



**Australian
Competition &
Consumer
Commission**

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Our Ref: C2007/2209
Your Ref: JS:RA:100024-139
Contact Officer: Sarah Chubb
Contact Phone: (02) 6243 1088

4 December 2007

Ms Julia Smith
Senior Associate
Robert James Lawyers
GPO Box 761
MELBOURNE VIC 3001

Dear Ms Smith

Third line forcing notifications N93228 and N93229 lodged by Pantaleo Investments Pty Ltd and F & A Nania Pty Ltd

I refer to the above third line forcing notifications lodged by Pantaleo Investments Pty Ltd and F & A Nania Pty Ltd (together, La Porchetta) with the Australian Competition and Consumer Commission (the ACCC) on 26 November 2007.

According to the notifications, La Porchetta proposes to grant La Porchetta franchises to La Porchetta franchisees on condition that the franchisees agree to:

- use certain Services (including, but not limited to, food safety consultancy services, industrial relations consultancy services and IT services) in the conduct of their franchised business; and
- acquire the Services from Approved Suppliers.

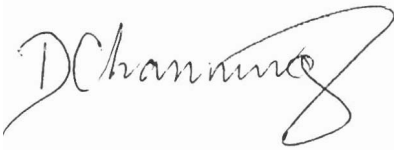
The ACCC is currently assessing the notifications. In order to complete its assessment, the ACCC requires some additional information from you in relation to the notified conduct. In particular, please provide a response to each of the following:

1. You have indicated that La Porchetta franchisees will be required to obtain food safety consultancy services, industrial relations consultancy services and IT services from Approved Suppliers. You have also indicated that franchisees may be required to obtain additional Services from Approved Suppliers. If possible, please advise the ACCC of the other Services which franchisees may be required to obtain from Approved Suppliers.

2. Please provide the ACCC with details regarding the process by which La Porchetta will identify and select its Approved Suppliers. For example, will La Porchetta conduct a tender process in order to select its Approved Suppliers?
3. Please describe the review processes that La Porchetta will put in place in order to review the Services provided to franchisees by Approved Suppliers.
4. Please advise the ACCC as to the manner in which La Porchetta intends to apply its proposed supply arrangements to existing franchisees.
5. If a franchisee wishes to obtain a Service from a non-Approved Supplier (for example, because the non-Approved Supplier is able to provide the Service more cheaply), will the franchisee be able to acquire the relevant Service from the non-Approved Supplier?
6. Please indicate whether La Porchetta will receive any rebates or commissions from its Approved Suppliers.

I would appreciate receiving a response to this letter by no later than **14 December 2007**. If you have any questions in relation to this matter, please contact Sarah Chubb on (02) 6243 1088.

Yours sincerely

A handwritten signature in black ink that reads "DChanning". The signature is fluid and cursive, with a large loop at the end of the name.

Darrell Channing
Director
Adjudication Branch