

FILE No:
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MARS/PRISM:

ABN 67 053 725 741

Level 12
201 Kent Street
Sydney NSW 2000

Tel 02 8218 7055
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22 January 2003

Mr Tim Grimwade
General Manager – Adjudication Branch
Australian Competition and Consumer Commission
PO Box 1199
DICKSON ACT 2602

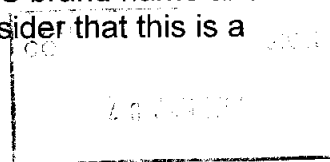
Dear Mr Grimwade

Exclusive Dealing Notification

RAMS Home Loans Pty Limited offers home loan finance to Australian property buyers and property owners wishing to refinance their loans. In addition, related products are offered in alliance with third party service providers. RAMS currently sells its product range utilising the services of independent contractors (individuals and small companies) and sales employees.

RAMS has developed a franchise model where we will licence individuals ("Franchisees") to set up a RAMS Home Loans Centre "store" and sell our products and approved third party products. Franchisees will only be allowed to sell RAMS products or RAMS approved products in the same way that say a McDonalds franchisee may only sell specified products. We will also licence the franchisees to register a business name incorporating the "RAMS" name and to use our trade marks and other intellectual property ("RAMS material") in a controlled manner.

There are strict rules in the franchise agreement and operations manual relating to use of the RAMS material and in relation to the "look and feel" of the individual RAMS Home Loan Centres (approximately 50). We have developed these rules so that we can protect the RAMS brand name and image and our intellectual property generally. We consider that this is a common course of action by a franchisor.



In order to protect this intellectual property, we propose having several mandatory suppliers for certain of our requirements as set out below. When selecting these mandatory suppliers we have taken steps to ensure that we have obtained competitive pricing for the products or services in question and we will have a contractual obligation to monitor and review the quality and pricing of these products and services annually.

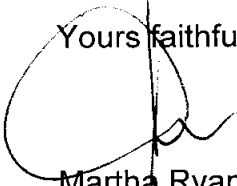
Another aspect of our arrangement with franchisees is that we will permit them access to our computer systems network to access customer data that will be required by them to operate their business. RAMS outsourced its IT and Customer Service functions to Unisys Credit Services (UCS) in late 2002. For this reason, franchisees will need to obtain certain compatible hardware and cabling systems from UCS to enable the required access. Again we have ensured that the pricing offered by UCS is market competitive. The franchisee will also need to utilise the services of UCS for customer service issues and IT maintenance and support. There will be no direct contract between the franchisees and UCS (the contract is between RAMS and UCS) however, the franchisees will be required to pay RAMS for the services. Full disclosure of these costs will be made to the franchisees before they make the decision to acquire a RAMS Franchise operation.

It is our view that the proposed conduct by RAMS would benefit the Franchisees in that they will have access to the intellectual property required to operate their business and the pricing we have achieved is very competitive because we can offer them genuine savings due to the volumes involved. It is also our view that there is no public detriment in following this course of action and that it is common place in a franchisee/franchisor arrangement.

We have commenced our recruitment strategy and therefore would like to enter into the necessary contractual arrangements toward the end of February 2003, and ask that the Commission consider granting immunity to prosecution on the basis that our activities remain within the parameters of the conduct/arrangements outlined in this communication.

I enclose Form G and our cheque for \$100.00 (RAMS being a proprietary company). Please advise if you need any further information.

Yours faithfully



Martha Ryan
General Counsel
RAMS Home Loans
Direct line 8218 7055

Encl

Contracting Party	Product or Service supplied to Franchisee	Reason for mandatory contract
<p>Clifton Coney Stevens Pty Limited Level 18 Citigroup Centre 2 Park street Sydney NSW 2000</p>	<p>This company provides project management services in relation to the construction of the RAMS Home Loan Centre in accordance with the fit-out manual and other RAMS' requirements. The franchisee cannot open the home loan centre unless the works have been completed strictly in accordance with the detailed requirements. Competitive pricing has been obtained based on a national contract for 50 home loan centres.</p> <p>While it will not be mandatory for a franchisee to use this company, they will receive a \$5,000.00 contribution towards costs from RAMS if they do.</p>	<p>To ensure consistence in quality and workmanship of building works. To ensure no breach of Intellectual property licence in relation to signage and store layout with Rams promotional material.</p>
<p>Moore (Printers) 15-17 Blaxland Road Rhodes NSW 2138</p>		<p>To protect brand image and reputation, and intellectual property by controlling marketing material templates, RAMS logos and other intellectual property. To ensure consistency in printing quality, paper quality and layout of marketing material. To keep control over approved marketing material to ensure legal compliance (eg: rules provide RAMS' legal must sign off all marketing material prior to publication)</p>
<p>J Saunders & Sons Pty Limited 15 Salisbury Road, Castle Hill NSW</p>	<p>Production of RAMS approved business cards for franchisees and their staff</p>	<p>Control branding and use of approved logo, quality and design control.</p>

SK Corporate Marketing Suite 2B, 5/213 Bay street, Brighton Le Sands NSW	Production of RAMS' promotional material utilising RAMS' intellectual property such as pens, polo shirts, toys and similar material.	Control branding and use of approved logo, quality and design control.
Tibet Group Pty Limited Level 1, 14-16 Buckland Street Chippendale NSW	Preparing graphics for RAMS branded material such as in-store posters, marketing material etc.	Control branding and use of approved logo, quality and design control.
SF Corporate Clothing 76-82 Botany Street Alexandria NSW	Designing manufacturing and supplying RAMS' uniforms	Control branding and use of approved logo, quality, consistency and design control.
Gadsden Signs 56 Allingham Street Condell park NSW	Manufacturing and installing signage for home loan centres utilising RAMS' intellectual property.	Control branding and use of approved logo, quality and design control.
Penfold Buscombe Ltd Unit 2, 12 frederick Street St Leonards NSW	Printing RAMS' material such as brochures, letterhead, envelopes standard customer forms etc	Control branding and use of approved logo, quality and design control.
SNAP instant printing (various)	Printing material for local area marketing by franchisees where templates are provided by RAMS and individual franchisees can insert their own text to personalise the material to their particular business and geographical area	Control branding and use of approved logo, quality and design control. Control content for legal compliance (all material required to be signed off by RAMS Legal)

Form G

Commonwealth of Australia
Trade Practices Act 1974 ---- Sub-section 93(1)
**EXCLUSIVE DEALING
NOTIFICATION**

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with sub-section 93(1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to in sub-section 47(2), (3), (4), (5), (6) or (7), or paragraph 47 (8) (a), (b) or (c) or (9) (a), (b), (c) or (d) of that Act in which the person giving notice engages or proposes to engage.

(PLEASE READ DIRECTIONS AND NOTICES ON BACK OF FORM)

1. (a) Name of person giving notice... RAMS HOME LOANS PTY LIMITED
(See Direction 2 on the back of this form)
(b) Short description of business carried on by that person... PROVIDER OF HOME LOANS AND ASSOCIATED PRODUCTS
(c) Address in Australia for service of documents on that person... Level 11, 201 Kent Street Sydney NSW 2000
2. (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates... PRINTING SERVICES, STATIONARY SUPPLIES, PROJECT MANAGEMENT, SUPPLY OF PROMOTIONAL SERVICES, UNIFORM
(b) Description of the conduct or proposed conduct... PROVIDER, PROVIDERS of SIGNAGE
SEE ATTACHED LETTER & MATRIX
(See Direction 4 on the back of this Form)
3. (a) Class or classes of persons to which the conduct relates... FRANCHISEES OF RAMS BUSINESS
(b) Number of those persons-- NONE
(i) At present time... NONE
(ii) Estimated within the next year... NO MORE THAN 50
(c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses... AS YET NOT KNOWN. SELECTION PROCESS NOT YET COMMENCED
4. Names and address of person authorised by the person giving this notice to provide additional information in relation to this notice... MARTHA RYAN, Level 11, 201 Kent Street, Sydney 2000.

Dated 22.01.2003

Signed by/on behalf of the applicant giving notice

(Signature)

MARTHA RYAN

(Full Name)

GENERAL COUNSEL AND COMPANY (Description) SECRETARY