



IN THE MATTER OF the *Pension Benefits Act*, R.S.O. 1990, c. P.8, as amended (the “*PBA*”);

AND IN THE MATTER OF a Proposal of the Superintendent of Financial Services to Consent, under section 78(1) of the *PBA* to a payment out of the **Drug Trading Company Limited Pension Plan for Unionized Employees**, Registration Number **0249268**.

TO: Drug Trading Company Limited
5965 Coopers Avenue
Mississauga, ON L4Z 1R9

Attention: Eugene Gidaro
Vice President, Finance

Applicant and Employer

NOTICE OF PROPOSAL

I PROPOSE TO CONSENT, under section 78(1) of the *PBA*, to the payment out of the Drug Trading Company Limited Pension Plan for Unionized Employees, Registration Number 0249268 (the “*Plan*”) to **Drug Trading Company Limited**, in the amount of \$1,049,406 as at November 30, 2008 plus adjustments to the actual date of payment.

I PROPOSE TO MAKE THE CONSENT effective only after the Applicant satisfies me that payment to members, pursuant to the Surplus Distribution Agreement set out in paragraph 5. Below, has been made or otherwise provided for.

I PROPOSE TO MAKE THIS ORDER FOR THE FOLLOWING REASONS:

1. **Drug Trading Company Limited** is the employer as defined in the Plan.
2. The Plan was wound up in part, effective February 28, 1998.
3. As at February 28, 1998 the surplus in the wound up portion of the Plan was estimated at \$1,399,209.

4. The Plan provides for payment of surplus to the Employer on wind up of the Plan.
5. The application discloses that by written agreement made by the Employer, and representatives of the United Steel, Paper and Forestry, Rubber Manufacturing, Energy, Allied Industrial and Service Workers Union International, Locals 8327 and 3313, and the Communications, Energy and Paper Workers Union, Local 591-G, on behalf of the members affected by the partial wind up, (Ontario members who were part of the partial wind up group, as defined in the application), their survivors or their estates, as applicable, the surplus related to the affected Ontario participants in the Plan at the date of payment, after adjustment for investment earnings and expenses is to be distributed:
 - a) 75% to the Employer; and
 - b) 25% to the beneficiaries of the Plan as defined in the Surplus Sharing Agreement.
6. The Employer has applied, pursuant to section 78 of the *PBA*, and section 8(1)(b) of Regulation 909, R.R.O. 1990 (the "Regulation"), for consent of the Superintendent of Financial Services to the payment of 75% of the Ontario Surplus in the wound up portion of the plan to be distributed from the Plan, adjusted for investment earnings thereon to the date of payment and further adjusted for legal, actuarial and administrative expenses in respect of the pension plan, the surplus sharing agreement, and the application.

Section 79(3)(b) of the *PBA* provides: "Subject to section 89 (hearing and appeal), the Superintendent shall not consent to an application by an employer in respect of surplus in a pension plan that is being wound up in whole or in part unless, the pension plan provides for payment of surplus to the employer on the wind up of the pension plan."

Section 8(1)(b) of the Regulation provides: "No payment may be made from surplus out of a pension plan that is being wound up in whole or in part unless, the payment is to be made to an employer with the written agreement of,

 - (i) the employer,
 - (ii) the collective bargaining agent of the members of the plan or, if there is no collective bargaining agent, at least two-thirds of the members of the plan, and
 - (iii) such number of former members and other persons who are entitled to payments under the pension plan on the date of the wind up as the Superintendent considers appropriate in the circumstances."
7. The application appears to comply with sections 78 and 79(3) (a) and (b) of the *PBA* and with sections 8(1)(b), 28(5), 28(5.1) and 28(6) of the Regulation.
8. Such further and other reasons as come to my attention.

YOU ARE ENTITLED TO A HEARING by the Financial Services Tribunal (the “Tribunal”) pursuant to section 89(6) of the PBA. **To request a hearing, you must deliver to the Tribunal a written notice that you require a hearing, within thirty (30) days after this Notice of Proposal is served on you.**¹

YOUR WRITTEN NOTICE must be delivered to:

Financial Services Tribunal
5160 Yonge Street
14th Floor
Toronto, Ontario
M2N 6L9

Attention: The Registrar

FOR FURTHER INFORMATION on a Form for the written notice, please see the Tribunal website at www.fstontario.ca **or** contact the Registrar of the Tribunal by phone at 416- 590-7294, toll free at 1-800-668-0128, ext. 7294, or by fax at 416-226-7750.

IF YOU FAIL TO REQUEST A HEARING WITHIN THIRTY (30) DAYS, I MAY CARRY OUT THE PROPOSAL AS DESCRIBED IN THIS NOTICE.

DATED at Toronto, Ontario, this **6th** day of **May, 2010**

K. David Gordon
Deputy Superintendent, Pensions

Copy: Ms. Natasha Monkman, Hicks Morley

¹ NOTE - Pursuant to section 112 of the PBA any Notice, Order or other document is sufficiently given, served or delivered if delivered personally or sent by regular mail and any document sent by regular mail shall be deemed to be given, served or delivered on the seventh day after the date of mailing.