

# Robert James Lawyers

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7 January 2008

Our Ref: GJK:JS:KC:100024-117

Sarah Chubb  
Australian Competition & Consumer  
Commission  
GPO Box 3131  
CANBERRA ACT 2601

By E-mail: Sarah.Chubb@accc.gov.au

Dear Sarah,

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

We refer to your letter dated 4 December 2007.

Please find responses as follows:

1. Currently there are no other services which Franchisees are required to obtain from approved suppliers. La Porchetta is unable at this time to advise the ACCC of any other services which Franchisees may be required to obtain from approved suppliers.
2. La Porchetta may conduct a tender process but will typically contact prospective approved suppliers itself and considering issues such as the suppliers prices, quality of services, the suppliers facilities and capacity to provide the services with such frequency and at such locations as La Porchetta requires for its Franchisees, La Porchetta will select its approved suppliers.
3. La Porchetta will seek feedback on a regular basis regarding the performance of approved suppliers from Franchisees who acquire services from those suppliers.
4. All La Porchetta franchise agreements contain provisions under which La Porchetta may require franchisees to acquire certain services from approved suppliers.
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) there is a process where by the Franchisee is required to write to La Porchetta outlining the Franchisees request. La Porchetta will then undertake what ever enquiries it considers necessary to ascertain the quality etc of the services of the non-approved supplier and if appropriate La Porchetta will provide its consent.

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6. La Porchetta may receive rebates and/or commissions from its approved suppliers. This is disclosed in the La Porchetta disclosure document given to all prospective franchisees. Any rebates and/or commissions received are used in the management and development of the La Porchetta system.

Yours faithfully,  
**ROBERT JAMES**



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