2012 Route: 60007 Trip-Stop: 933281-039

Date de commande / Order Date N° de facture / Invoice N°

9108276797

Date de facturation / Invoice Date N° de compte / Account N° 22/11/2012 1060295

Date livraison estimée / Estimated Delivery Date

8108317755 23/11/2012

Poids total / Total Weight Nombre de colis / Number of Packages

Nº Livraison / Delivery Nº

8.712 KG 00002

Nº de sceau / Seal Nº

RVAN01205074, RVAN01205075

Termes de paiement / Payment Terms(§)

Payable within 7 days by pre-authorized debit

Note(§): Payment due date calculated from date of actual receipt of goods.

Tel.: 6045669161

The prices appearing on this invoice could be subject to an adjustment in the event that any rebates have to be withdrawn or the final unit prices reflected herein are incorrect. An adjusted invoice will then be issued.

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233701	59300 02337	John Player ST Blue SPC 90% Bonus 1x1	00 1 CA	R 14.43	18.50	0.40-		32.53	32.53		32.53
284001	59300 52159	John Player Standard Rich Taste KS 10x2	1 CAR	30.59	37.00	1.50-		66.09	66.09		66.09
283801	59300 52148	John Player Standard Rich Taste RG 10x2	1 CAR	30.59	37.00	1.50-		66.09	66.09		66.09
284401	59300 52161	John Player Standard Smooth Taste KS 10	1 CAR	30.59	37.00	1.50-		66.09	66.09		66.09
258601	59300 52480	Pall Mall BLUE KS 10x20	7 CAR	24.57	37.00	1.50-		60.07	420.49		60.07
258201	59300 52476	Pall Mall RED KS 10x20	7 CAR	24.57	37.00	1.50-		60.07	420.49		60.07
258001	59300 52474	Pall Mall RED RG 10x20	1 CAR	24.57	37.00	1.50-		60.07	60.07		60.07
265601	59300 50957	Peter Jackson FF KS 10x20	1 CAR	30.53	37.00	1.50-		66.03	66.03		66.03
266301	59300 52111	Peter Jackson Menthol KS 10x20	2 CAR	30.53	37.00	1.50-		66.03	132.06		66.03
266701	59300 52092	Peter Jackson Select Flavour KS 10x20	1 CAR	30.53	37.00	1.50-		66.03	66.03		66.03
273701	59300 50824	Player's Smooth Flavour RG 10x20	1 CAR	45.45	37.00	1.50-		80.95	80.95		80.95
271801	59300 50020	du Maurier Balanced KS 10x20	2 CAR	48.45	37.00	1.50-		83.95	167.90		83.95
272001	59300 50303	du Maurier Balanced RG 10x20	1 CAR	48.45	37.00	1.50-		83.95	83.95		83.95
271001	59300 50612	du Maurier Distinct KS 10x20	1 CAR	48.45	37.00	1.50-		83.95	83.95		83.95
271201	59300 50562	du Maurier Distinçt RG 10x20	1 CAR	48.45	37.00	1.50-		83.95	83.95		83.95
270601	59300 50281	du Maurier Signature KS 10x20	2 CAR	48.45	37.00	1.50-		83.95	167.90		83.95
	×										
	¥.										
,		/PROVINCIAL TORACCO TAX						JR/DY MO	ANYR		

Sujet à changer/Subject to change



Imperial Tobacco Company Limited

W

PO Box 6135, Station Centre Ville Montreal QC H3C 3S1

Tel.: 1-800-818-2771 Fax: 1-866-932-3589

www.imperialtobacco.com

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Route: 60007

Trip-Stop: 939948-050

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Adresse du destinataire / Shipping Address

MY CONVENIENCE STORE SAFA ENTERPRISES INC. 450 WEST HASTINGS STREET VANCOUVER BC V6B 1L1

Information

20121205150248 N° Commande du client / Customer P.O. N°

05/12/2012 Date de commande / Order Date

9108323107 N° de facture / Invoice N° Date de facturation / Invoice Date 06/12/2012 1060295 Nº de compte / Account Nº 8108363681 Nº Livraison / Delivery Nº 07/12/2012

Date livraison estimée / Estimated Delivery Date

8.915 KG Poids total / Total Weight

00002 Nombre de colis / Number of Packages

RVAN01216227, RVAN01216228 Nº de sceau / Seal Nº Termes de paiement / Payment Terms(§) Payable within 7 days by pre-authorized debit

Tel.: 6045669161 Note(§): Payment due date calculated from date of actual receipt of goods. The prices appearing on this invoice could be subject to an adjustment in the event that any rebates have to be withdrawn or the final unit prices reflected herein are incorrect. An adjusted invoice will then be issued.

MARQUE BRAND	CODE UPC UPC CODE	CONTENU / DESCRIPTION - SIZE	QUANTITÉ QUANTITY	Prix Unitaire Unit Price	Taxe unit. sur le tabac Tobacco Unit Tax	Modalités & Cond. (M&C) Retailer Price Adj. (TTC's)	Programmes au détail Trade Programs	Prix Unitaire Net Net Unit Price	MONTANT TOTAL TOTAL AMOUNT	Esc/Surc Paiement Payment Disc/Surc	Prix Unitaire Final Final Unit Price
		Prod. Sub-Total / Prod. Sous-Total Dist/Avail/Inventory Low Segment Term Total Retailer Price Adjustments Total Trade Programs H.S.T. (12.00 %) #8646273 TOTAL AMOUNT NET AMOUNT	32 85RT0001	·	,			43.50- 10.34- 43.50- 10.34-	2,057.51 246.89 2,304.40 2,304.40		
	**	This is Exhibit "" to the Affidavit/Declaration of _ADNAN USM/- Sworn/Declared before me at _Superx BC this _6—_ day of September 20 13. Saira Khan Notary Public for the Province of British Columbia									

TAXE PROVINCIALE DE TABAC / PROVINCIAL TOBACCO TAX NO. DE PERMIS TOTAL TAXE TABAC TOTAL TOBACCO TAX BC 0005 1.073.00

MONTANT TOTAL TOTAL AMOUNT 2,304.40

ESCOMPTE PAIEMENT PAYMENT DISCOUNT

MONTANT NET NET AMOUNT Remise 2.304.40

COMPAGNIE LIMITÉE au plus tard le If received by IMPERIAL TOBACCO COMPANY LIMITED no later than

DATE PAIEMENT DÛ (§)
PAYMENT DUE DATE



CANADA

Imperial Tobacco Company Limited

W

PO Box 6135, Station Centre Ville Montreal QC H3C 3S1

Tel.: 1-800-818-2771 Fax: 1-866-932-3589

www.imperialtobacco.com

Page 1/2

Route: 60007

Trip-Stop: 939948-050

INVOICE

Adresse de facturation / Billing Address

MY CONVENIENCE STORE SAFA ENTERPRISES INC. 450 WEST HASTINGS STREET VANCOUVER BC V6B 1L1

Adresse du destinataire / Shipping Address

MY CONVENIENCE STORE SAFA ENTERPRISES INC. 450 WEST HASTINGS STREET VANCOUVER BC V6B 1L1 Information

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Date de commande / Order Date 05/12/2012

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 N° Livraison / Delivery N°
 8108363681

Date livraison estimée / Estimated Delivery Date 07/12/2012
Poids total / Total Weight 8.915 KG

Nombre de colis / Number of Packages 00002

N° de sceau / Seal N° RVAN01216227, RVAN01216228
Termes de paiement / Payment Terms(§) Payable within 7 days by pre-authorized debit

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284001	59300 52159	John Player Standard Rich Taste KS 10x2	1 CAR	30.59	37.00	1.50-	5.17-	60.92	60.92		60.92
284401	59300 52161	John Player Standard Smooth Taste KS 10	1 CAR	30.59	37.00	1.50-	5.17-	60.92	60.92		60.92
276401	59300 50622	Marlboro KS 10x20	1 CAR	48.45	37.00	1.50-		83.95	83.95		83.95
264401	59300 50415	Matinée Mellow RG 10x20	1 CAR	49.56	37.00	1.50-		85.06	85.06		85.06
258601	59300 52480	Pall Mall BLUE KS 10x20	6 CAR	24.57	37.00	1.50-		60.07	360.42	l l	60.07
258401	59300 52478	Pall Mall BLUE RG 10x20	1 CAR	24.57	37.00	1.50-		60.07	60.07		60.07
		Pall Mall Black KS 10x20	1 CAR	30.53	37.00	1.50-		66.03	66.03		66.03
258201	59300 52476	Pall Mall RED KS 10x20	4 CAR	24.57	37.00	1.50-		60.07	240.28		60.07
281701	59300 52815	Peter Jackson Charc FT Black KS 10x20	1 CAR	30.53	37.00	1.50-		66.03	66.03		66.03
266001	59300 50978	Peter Jackson Mellow Flavour KS 10x20	1 CAR	30.53	37.00	1.50-		66.03	66.03		66.03
266301	59300 52111	Peter Jackson Menthol KS 10x20	2 CAR	30.53	37.00	1.50-		66.03	132.06		66.03
266701	59300 52092	Peter Jackson Select Flavour KS 10x20	1 CAR	30.53	37.00	1.50-		66.03	66.03		66.03
		Viceroy RED KS 10x20	1 CAR	24.57	37.00	1.50-		60.07	60.07		60.07
276201	59300 50062	Vogue (Blue) Superslims 100mm 10x20	1 CAR	49.31	37.00	1.50-	,	84.81	84.81		84.81
		Zig Zag Blue Booklets 1x25	1 BOX	19.90				19.90	19.90		19.90
		Zig Zag Ultra Thin Booklets 1x25	1 BOX	21.33				21.33	21.33		21.33
		Zig Zag White Booklets 1x25	1 BOX	19.90				19.90	19.90		19.90
		du Maurier Balanced KS 10x20	1 CAR	48.45	37.00	1.50-		83.95	83.95		83.95
		du Maurier Distinct KS 10x20	2 CAR	48.45	37.00	1.50-		83.95	167.90		83.95
		du Maurier Signature KS 10x20	2 CAR	48.45	37.00	1.50-		83.95	167.90		83.95
270801	59300 50293	du Maurier Signature RG 10x20	1 CAR	48.45	37.00	1.50-		83.95	83.95		83.95
	TAXE PROVINCIALE DE TABAC	ADDOMNOM TORACCO TAY						JR/DY MO	AN/YR		

TAXE PROVINCIALE DE TABAC / PROVINCIAL TOBACCO TAX

NO. DE PERMIS
TOTAL TAXE TABAC
TOTAL TOBACCO TAX
TOTAL TOBACCO TAX

MONTANT TOTAL TOTAL AMOUNT ESCOMPTE PAIEMENT PAYMENT DISCOUNT Remise NET AMOUNT

Si reçu par IMPERIAL TOBACCO
COMPAGNIE LIMITÉE au plus tard le:
If received by IMPERIAL TOBACCO
COMPANY LIMITED no later than:

DATE PAIEMENT DÛ (§)
PAYMENT DUE DATE

Subject:	My Convenience Store
From:	Adnan Mustafa (adnan.must@yahoo.ca)
To:	rlaing@itl.ca;
Date:	Thursday, December 27, 2012 3:29:07 PM

Hi Rob,

Hopefully you will be having great holidays. It's almost the end of December and we did not hear anything about the pricing program review from your company. I was hoping you will be contacting us during 1st or 2nd week of this month as I got to knew that Imperial Tobacco was introducing some new program to the retailers at that time.

Anyways, whenever you get back from holidays or get time please get us updated about the developments. Hope to hear from you very soon.

Adnan Mustafa,

ITCL: 1060295 Safa Emterprises Inc. dba My Convenience Store 604-566-9161

This is Exhibit " F " to the Affidavit/Declaration of Abnua Mus AF4 . Sworn/Declared before me at Supply BC this 6 day of Septemb 20 13.

Saira Khan

Notary Public for the Province of British Columbia

6

Subject: Extremely Urgent: Safa Enterprises Inc. From: Adnan Mustafa (adnan.must@yahoo.ca) To: rlaing@itl.ca; Date: Monday, January 7, 2013 3:27:05 PM Affidavit/Declaration of Imperial Tobacco Canada Limited Saira Khan Notary Public for the Province British Columbia

Hi Rob,

Thank you for stopping by at our store this morning on our request and providing us with up to date information about our request to provide us equal opportunity to make our living in our small establishment. We are really disappointed that we have been ignored by Imperial Tobacco Canada for the 4th consecutive review. These actions of ITCL have adversely affected since June 2011 and still affecting not only to our business but our family life as well.

We are informing you that due to ITCL's behavior we will be unable to sell Imperial tobacco Canada's products above our cost. We have no other option to sell your products at or below our cost to compete with our next door neighbor (New Hasty Market 440 West Hastings St.) to survive in the market. New Hasty Market has been provided unfair advantage over us since June 2011 by ITCL by awarding special pricing program offered to our neighbor. We are trying to resolve this issue since last 3 months. All we requested was to provide us the equal opportunity to earn our living.

Final Demand:

We are demanding ITCL to resolve this issue by January 14th 2013 and provide us with the equal opportunity to earn our living and compensate for the loss incurred and distress caused due to ITCL's policies since June 2011 and for the future losses as well. We need the phone number or contact information of the person who is in a position to resolve the issue in stipulated time.

Actions ITCL Expects:

As we believe that ITCL's actions are in Violation of Sale of Goods Act and Federal Competition act; we will pursue all the legal course of actions available to us to protect our business interest.

Adnan Mustafa

Manager,

ITCL Account No. 1060295

Safa Enterprises Inc. dba My Convenience Store 450 West Hastings St Vancouver BC V6B 1L1 Phone 604-566-9161 Fax: 604-566-9836 6

Subject:	Extremely Disappointed by ITCL attitude	
From:	Adnan Mustafa (adnan.must@yahoo.ca)	
To:	rlaing@itl.ca;	This is Exhibit " H " * * * * *
Date:	Friday, January 11, 2013 2:23:38 PM	This is Exhibit "H" to the Affidavit/Declaration of ADMAN) MUSAFA. Sworn/Declared before me at Surrey.
Imperial	Tobacco Canada Limited	BC this day of Societies 20 13 Saira Khan Notary Public for the Province of British Columbia

Hi Rob,

I am really disappointed after meeting you today when you told me that instead of resolving the problem we are facing due to your company's discriminating policy that your company has a very good legal team and they are saying that Imperial Tobacco is not engaged in any illegal activity by discriminating 2 stores located side by side. We believe that your company involved in not only illegal but also unethical activity by providing unfair advantage to one business and leaving other business to suffer since June 2011. We provided your company an opportunity to rectify the discriminating behavior towards our business, in response your company is insisting to continue their policy even in future.

We wanted to send this email to someone else instead of you but as requested you never provided us with the contact information of any higher authority who could resolve the problem, we even called customer service to ask someone to call us to resolve this issue but no one contacted us to-date. We are sending this email to you as we do not have any other contact person at your company and the other reason to get our meeting documented to be presented in the court of law when required.

We are reproducing the applicable Section 76 from Federal Competition Act for your "Excellent Legal team":

- · 76. (1) On application by the Commissioner or a person granted leave under section 103.1, the Tribunal may make an order under subsection (2) if the Tribunal finds that
 - (a) a person referred to in subsection (3) directly or indirectly
 - (i) by agreement, threat, promise or any like means, has influenced upward, or has discouraged the reduction of, the price at which the person's customer or any other person to whom the product comes for resale supplies or offers to supply or advertises a product within Canada, or
 - (ii) has refused to supply a product to or has otherwise discriminated against any person or class of persons engaged in business in Canada because of the low pricing policy of that

other person or class of persons; and

- (b) the conduct has had, is having or is likely to have an adverse effect on competition in a market.
- · Marginal note:Order
- (2) The Tribunal may make an order prohibiting the person referred to in subsection (3) from continuing to engage in the conduct referred to in paragraph (1)(a) or requiring them to accept another person as a customer within a specified time on usual trade terms.
- · Marginal note:Persons subject to order
- (3) An order may be made under subsection (2) against a person who
 - (a) is engaged in the business of producing or supplying a product;

Having good legal team does not give right to make a small family business suffer to your company. I am sure that Canadian Courts will hear to our plea. I was fighting with cancer last year and survived. I will fight this injustice by your esteemed company and will win again as your company willfully committing this crime against my family. As I know your company's intentions we will be meeting in court of law very soon.

Thank you,

Adnan Mustafa

Manager,

ITCL Account No. 1060295

Safa Enterprises Inc. dba My Convenience Store 450 West Hastings St Vancouver BC V6B 1L1 Phone 604-566-9161

Fax: 604-566-9836





Saira Khan Notary Public for the Province of British Columbia 1329 - 45th Avenue NE Calgary, AB T2E 2P3 Canada Tel. 1-403-717-8020 Fax 1-403-531-9589 Toll free 1-888-896-6910

www.imperialtobaccocanada.com



January 17, 2013

Without Prejudice

Safa Enterprises Inc. dba My Convenience Store (ERP # 1060295) c/o Mr. Adnan Mustafa, Manager 450 West Hastings Street Vancouver, BC V6B 1L1

Dear Sir,

I am writing in response to the complaint you made recently to your Account Representative, Rob Laing, in relation with our expansion, preferred pricing program (the "PPP").

As you probably know, the main objective of this program is to ultimately offer lower retail prices to consumers on Imperial Tobacco products. The PPP is offered to selected retailers, comprised of both independent small businesses as well as corporate banners. It is legal to offer the PPP to some retailers, and not to all. We have attempted to select as many independent retailers as possible, keeping in mind that limited financial resources prevent us from offering the PPP to all customers.

Let me reassure you that we are, and continue to be, fully committed to all our customers, including those who are not participating in the PPP. We express our commitment to you and your business in various manners. First, by offering you a winning brand portfolio comprising high quality products and unique innovations. Our portfolio provides you with the leading brands that adult smokers are looking for. Our commitment to your business continues day in and day out through our DSS model, which ensures that your ITCO products are delivered to your store, hassle free and your ITCO Account representative is always available to help you with any issues that you may encounter. Finally, our commitment to your business is also to keep our prices as competitive as possible in each segment. In essence, our commitment to you is to offer popular and innovative brands, competitive prices and unique service through our DSS model.





1329 - 45th Avenue NE
Calgary, AB T2E 2P3
Canada
Tel. 1-403-717-8020
Fax 1-403-531-9589
Toll free 1-888-896-6910
www.imperialtobaccocanada.com



I understand your disappointment from the fact that your outlet is not eligible to PPP. But you should not underestimate the benefits that you derive from your participation in our Low Segment Term Program ("LST Program"). Indeed, the LST Program provides you with substantial rebates (which are equivalent to the PPP rebates) on John Player Standard which is the number 1 selling brand in Canada. In addition, if you wish to obtain higher rebates on our products, we invite you to consider the option of adopting the PAD 0 days payment term. It would award you an additional rebate of \$0.45 per carton of Premium and \$0.35 per carton of Below Premium cigarettes. Please consult with your Account Representative (Rob Laing at 778-874-7823) or your District Manager (Vincent Chai at 604-366-5085) if you wish to learn more about this option.

Thank you and regards,

Thierry Schmidt

Regional Sales Manager



This is Exhibit " Affidavit/Declaration of_ Sworn/Declared before me at BC this 64 day of Startura

Saira Khan

Notary Public for the Province of

British Columbia

1329 - 45th Avenue NE Calgary, AB T2E 2P3 Canada Tel. 1-403-717-8020 Fax 1-403-531-9589

Toll free 1-888-896-6910

www.imperialtobaccocanada.com

Without Prejudice

January 25, 2013

CONFIDENTIAL

Safa Enterprises Inc. dba My Convenience Store (ERP # 1060295) c/o Mr. Adnan Mustafa, Manager 450 West Hastings Street Vancouver, BC V6B 1L1

Mr. Mustafa,

This is in response to your email dated January 23, 2013 in which you requested the eligibility criteria for our Preferred Pricing Program ("PPP").

A retailer's eligibility to participate in the PPP is assessed based on the following specific criteria:

- a) the retailer's volume of tobacco products relative to other stores in the area;
- b) the geographical location of a retailer's outlet and the demographic profile of the population surrounding the retailer's location; and
- c) the retailer's willingness, capability and motivation to work with ITCO and to implement ITCO initiatives.

Limited financial resources prevent ITCO from offering PPP to every eligible retailer in Canada and ITCO selects carefully from the eligible outlets. Where a retail outlet declines an offer to participate in PPP, the offer is made to another retail outlet satisfying the criteria. To be clear, the law permits ITCO to select those retailers to whom it wishes to offer PPP.

I understand your disappointment from the fact that your outlet is not eligible to PPP. But, as I mentioned in my previous letter, you should not underestimate the benefits that you derive from your participation in the Low Segment Term Program.

Thank you and regard

Thierry Schmidt

Regional Sales Manager

Imperial Tobacco Company Limited



Saira Khan Notary Public for the Provin British Columbia

0898932 BC Ltd. DBA New Hasty Market

440 West Hastings St, Vancouver BC V6B 1L1

Products

Cigarettes & Cigars G

Grocery

Chocolate & Candies

Soft Drinks & Slush

Dairy

Internet

Souvenirs

MoneyGram

Phone Cards

Safa Enterprises Inc. DBA My Convenience Store

450 West Hastings St, Vancouver BC V6B 1L1

Products

Cigarettes & Cigars

Grocery

Chocolate & Candies

Soft Drinks & Slush

Dairy

Internet

Souvenirs

Mobilicity

Phone Cards

Lotto

