



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 Make an Order under section 69(1)(b) and to Make an Order under
sections 55(2) and 87(2)(c) of the *PBA* relating to the **Wescan Systems Limited
Pension Plan**, Registration Number **1029701**

TO: **Wescan Systems Limited**
777 Walker’s Line
Burlington, ON L7N 2G1

Attention: John Murray
President
Employer and Administrator of the Plan

NOTICE OF PROPOSAL

I PROPOSE TO MAKE AN ORDER under section 69(1)(b) of the *PBA* that the
Wescan Systems Limited Pension Plan, Registration Number 1029701 (the “Plan”) be wound up
as at **March 1, 2010**.

I ALSO PROPOSE TO MAKE AN ORDER under sections 55(2) and 87(2)(c) of the
PBA that Wescan Systems Limited remit all outstanding contributions to the Plan.

REASONS:

- 1) Wescan Systems Limited (the “Company”) is the employer and administrator under the Plan.
- 2) The Plan is governed by the *PBA* and Regulation 909, R.R.O. 1990 made under the *PBA* as amended (the “Regulation”).
- 3) The Plan is a single employer, defined benefit, contributory plan, established effective March 1, 1996.
- 4) Section 5.01 and Section 5.02 of the Plan text requires the Participating Companies and the Employees to contribute the amount certified by the Actuary as necessary to provide the benefits accruing during the current year and to make provision for the amortization of any initial unfunded liability or experience deficiency, as required by the *PBA*.

- 5) A previous Notice of Proposal was issued against the Company on March 3, 2008, proposing that the Plan be wound up effective November 9, 2007 and that all outstanding contributions be remitted to the Plan. The outstanding contributions were estimated at \$678,990 as at March 1, 2007; and the transfer ratio for the Plan as at that date had declined from .885 as at March 1, 2004 to .704 as at March 1, 2007.
- 6) The Company requested a hearing with respect to the previous Notice of Proposal. That matter settled on or about October 20, 2008.
- 7) The Company caused its actuary to file an actuarial valuation report in connection with the Plan with a valuation date of March 1, 2008 (the "2008 Actuarial Report") on or about **April 21, 2009**. The 2008 Actuarial Report showed that the monthly amount of \$30,317 was due as at **March 1, 2008**.
- 8) The 2008 Actuarial Report showed a solvency deficiency of **(\$302,818)** and a transfer ratio of **78.24%**.
- 9) Section 55(2) and Section 55(3) of the *PBA* states that both an employer and employees who are required to make contributions to a pension plan shall make the contributions in accordance with the prescribed requirements for funding and in the prescribed manner, to the pension fund.
- 11) Section 4(4) of the Regulation states that employer and employee contributions to a pension plan shall be made in monthly installments within 30 days after the month for which the contribution is payable.
- 12) Section 87(2)(c) of the *PBA* states that the Superintendent of Financial Services (the "Superintendent") may require an administrator or any other person by order to take any action in respect of a pension plan or a pension fund, if the Superintendent is of the opinion, upon reasonable and probable grounds, that the administrator or employer of the pension plan is contravening a requirement of the *PBA* or the Regulation.
- 13) Section 69(1)(b) of the *PBA* states that the Superintendent may require the wind up of a pension plan if the employer fails to make contributions to the pension fund as required by the *PBA* or the Regulation.
- 14) The Company has failed to make the employer contributions for Current Service Cost in the amount of **\$7,653** for January 2010, and failed to make Special Payments for January 2010 in the amount of **\$30,317** to the pension fund of the Plan by February 28, 2010, as required by the *PBA* and Regulation and continues to fail to do so. Also, Employee Contributions in the amount of **\$1,392.05** for January 2010 were remitted to the Plan by February 28, 2010, but the expected Employee Contributions for this period was **\$1,880.93**.
- 15) Such further and other reasons as may 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.

[THE ADMINISTRATOR IS REQUIRED pursuant to section 89(5) to transmit a copy of this Notice of Proposal to the following persons: all members and former members of the Plan, the Union, and all other persons entitled to benefits under the Plan.

DATED at Toronto, Ontario, this **19th** day of **March, 2010**

K. David Gordon
Deputy Superintendent, Pensions

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.