

**FINANCIAL SERVICES TRIBUNAL**

**IN THE MATTER OF** the *Pension Benefits Act*, R.S.O. 1990, c. P.8, as amended by the *Financial Services Commission of Ontario Act, 1997*, S.O. 1997, c. 28 (the "Act");

**AND IN THE MATTER OF** a Proposal by the Superintendent of Financial Services to make an order under Section 69 of the Act respecting London Life Insurance Company Staff Pension Plan, Registration No. 0343368 (the "Plan");

**AND IN THE MATTER OF** a Hearing in Accordance with subsection 89(8) of the Act.

**BETWEEN:**

**LONDON LIFE INSURANCE COMPANY**

Applicant

and -

**SUPERINTENDENT OF FINANCIAL SERVICES AND THE EXECUTIVE MEMBERS OF THE LONDON LIFE MEMBERS' COMMITTEE, ALEX MURPHY, DON MATHEWSON AND BARBARA MCGEE**

Respondents

**BEFORE:**

Mr. Colin H.H. McNairn, Vice Chair of the Tribunal  
and Chair of the Panel

Mr. Louis Erlichman, Member of the Tribunal and of the Panel

Mr. William M. Forbes, Member of the Tribunal and of the Panel

**APPEARANCES:**

For the Executive Members of the London Life Members'  
Committee:  
Ms. Dona L. Campbell

For the Superintendent of Financial Services:  
Ms. Deborah McPhail  
Ms. Lesa MacDonald

For London Life Insurance Company:  
Mr. Jeffrey W. Galway  
Ms. Lai-King Hum

**HEARING DATES:** December 11-15 and December 19-20, 2000

**REASONS FOR DECISION**

## The Background

The Superintendent of Financial Services (the "Superintendent") issued a notice of proposal, dated February 17, 2000, to make an order (the "Notice of Proposal") against London Life Insurance Company ("London Life") in which she proposed to order that the London Life Company Staff Pension Plan, Registration No. 0343368 (the "Plan") be wound up in part. The wind up was directed in relation to those members and former members of the Plan who were employed by London Life and who ceased to be so employed, effective between January 1, 1996 and December 31, 1996 or the date the last Plan member ceased employment (whichever is later) as a result of:

- (i) the reorganization of the business of London Life; or
- (ii) the discontinuance of all or a significant portion of the business carried on by London Life at one or more specific locations.

In issuing the Notice of Proposal, the Superintendent relied on clauses 69(1)(d) and 69(1)(e) of the *Pension Benefits Act*, as amended (the "Act"). The relevant parts of subsection 69(1) of the Act are as follows:

69(1) The Superintendent by order may require the wind up of a pension plan in whole or in part if

...

(d) a significant number of members of the pension plan cease to be employed by the employer as a result of the discontinuance of all or part of the business of the employer or as a result of the reorganization of the business of the employer;

(e) all or a significant portion of the business of the employer at a specific location is discontinued;

...

On March 6, 2000, London Life delivered to this Tribunal a written notice requesting a hearing in respect of the Notice of Proposal pursuant to subsection 89(6) of the Act. At a pre-hearing conference held on July 11, 2000, the executive members of the London Life Members' Committee, Alex Murphy, Don Mathewson and Barbara McGee (the "Members Committee representatives") were granted party status in this matter.

## The Issues and their Resolution

We address the issues presented by this case in the manner and the order in which they were framed by the parties at the pre-hearing conference.

**Issue (a)** *Did a significant number of members of the Plan cease to be employed by London Life as a result of a reorganization or discontinuance of all or part of London Life's business at any time between January 1, 1996 and December 31, 1996, pursuant to clause 69(1)(d) of the Act?*

**Issue (a.1)** *Did those who voluntarily left employment with London Life between January 1, 1996 and December 31, 1996, through resignation, early retirement, or otherwise, cease to be employed by London Life within*

*the meaning of clause 69(1)(d) of the Act as a result of a reorganization or discontinuance of all or part of London Life's business?*

On February 26, 1996, London Life issued a press release announcing plans "to restructure its Canadian operations to enhance the company's competitiveness, increase growth and improve customer service." The press release went on to state that "re-engineering initiatives, internal reorganization and outsourcing programs will result in expected staff reductions across Canada of approximately 400 over the course of a year."

The anticipated staff reductions as a consequence of this restructuring were to occur in administration - at head office and in the regional offices. The restructuring did not involve the sales staff of London Life.

London Life conceded that the implementation of these plans constituted a "reorganization of the business" of the company, in the sense of clause 69(1)(d) of the Act, but contended that a "significant number" of members of the Plan did not cease to be employed by London Life "as a result of" the reorganization, as contemplated by clause 69(1)(d) of the Act. The company agreed that, in the circumstances of this reorganization, it was appropriate to look to terminations of employment of Plan members that occurred during the period from January 1, 1996 to December 31, 1996 in order to determine whether a significant number of members ceased to be employed as a result of the reorganization. However, it maintained that terminations during the period that were involuntary - i.e. those that were company initiated - were the only terminations that were relevant to that determination. In other words, voluntary terminations - i.e. those that occurred through resignation, early retirement or otherwise - should not be included.

The other parties to the proceeding maintained that voluntary and involuntary terminations should be taken into account since;

it could reasonably be expected that some members who terminated voluntarily were influenced, to a significant extent, by the lack of security in their tenure or the increase in their workload, brought about by the reorganization, with the result that it was questionable whether they really left on a voluntary basis, and it would be a futile exercise to try to determine the reasons why particular members in fact terminated their employment in order to assess the voluntariness of their departures.

London Life acknowledged for the purposes of this proceeding that, during the period from January 1, 1996 to December 31, 1996, there were 384 involuntary terminations of administrative employees who were members of the Plan that were attributable to the reorganization. It maintained that this was not a significant number in the context of the Plan, which had a total membership of 8908 at the beginning of 1996. That membership can be broken down as follows:

5870 active members  
 2038 pensioners  
 825 deferred pensioners  
 175 terminations not settled (i.e. options under the Plan on termination not yet elected)

In a Bulletin issued in September of 1990 (vol. 1, issue 3, at p. 17), the former Pension Commission of Ontario (the "PCO"), indicated that:

The question of what is a "significant number" [in the sense of what is now clause

69(1)(d) of the Act] will take into consideration a total plan basis and, if appropriate, a specific geographic location or membership class. As a general rule, a 20% drop in membership ... will trigger further examination of the case by PCO staff.

(The statement of which this observation is a part was designated as PCO Policy No. W100-450, but that policy is now classified by the Financial Services Commission of Ontario ("FSCO"), the successor to the PCO in the latter's administrative and policy roles, as an "inactive pension policy;" see the FSCO Website at [www.fSCO.gov.on.ca](http://www.fSCO.gov.on.ca).)

In a subsequent decision of the PCO, following a hearing under the Act relating to a proposal by the Superintendent of Pensions to order a partial wind up of a Stelco pension plan, the PCO rejected an argument that 20% was a threshold below which it could be expected that a partial wind up would not be ordered (see *Stelco Inc. v. Superintendent of Pensions*, PCO Bulletin (1993), vol. 4, issue 1, p. 40, at p. 45). The PCO was of the opinion that the use of the term "significant" implies a more general and flexible standard and the need to consider each case on its merits." It concluded, in the case before it, that "the termination of 700 members out of a total of 3996 during an 18-month period must be considered a significant number by virtually any standard."

In dismissing an appeal from this decision, the Ontario Divisional Court affirmed the proposition that an absolute number of terminations, considered without regard to their proportional impact, could be sufficiently high so as to constitute a "significant number" in the sense of clause 69(1)(d) of the Act (see *Stelco Inc. v. Ontario (Superintendent of Pensions)* (1994), C.C.P.B. 108, at p. 110 (an appeal from this decision was dismissed by the Court of Appeal, see (1995), 9 C.C.P.B. 126)). The Divisional Court made the following comments about the meaning of the word "significant" in this statutory provision:

The company [Stelco] took the position that the word "significant" must always be given a meaning resulting from a comparison of the number in question with some other number. In this case, the company took the position that 700 or so employees who were terminated in this reorganization could not be regarded as significant without making some comparison of that number with the total number of employees of Stelco. In the factum of the Superintendent, the meaning given to "significant" is a "noticeably or measurably large amount." That may well be the appropriate meaning for the word in the context of this dispute. The word does not lend itself to a precise meaning. We see nothing wrong in the statement by the Commission that the termination of 700 employees could not be regarded as other than a termination of a significant number of employees. The Commission was saying that, regardless of the size of the overall business operation, 700 persons is a significant number of persons. We agree. (At p.110)

Therefore, in the present case, we are entitled to have regard to the absolute number of terminations of Plan members over the period from January 1, 1996 to December 31, 1996 in determining whether a "significant number" of such members ceased to be employed as a result of the reorganization of London Life. That number is, at least, 384, which London Life has acknowledged to be the number of Plan members who were involuntarily terminated as a result of the reorganization.

We are of the opinion that 384 is a "significant number" of members of the Plan ceasing to be employed, in the course of a year, as a result of the reorganization of the business of London Life. In light of this conclusion, we do not find it necessary to deal with the argument of the Members Committee representatives that the number 384 should be supplemented by the addition of some or all of those administrative employees of London Life who voluntarily

terminated their employment during the relevant period - the year 1996 - for the purpose of determining whether a "significant number" of members of the Plan ceased to be employed as a result of the reorganization of London Life. Therefore, we do not comment on with how issue (a.1), set out above, should be resolved.

While the foregoing reasoning is sufficient to dispose of issue (a), we have also considered the question of whether the number of involuntary terminations as a result of the reorganization is "significant" in relation to the membership of the Plan. In this case, the significance of the number 384 may be properly assessed by comparing that number to the total number of active members of the Plan who were administrative employees at the relevant time. The limitation of the comparison to active members is appropriate since clause 69(1)(d) of the Act is triggered when a significant number of "members" of a pension plan "cease to be employed" by their employer (see also the definitions of the terms "member" and "former member" in section 1 of the Act). It is logical, therefore, to determine the significance of the number of members who ceased to be employed against the number of members who were employed at the time.

The limitation of the comparison to members who are administrative employees also makes sense as the purpose is to determine the significance of the number of members of the Plan who have ceased to be employed as the result of a reorganization that is limited to the administrative side of the business and the employees involved in that part of the business represent a substantial portion of the members of the Plan.

In the course of this proceeding, London Life disclosed information that suggested a range of possible numbers as representing the total size of its active administrative staff complement who were members of the Plan at or about the beginning of 1996. These numbers and the way in which they have been ascertained are as follows:

- 2572.5, arrived at by adding the number of regular and temporary head office staff (1896) and the number of regular and temporary regional office staff (686.5) at the beginning of 1996 as disclosed by a Human Resources Corporate Staffing Summary excerpted from a Management Information Systems Report for December, 1996 (2572.5 is a payroll number and does not necessarily reflect membership in the Plan, although it might be expected that the payroll number would be higher than the Plan membership number, for example some of the 11 temporary employees who are included in the payroll number may not have qualified for membership in the Plan),
- 2860 (approximately), arrived at on the basis of the statement in London Life's report to its shareholders on the first quarter results for 1996 to the effect that "approximately 400 positions, representing 14% of total administrative staff in London Life's Canadian operations, will be eliminated as a result of" the 1996 reorganization,
- 2913, disclosed by the total of the active members column on a chart entitled "London Life MEMBERSHIP BY PROVINCE AS AT 1995/12/31," and
- 3001, recited in the Facts Part of London Life's written submissions for the hearing in this matter as the number of active administrative members of the Plan as at December 31, 1995.

If we take the number of Plan members who, it is agreed, ceased to be employed as a result of the reorganization, namely 384, as a percentage of this possible range of total active Plan members who were administrative staff at the relevant time, we come up with percentages ranging between 14.9 and 12.8. In our opinion, 384 is a "significant number" of employees ceasing to be employed in the course of a year as a result of a reorganization when that number represents a percentage, of the relevant base of Plan members, that comes anywhere within this

range, i.e. even if it is as low as 12.8%. This proportional analysis reinforces our earlier conclusion based on the absolute number of terminations resulting from the reorganization that the number of terminations was "significant" in this case.

***Issue (b) Was all or a significant portion of the business carried on by London Life at one or more specific locations discontinued at any time between January 1, 1996 and December 31, 1996, pursuant to clause 69(1)(e) of the Act?***

The Members Committee representatives maintained that two events in 1996 constituted the discontinuance of all or a significant portion of the business carried on by London Life at various specific locations with the result that the Superintendent was entitled, under clause 69(1)(e) of the Act, to require the partial wind up of the Plan. Those events consisted of;

the closure of five mortgage offices resulting in the termination of 26 administrative staff,  
and  
the amalgamation of 11 regional sales offices, resulting in the termination of an additional 19 administrative staff.

London Life conceded that the first event came within clause 69(1)(e) of the Act. However, it maintained that the second event did not, at least where two or more offices in a particular town or geographic region were consolidated. It argued that, in those circumstances, London Life's business was still carried on after the amalgamation at the specific location at which it was previously carried on, namely the particular town or region, so that there was no discontinuance of business in the relevant sense.

In light of our conclusion as to the proper resolution of issue (a), it is not necessary to address this argument. Both of the events referred to above were part of the larger reorganization that occurred in 1996 and were anticipated, in general terms, by the plans for the restructuring of London Life announced in the February 26, 1996 press release. The Plan members who ceased to be employed as a result of these events were included by London Life in the 384 Plan members who, it was agreed, ceased their employment in 1996 as a result of the reorganization. We have concluded that, in the circumstances, 384 is a "significant number" of members of the Plan. Therefore, there is a clear basis for the Superintendent ordering a partial wind up of the Plan under clause 69(1)(d) of the Act, although the Superintendent, in fact, relied on clause 69(1)(e) of the Act as well in her Notice of Proposal. In our view, that reliance was unnecessary.

***Issue (c) If the answer to (a), (a.1) or (b) is yes, should the Tribunal, under subsection 89(9) of the Act, direct the Superintendent to order a partial wind up of the Plan?***

London Life argued, in its initial written submissions, that the Tribunal should exercise its discretion, under subsection 89(9) of the Act, to refrain from directing the Superintendent to order a partial wind up of the Plan even if there were grounds, under clause 69(1)(d) or clause 69(1)(e) of the Act, for ordering such a wind up. However, this argument was not pursued at the hearing. Having found that the pre-conditions for a partial wind up order under clause 69(1)(d) of the Act have been satisfied, we are prepared to direct the Superintendent to make such an order since we have not been offered any good reason for not doing so. A similar approach was taken by the PCO in *Imperial Oil Ltd. v. Ontario (Superintendent of Pensions)* (1996), 15 C.C.P.B. 31, at p. 43 (an appeal from this decision was dismissed by the Ontario Divisional Court, see (1997), 16 C.C.P.B. 93).

***Issue (d) If the answer to (c) is yes, what are the appropriate commencement and end dates for the partial wind up order concerning the Plan?***

The partial wind up order that the Superintendent proposed to make in this matter was identified in her Notice of Proposal. The proposed order was to the effect that the Plan be wound up in relation to those members and former members of the Plan who ceased to be employed by London Life effective between January 1, 1996 and December 31, 1996 or the date the last Plan member ceased employment, whichever is later, as a result of the reorganization of the business of London Life or the discontinuance of that business as carried on at one or more specific locations. However, at the hearing before the Tribunal, the Superintendent supported the position of the Members Committee representatives as to the commencement and end dates for the partial wind up contemplated by the Notice of Proposal.

The Members Committee representatives maintained that the commencement date for the partial wind up should be January 1, 1995 and that the end date should be December 31, 1997 at the earliest, suggesting that the Tribunal should direct the Superintendent to continue investigating terminations after the latter date. In essence, the Members Committee representatives argued that London Life was engaged in a single initiative through the 1995 to 1997 period to improve its bottom line, by cost cutting or through an appropriate acquisition, the results of which could be properly characterized as an on-going reorganization through the period.

In 1994, the management of London Life began discussing the "reengineering" of the business processes of the company, including the question of how any such program should be presented to employees given that concerns about job security were anticipated. In that same year, an organizational change management group was established "to give input and advice to the leaders of the areas impacted by reengineering on the human side of change." It seems clear that some of the cost savings to be achieved through reengineering were expected to occur through the elimination or consolidation of some administrative positions. We note that this would represent a fundamental change in corporate culture since employment in London Life's administration had generally been regarded as "employment for life," as two of the witnesses testified in this case. The reengineering of business processes was built into the corporate objectives and strategies in the 1995 Business Plan for London Life.

In the course of 1995, reengineering and other strategies resulted in the closure of two claims administration offices in Edmonton and Vancouver, with a loss of 30 positions held by Plan members, the amalgamation of regional sales offices with a loss of approximately 12 jobs and the closure of several mortgage offices with a loss of five to eight jobs. The company also terminated an additional 75 or so administrative staff, who were primarily mortgage office and head office employees, during the year, for a grand total of approximately 122 involuntary terminations in 1995, compared to an average of 13 in the previous five years. London Life agreed that each of the office closure initiatives (relating to claims offices and to mortgage offices) involved a discontinuance of business at a number of specific locations so that grounds existed for a partial wind up order, under clause 69(1)(e) of the Act, in respect of the affected Plan members. During the course of 1995, the management team of London Life began planning the restructuring that was later to be announced in the press release of February 26, 1996.

If the events of 1995 were to constitute a reorganization separate from that in 1996, the number of involuntary terminations of Plan members that resulted from the 1995 reorganization was not likely "significant" so as to justify the invocation of clause 69(1)(d) of the Act in respect of that reorganization. But that would not dispose of the argument of the Members Committee representatives that the reorganization that occurred through 1996 should be taken to have

started on January 1, 1995, which presupposes a single continuing reorganization. Of course, if we were to find that the events leading to terminations in 1995 were part of such a reorganization, we would have to re-visit the issue of whether, in those altered circumstances, a "significant number" of Plan members ceased to be employed as a result of the reorganization, taking account of the additional terminations in 1995 but bearing in mind that the total was spread over a longer period, i.e. two years rather than one year.

London Life portrayed the changes brought about by the reengineering that took place in 1995 as incremental and simply part of normal good management decisions and, in any event, as unconnected to the restructuring announced in the press release of February 26, 1996.

In its decision in the *Imperial Oil* case (referred to above), the PCO noted the importance of certainty in the manner of selecting the commencement and end dates of any reorganization, for the purposes of applying clause 69(1)(d) of the Act, and the consequent advantage of using a public announcement date as the commencement date. In particular, the PCO noted, in response to the suggestion that the commencement date of the proposed partial wind up in that case be moved back from the announcement date to capture a period in which there was an increase from the usual number of involuntary terminations:

We do not accept that the commencement date should be moved back. Clause 69(1)(d) makes it clear that the terminations must "result" from the discontinuance or reorganization. It is hard to be satisfied that the terminations in the fall of 1991 resulted from the reorganization that had not yet been announced or undertaken. The steps involved in the reorganization ... had not yet taken place so even if the terminations were in anticipation of changes to the business, they could not be the result of the reorganization. Being related to a reorganization is not the same thing as resulting from a reorganization.

It was the announcement followed by the events described ... that constitutes the reorganization of the business and it is the terminations that occurred due to those events that are encompassed by the terms of clause 69(1)(d) of the Act.

In coming to our decision on this matter, we wish to note that there is a need in all parts of the pension community for certainty about commencement and end dates and how they are selected. The concept of a partial wind up which occurs over a period of several years is difficult for many in the pension industry to understand and accept, making it all the more important that there be some clarity about how the period will be determined. Using the public announcement date is an accepted way of determining a commencement date. If using the public announcement date as the starting point proves problematic, undoubtedly some other mechanism will be used. In this case, the facts are consonant with the view that reorganization did not take place prior to the public announcement on February 4, 1992.

(At pp. 44-45 of (1996), 15 C.C.P.B. 31.)

In our view, neither the common denominator of cost savings as the rationale for terminations in 1995 and 1996 nor the fact that mortgage offices were closed and regional sales offices were amalgamated resulting in terminations in both those years is sufficient to link the initiatives over the two year period as part of a single reorganization. Indeed, we are not persuaded that there is any compelling reason for moving the commencement date of the reorganization of London Life back from the beginning of 1996, as proposed in the Notice of Proposal, which is ostensibly the most logical time for the commencement of the partial wind up as it was marked

by the public announcement of what was clearly a major restructuring plan that was anticipated to result, and did in fact result, in the termination of close to 400 employees over a one year period. In fact, we would have selected the actual date of the announcement, February 26, 1996, as the commencement date but for the fact that London Life presented evidence that the reorganization actually started in January with the termination of five or six Plan members and, therefore, it agreed that, were there to be a partial wind up order against it as a result of the reorganization, January 1, 1996 would be the appropriate commencement date.

In 1995, London Life was in negotiations with The Prudential Insurance Company of America ("Prudential") for the purchase of its Canadian business. However, those negotiations broke down in the latter part of the year and only resumed about the time of the press release of February 26, 1996 that announced plans for the restructuring of London Life. Those plans made no reference to a possible acquisition, although staff were advised, in a communication the same day, that Business Plan priorities would not change and, therefore, London Life would continue, among other things, to look to acquire another Canadian life insurer or block of business. In May of 1996, London Life announced that it had agreed to acquire substantially all the Canadian business of Prudential. The sale closed on July 31, 1996. As of December 31, 1996, approximately 930 former employees of Prudential who had been offered and accepted employment with London Life became members of the Plan, with membership retroactive to August 1, 1996. Some 275 of these new members were terminated by London Life in 1997 in what it claimed was part of the continuing process of integration of the London Life and Prudential operations following the acquisition.

There were 103 other involuntary terminations in 1997, of which 42 related to the closure of London Life's five remaining mortgage offices, apparently as the final step in the process of consolidating mortgage functions at head office. As in the case of the mortgage office closures in earlier years, London Life agreed that it had discontinued its mortgage business at a number of specific locations so that grounds existed for a partial wind up order, under clause 69(1)(e) of the Act, in respect of the affected Plan members.

Once again, a sufficient link was not established between the restructuring plans of 1996 and their implementation, on the one hand, and events outside that year, on the other hand, so as to justify extension of the period of the reorganization beyond the year 1996. We make no comment on the question of whether there might have been a separate reorganization, involving the integration of the Prudential business following the acquisition, that resulted in the cessation of employment of a "significant number" of Plan members since the communications between London Life and PCO or FSCO staff preceding the issue of the Notice of Proposal did not address that question. It was not, therefore, a proper subject for the hearing on this particular Notice of Proposal.

In September of 1997, Great West Life made a successful bid to acquire the shares of London Insurance Group, the parent company of London Life. No employees of Great West Life became members of the Plan. In 1998 and 1999, a number of administrative Plan members lost their jobs at London Life, apparently as a result of the integration of London Life's operations with those of Great West Life. London Life has agreed with the Superintendent's staff to proceed voluntarily with a partial wind up of the Plan with respect to terminations that resulted from this integration. A sufficient link between those terminations or any other terminations in 1998 and 1999 was not made to the events of 1996 so as to justify treating them as a result of the reorganization that was announced on February 26, 1996.

We conclude, therefore, that the appropriate commencement and end dates for the partial wind up order concerning the Plan that was the subject of the hearing before us are January 1, 1996 and December 31, 1996, respectively.

*Issue (e) Did London Life have a legitimate expectation that the Superintendent would not issue a notice of proposal to make a partial wind up order under section 69 of the Act given the December 5, 1996 letter from the Superintendent to London Life?*

*Issue (f) Given the December 5, 1996 letter from the Superintendent to London Life, is the Superintendent estopped from now ordering a partial wind up of the Plan if London Life relied upon the aforementioned letter to its detriment?*

The December 5, 1996 letter from the Superintendent to London Life was a letter, signed by a pension officer at the PCO, to the effect that, after a careful review of the information provided by London Life relative to the termination of a number of employees over the past year or more, the Superintendent of Pensions had concluded that there were not sufficient grounds to order a partial wind up of the Plan and did not intend to make such an order. This letter was one of a series of letters exchanged between London Life and the PCO, or its successor FSCO, relating to the termination of employees by London Life and the possible consequences of those terminations under the Act.

London Life claimed that, in reliance on the representations in this letter, it had not taken steps to preserve all of the documentation relating to terminations that had occurred during the period that the Members Committee representatives later alleged was covered by London Life's reorganization. It then urged this Tribunal to decline to draw any negative inferences from London Life's inability to state with certainty any of the facts that might be relevant to the determination of this case because of the lack of relevant documentation, linking this position with the doctrine of legitimate expectations and the doctrine of estoppel. We do not have to decide whether we are limited in this way, in our assessment of the facts, as we have not drawn any inferences against London Life because of its inability to state any relevant facts with certainty or to produce any particular supporting documentation.

### **Disposition**

In light of our conclusions as to the proper resolution of the various issues raised by this case, we direct the Superintendent to carry out the proposal contained in the Notice of Proposal, subject to the order contemplated by that proposal being modified so that it directs that "the London Life Insurance Company Pension Plan, Registration Number 0343368 (the "Plan") be wound up in part in relation to those members and former

members of the Plan who were employed by the London Life Insurance Company (the "Employer") and who ceased to be employed by the Employer effective between January 1, 1996 and December 31, 1996 as a result of the reorganization of the business of the Employer."

We make no order as to the costs of this proceeding but the panel will entertain written representations on that matter from any of the parties who wish to make them.

DATED at Toronto, this 7<sup>th</sup> day of February, 2001.

"Colin H.H. McNairn"

Colin H. H. McNairn, Vice Chair of the  
and Chair of the Panel

"Louis Erlichman"

Louis Erlichman, Member of the Tribunal  
Tribunal and of the Panel

"William M. Forbes"

William M. Forbes, Member of the Tribunal  
and of the Panel