

IN THE MATTER OF the *Pension Benefits Act*, R.S.O. 1990, c. P.8, as amended (the "Act"), in particular sections 83 and 89;

AND IN THE MATTER OF the Pension Plan for Employees of Brains II, Inc., Registration Number 0386359 (the "Plan").

NOTICE OF INTENDED DECISION

TO:

Mercer (Canada) Limited
120 Bremner Boulevard
Suite 800
Toronto ON M5J 0A8

Attention: Tracey Delahey
Principal

Administrator

AND TO:

Brains II, Inc.
165 Konrad Crescent
Markham ON L3R 9T9

Attention: Charles Hanna
President

Employer

TAKE NOTICE THAT pursuant to section 83 of the Act, and by delegated authority from the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario (the "Chief Executive Officer"), the Director, Advisory Services, intends to make an order declaring that the Pension Benefits Guarantee Fund applies to the Plan.

SI VOUS DÉSIREZ RECEVOIR CET AVIS EN FRANÇAIS, veuillez nous envoyer votre demande par courriel immédiatement à: contactcentre@fsrao.ca.

YOU ARE ENTITLED TO A HEARING BY THE FINANCIAL SERVICES TRIBUNAL (THE “TRIBUNAL”) PURSUANT TO SECTION 89(6) OF THE ACT. A hearing before the Tribunal about this Notice of Intended Decision may be requested by completing the enclosed Request for Hearing Form (Form 1) and delivering it to the Tribunal within thirty (30) days after this Notice of Intended Decision is served on you. A copy of that form is included with this Notice of Intended Decision. Additional copies can be obtained by visiting the Tribunal’s website at www.fstontario.ca.

TAKE NOTICE THAT if no written request for a hearing is delivered to the Tribunal within thirty (30) days after this Notice of Intended Decision is served on you, an order will be issued as described in this Notice of Intended Decision.

In order to request a hearing, a completed Request for Hearing Form (Form 1) must be delivered to the Tribunal within thirty (30) days after this Notice of Intended Decision is served. The form must be mailed, delivered, faxed or emailed to:

Address: Financial Services Tribunal
5160 Yonge Street
14th Floor
Toronto ON M2N 6L9

Attention: Registrar

Fax: (416) 226-7750

Email: contact@fstontario.ca

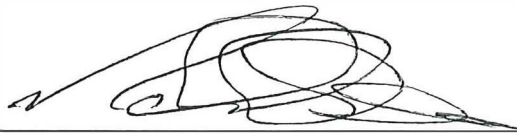
The hearing before the Tribunal will proceed in accordance with the *Rules of Practice and Procedure for Proceedings Before the Financial Services Tribunal* (“Rules”) made under the authority of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended. The Rules are available at the website of the Tribunal: www.fstontario.ca. Alternatively, a copy can be obtained by telephoning the Registrar of the Tribunal at (416) 590-7294, or toll free at 1-800-668-0128 extension 7294.

REASONS FOR INTENDED DECISION

1. The Plan is registered under the Act.
2. The Plan provides defined benefits that are not exempt from the application of the Pension Benefits Guarantee Fund by the Act or the regulations made thereunder.
3. The Plan was wound up effective January 31, 2014.

4. There are reasonable and probable grounds that the funding requirements of the PBA and regulations cannot be satisfied in relation to the Plan. Based on the latest actuarial certification, there is an estimated claim against the Pension Benefits Guarantee Fund of \$626,600 in relation to the Plan as at December 31, 2018. If funds become available from the estate of the Employer, the Administrator will be required to make an appropriate refund of any allocation amount received by the Plan from the Pension Benefits Guarantee Fund.
5. Such further and other reasons as may come to my attention.

DATED at Toronto, Ontario, *November, 19th*, 2019.



Mark Eagles
Director, Advisory Services

By delegated authority from the Chief Executive Officer