



CTV News
9 Channel Nine Court
Toronto, ON
M4A 2M9

March 18, 2011

Sent via Facsimile 416-384-5301
Sent via Facsimile 416-384-5178
Sent via Facsimile 416-313-2525

Attn: Mr. Anton Koschany

Dear Mr. Koschany;

I have received your letter dated March 16, 2011 via fax on March 17, 2011. In your letter you state that "at W5, we are committed to fair, honest and responsible journalism." I agree that all media stories should be fair, honest and responsible. In order for our company or franchised dealers to provide a fair, honest and responsible response, we require disclosure of all of the information you hold in regards to the APA mystery shopper's performed on our locations. You are proposing to air a program that makes disparaging remarks, or draws the viewer to a negative conclusion about two of our franchisees, based on incomplete or incorrect information. We wish to provide a fair, honest and responsible reply based on what the mystery shoppers really told the technicians and the information they in turn were given. If your program is aired as proposed, it will cause malicious damage to our trademarks and brands. Refusing to provide the full disclosure of what the conversations were between the mystery shoppers and the staff and technicians handcuffs our ability to respond. I request you to reconsider your decision to date and provide the material that concerns our locations.

You state that CTV has a policy that raw or unedited footage would not be released. We are on record as being willing to pay for any duplication or transcription costs. How can we fully respond if we don't receive this critical information? Your only offer to disclose selected footage that you deem relevant in a controlled on camera interview where you select what is shown, is hardly fair, honest and responsible.

We require this entire information as the information we have differs from what you say was said. The entire process from arrival at the location until departure, by way of information provided to the store staff and technicians and responded to by the mystery shopper, and the information given by the store staff and technicians is critical to understand what actually occurred. The need for this information was provided to CTV -W5 and the APA as far back as 2001. So this is not new information.



We subscribe to the Motorist Assurance Program (MAP) of Canada for inspection guidelines and we have a documented inspection process, training video's and scripted processes on how a vehicle is to be inspected and the findings communicated to the consumer. Your failure to provide disclosure does not allow us to review this important detail of the process, so we are left to only view the portion of what was documented at the store.

Active Tire & Auto Centre Inc. is a franchised organization of 75 tire & automotive centres in Southern Ontario that conduct business under the trade name of Active Green + Ross. Each individual store is operated by a franchised owner who is required to follow our dealer agreement and the requirements within the agreement. As a part of this agreement, Active Green + Ross has the right to settle any customer complaint and charge the cost of the settlement to the individual franchised dealer if they do not resolve it timely. Our Franchisee's understand and respect the agreement and as a result in the past 3 years we have averaged less than 1 customer inquiry per 3,000 customer visits, and many locations go for an entire year with no inquiries. The exact excerpt from our Dealer Agreement is as follows:

10.04 (a) Notwithstanding that the Dealer is responsible for all customer complaints and warranty work on Products sold by it, the Company may, in the event of any dispute between a customer and the Dealer, whether or not the matter is taken by the customer to the Ministry of Consumer and Commercial Relations, the Better Business Bureau, the media or to litigation, investigate and settle in its absolute discretion all such complaints even if such complaint is not strictly within applicable warranty provisions. In the event of such settlement all costs, including the reasonable costs of the Company, shall be borne by the Dealer and the Dealer agrees to be bound by such settlement.

(b) The Dealer shall notify the Company forthwith of any claim which the Dealer knows has been or is likely to be taken by a customer to the Ministry of Consumer Commercial Relations, the Better Business Bureau, the media or to litigation.

In addition to this, we have a zero tolerance policy that can result in the immediate termination of any Dealer's agreement if they or their staff cause harm to the goodwill and trademarks of the Franchise in accordance to the services provided and the compliance with the numerous government programs the stores are required to operate within.

Your behaviour in this matter would be like a customer making a claim, and then failing to provide any information in order to review and resolve the claim. A fair, honest and responsible customer would want to disclose the facts in order to make the company aware of the claim and to resolve any issue. To make the statements in the program as planned, without allowing us to fully respond is not only unfair but malicious. Please allow us the opportunity to review all the material in order to respond.

Active Green + Ross have experience with mystery shoppers and mystery shopper programs. We perform over 150 in store mystery shoppers every year in our stores, performed by valid 3rd party shoppers. If there is a problem, we want to know about it, verify it, and if a problem exists, fix it. You state your actions make things better and Mr. Iny stated he "wants to be transparent." I strongly request you keep your word and when a concerned company contacts you to review your claim, by providing access to the requested information. Our desire is to review the information and respond appropriately, prior to any airing of your claims against our company in a public forum.

I also wish to clarify some of the statements claimed in your letter that are incorrect. To clarify for the record;

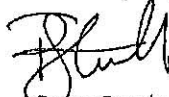
1. We have been provided with no material from CTV W5 or from APA except for the Invoice # of selected mystery shoppers. Additional location information has been requested in regards to:
 - a. Location at 2639 Dundas St. In Toronto. The information is being withheld and not provided. We were advised by Mr. Iny that the store is rated as Inconclusive.
 - i. Why is it rated inconclusive? The repairs were performed for No Charge.
 - ii. There was no request for an inspection, only a no start complaint.
 - iii. Is it inconclusive because the Mystery Shopper erred when they failed to receive documentation and audio/video?
 - b. Ms. Dartis called and left me a voice mail about a request to interview our store on Weston Road. We have a store at Hwy # 7 near Weston Road and I left Ms. Dartis a voice mail message back that this location was news to me and requested the information on that location. No information or response has been provided.
 - c. One of the mystery shoppers who visited our store at 186 The Queensway attended the location earlier in the year with a Dodge Caravan and a complaint of a "No Start" condition that was diagnosed and repaired. I have also requested the information on this visit and have had no reply.
2. We are not aware that the mystery shopper was charged \$2200 and \$400 as you state, "for fixing a loose wire and an inspection." In fact, in the case of Store # 186 The Queensway the charge for the diagnosis was reduced from the authorized amount. I am sure you would report this fact accurately, and I want to ensure it did not go unnoticed. The charges you report as \$2200 and \$400 are actually \$2,009.86 and \$357.77 and relate to suggested services authorized by the mystery shopper that were not part of the original complaint. Please be sure to report that 3 of the 4 stores we have information on, reduced the charge for the diagnosis of the original complaint from what was originally authorized by your mystery shopper.
3. As indicated previously, you state that "at W5, we are committed to fair, honest and responsible journalism" and then go on to state that CTV has a policy that raw or unedited footage would not be released. We do not even know who legally owns the footage, but we know who paid for it. We are on record as being willing to pay for any duplication or

transcription costs. No cost or hassle to CTV-W5. Please reconsider our request to provide the requested information.

4. The disclosure of this information is the major point of contention. The evidence available to us contradicts your claim. The store you rate as "one of the best" was not asked to perform an inspection. Why Not? The store you rate as Inconclusive was not asked to perform an inspection. Why Not?
5. In one case I am advised the staff were told "my husband is out of town and we just bought this car and I want to be safe". There may be an issue with your mystery shopper being inconsistent. What was said in context to the repairs is critical to evaluate the staff performance and the overall process from arrival at the location until departure. Do you not see an issue or concern with the mystery shoppers asking for different services at different shops? If you ask for an inspection at a location you will get an inspection. If you don't ask for an inspection, you don't get an inspection. I note the locations who were not asked to provide an inspection were shopped earlier in the program, and the locations who were shopped later in the program were then specifically prompted to inspect other areas of the car. Perhaps the desired results for the purposes of the mystery shopper were not being met so the mystery shopper may have adjusted their tactics to alter the results.
6. You make the statement about 2 locations performing unnecessary repairs. We subscribe to the Motorist Assurance Program (MAP) of Canada for inspection guidelines and both store inspections were made correctly in accordance with the MAP program. Both were suggested repairs. I need to review the available audio/video to determine what was presented to the mystery shopper. Your failure to provide disclosure does not allow us to review this important detail of the process, so we can only view the portion that was documented at the store.
7. At one of the locations that your CTV staff called the "worst mystery shopper", the suggested maintenance was provided to the mystery shopper, estimated, and the mystery shopper left the location. Then the mystery shopper returned the following day and requested selected suggested maintenance from what was estimated the previous day. The actual suggested maintenance interval is noted on the estimate. Had the maintenance already been performed on this interval then it need not be repeated. A real car owner, knowing when the vehicle had last been serviced would have declined or had the service performed. Forming a conclusion of wrongdoing without all the facts is malicious. This location has Vietnamese owners who have English as a 2nd Language. We will be very interested upon how this is portrayed in your story. Again, without the complete audio / video file to review, we will never know what was actually said, between the mystery shopper and the staff in regards to her 9 year old vehicle with more than 113,000 km, that the mystery shopper claimed was just purchased.

Mr. Koschany, I cannot control what you or the staff of CTV do or don't do. I have made CTV and the APA aware of the gaps and inconsistencies in your process, and our desire to review the facts in order to provide a fair, honest and responsible response. I have repeatedly requested disclosure of your information and I am continually denied the disclosure requested, and if your real desire is to provide fair, honest and responsible reporting, then I am baffled by your stonewalling techniques to refuse the requested information you have. However, the company has rights and alternate remedies available and we will continue to pursue the appropriate remedy in this matter. Again, please reconsider your decision and provide the requested material so that we may provide a fair, honest and responsible response.

Sincerely Yours



Peter Steele

Active Green + Ross