

Bread: Statement of defence stresses that customers were compensated, denies plaintiffs suffered damaged

FROM B1

"Mr. Weston had no part in any of this."

Last June, Canada Bread pleaded guilty to a criminal scheme to fix bread prices and agreed to pay a \$50-million fine. Mexico-based parent company Grupo Bimbo acknowledged that Canada Bread, which it acquired in 2014, had made "arrangements" with one or more unnamed senior executives at competitor Weston Foods, leading to two wholesale price increases in 2007 and 2011. Maple Leaf Foods, which owned a majority stake in Canada Bread at the time, has repeatedly denied claims of unlawful behaviour at Canada Bread while it was a shareholder.

Following the settlement, in November, 2023, and January, 2024, Canada Bread voluntarily disclosed information to the plaintiffs in the Ontario class-action lawsuit, according to an amended statement of claim filed by the plaintiffs in Ontario Superior Court last month.

That included information about the meetings that occurred between Mr. McCain and Mr. Weston in 2007 and 2010. According to internal e-mails, the executives "discussed packaged bread pricing and the general retail landscape" at the 2007 meeting.

A presentation prepared by Canada Bread for that meeting estimated that Loblaw's profit margin in the commercial bread category had expanded by \$103-million between 2001 and 2006. Providing feedback about that presentation, Mr. McCain wrote in an e-mail to Canada Bread chief executive Richard Lan that the "story line" to present to Loblaw and Mr. Weston should include that "sales are growing; pricing is rising; margins have ballooned ... made you a lot of money" and expressed in "one tidy chart." In preparation for the 2010 meeting, Maple Leaf executives exchanged e-mails with plans to discuss a price increase for packaged bread that year.

The statement of claim also refers to a 2007 meeting between Mr. McCain and Paul del Duca, a senior vice-president at Metro Inc., "to discuss, among other things, past and future packaged bread price increases." That meeting was previously disclosed in a sworn statement as part of a 2019 search warrant application by the Competition Bureau, which stated it believed Mr. McCain was aware of alleged arrangements to fix bread prices.

Mr. McCain has previously stated that his discussion with Mr. del Duca was part of the normal course of doing business, adding that all consumer packaged goods suppliers have discussions about products and pricing with the retailers they sell to. Metro has denied that any employees were involved in price-fixing or violated competition law.

George Weston and Loblaw "expressly deny that Galen G. Weston played any role in relation to any arrangements regarding commercial packaged bread, or engaged in any

ART



Interior designing

Somerset House employees arrange art pieces around Guernica at the Whitechapel Gallery by Canadian artist Mychael Barratt ahead of the London Original Print Fair, in London on Wednesday

DANIEL LEAL/AFP VIA GETTY IMAGES

Gildan: Two potential bidders for the clothing maker include two U.S.-based private equity funds

FROM B1

The company later confirmed publicly that several potential buyers have expressed an interest in considering a friendly deal with Gildan but that there's no certainty a transaction will result from the discussions.

The spectre of a sale has raised the stakes in what has so far been a clash over leadership and casts it in a new light. Browning

large apparel distributor in North America, could also be in the mix, according to Stifel Financial Corp. analyst Martin Landry.

Gildan shareholders may be frustrated by this turn of events and may not support a takeover scenario at this point, Mr. Landry wrote in a note to clients. "Some may argue that this quick profit undermines the long-term value of the company and that in the medium-term, upon strong exe-

Gildan's share price was poised to be worth US\$60 to US\$80 over the next two years.

Gildan has been engulfed in an intense power struggle since December, when it let go Mr. Chamandy, its then-chief executive officer, after 20 years as CEO. The company named former Fruit of the Loom executive Vince Tyra as his replacement.

Gildan's board insists it was entirely justified in sacking Mr.