



NRG Legal
LAWYERS

16 April 2002

The Regional Director
Australian Competition
& Consumer Commission
Level 5 Skygardens
77 Castlereagh Street
SYDNEY NSW 2000

Dear Sir/Madam

**JUICE STATION FRANCHISING PTY LIMITED
NOTIFICATION-EXCLUSIVE DEALING**

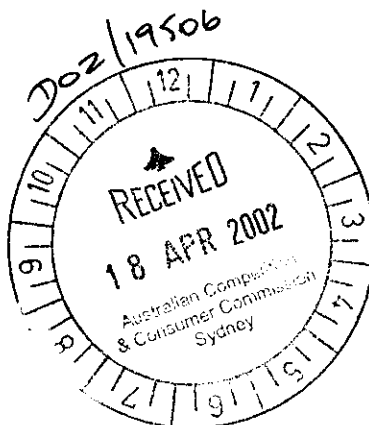
We act on behalf of Juice Station Franchising Pty Limited.

Enclosed is a completed Form G (plus 1 copy). The Form encloses Annexure A in support of the notification.

Also **enclosed** is a cheque payable to the Australian Competition and Consumer Commission in the sum of \$100 being the lodgment fee.

Yours faithfully
NRG Legal


Marwan Kojok
Direct Email: mkojok@nrglegal.com.au



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Director
Elisabeth Ritchie

Contact
Elisabeth Ritchie

Our Reference
EMR:10065

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 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.

1. (a) Name of person giving notice : **THE JUICE STATION FRANCHISING PTY LTD**

(b) Short description of business carried on by that person: **RETAILING OF FRUIT JUICES THROUGH A NETWORK OF FRANCHISED OUTLETS**

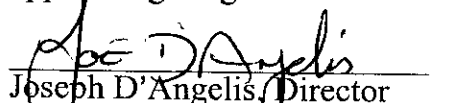
(c) Address in Australia for service of documents on that person: **C/O NRG LEGAL, LEVEL 10, 48 HUNTER STREET, SYDNEY NSW 2001.**
2. (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates: **RETAILING OF FRUIT JUICES**

(b) Description of the conduct or proposed conduct: **REQUIREMENT FOR FRANCHISEES TO PURCHASE FRUIT, BOTTLES AND LABELS FROM THE FRUIT STATION PTY LTD AND TO PURCHASE FRUIT JUICING MACHINES AND CERTAIN FIT-OUT FROM NOMINATED SUPPLIERS**
3. (a) Class or classes of persons to which the conduct relates: **FRANCHISEES**

(b) Number of those persons--
 - (i) At present time: **NIL**
 - (ii) Estimated within the next year: **5-10 FRANCHISEES**
(c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses: **NOT APPLICABLE**
4. Names and address of person authorised by the person giving this notice to provide additional information in relation to this notice: **MR JOE D'ANGELIS, 14 ROSELLA WALK, SOUTH MORANG, VIC 3752**

Dated: ~~March~~ 2002
16 April

Signed by/on behalf of the
applicant giving notice



Joseph D'Angelis, Director
For & on behalf of The Juice
Station Franchising Pty Limited

Annexure A to Form G

Exclusive Dealing Notification-Third Line Forcing

The Juice Station Franchising Pty Ltd

The Juice Station Pty Limited has been in the business of retailing fruit services for over 6 years. The Juice Station Franchising Pty Ltd has been granted a licence to appoint franchisees to use the name and logo of The Juice Station and use its system. A copy of the franchise agreement is attached.

The fruit juice retailing market is a highly competitive market with a large number of participants.

Purchase of Fruit

The franchisees will be required to purchase fruit stock from The Juice Station Logistics Pty Ltd which has the same director and common shareholders to The Juice Station Franchising Pty Ltd. Franchisees can only purchase fruit from other suppliers subject to the franchisor's approval. The franchisee must pay a Franchise Service Fee in relation to this stock.

There will not only be costs savings as a result of bulk buying, but there is a need to maintain quality. It is important that fruit is properly stored (in a warehouse rather than in a small outlet) and that it is kept fresh. The Juice Station proposes to regularly turnover its stock of fruit in the warehouse. The proper storage is necessary for freshness and the appearance of the outlets which should not be cluttered with fruit. It is also important that there are consistent and reliable delivery times.

In order to negotiate the lowest cost The Juice Station needs to be able to assure the suppliers that its franchisees will buy a certain amount of fruit from it.

Purchase of Bottles & Labels

In order to have a consistent image across the franchise system there needs to be a particular style and size of bottles and a certain type of labelling. The consistent image is integral to the success of the franchise system.

Summary

The Juice Station Franchising Pty Ltd considers that the requirement to purchase the above stock and ancillary products is essential to the successful operation of the franchise network, for reasons which include the following.

1. The Juice Station prides itself on the quality and consistency of fruit juices and is conscious of the need to maintain the same standard of quality in all its franchised businesses.
2. It is proposed that there will be a network of franchisees and it will be important to keep quality and consistency of fruit juices being applied.

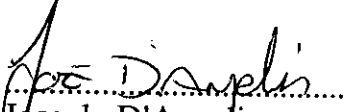
3. The Juice Station will need to maintain an image which is instantly recognisable by its customers and potential customers. As a result it needs to maintain a similar fit-out and the same range of bottles and labelling.

The Juice Station Franchising Pty Ltd considers that the public benefit to be derived from its conduct outweighs any public detriment as a result of the following.

1. Group deals for supplies means that ^{FRUIT} ~~fruit~~ should be provided at lower prices to its franchisees, who in turn can supply the fruit juices at cheaper prices to the public.
2. Supply of fruit should be of a higher and more consistent quality.
3. Because of the uniformity produced by the franchisees The Juice Station can promote and advertise and produce as a group, avoid running single and independent promotions and to be consistent with recommended pricing for its juices and promotions.
4. Control over the source of supply helps The Juice Station to ensure prompt and consistent delivery times of fruit, bottles and labels to the franchisees, and ultimately the public.

The Juice Station Franchising Pty Ltd requests the Australian Competition and Consumer Commission to consider this request for exclusive dealing.

Dated: ~~March~~ 2002
16 April


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Joseph D'Angelis
For & on behalf of
The Juice Station
Franchising Pty Ltd
Director