

**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 of the Superintendent of Financial Services (the “Superintendent”) to Refuse to Consent to a suspension of funding under sections 55(2) and 89(4) of the Act, relating to the Pension Plan for Executives of Shoppers Drug Mart, Registration #1066083 (the “Plan”);

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

**BETWEEN:**

**SHOPPERS DRUG MART INC.**

**Applicant**

**SUPERINTENDENT OF FINANCIAL SERVICES**  
**ROBIN BOYS, GERRY GROSKOPF, HOWARD KOPSTICK,**  
**EDDIE MAINIERO**

**Respondents**

**BEFORE:**

John M. Solursh  
Chair of the Tribunal and of the Panel

Ralph Scane  
Member of the Tribunal and of the Panel

Heather Gavin  
Member of the Tribunal and of the Panel

**APPEARANCES:**

For the Applicant:  
Alan Merskey and J. David Vincent  
representing Shoppers Drug Mart Inc.

For the Respondents:  
Deborah McPhail  
representing the Superintendent of Financial Services

Eddie Mainiero representing himself

**HEARD:**

February 3, 2010

**ORDER**

**WHEREAS** in August 2007 Shoppers Drug Mart Inc. (the “Applicant”) filed with the Superintendent a report in respect of the partial wind up of the Plan effective April 2005;

**AND WHEREAS** due to *Income Tax Act* funding limitations, the Applicant proposed to fully fund the partial wind up liabilities by allocating a disproportionate portion of plan assets to such liabilities;

**AND WHEREAS** by Notice of Proposal dated March 9, 2009 the Superintendent of Financial Services (the “Superintendent”) proposed to refuse to consent to such allocation by a suspension of funding in relation of the ongoing portion of the Plan, under sections 55(2) and 89(4) of the Act;

**AND WHEREAS** the Applicant requested a hearing before this Tribunal pursuant to subsection 89(8) of the Act with respect to the Superintendent’s Notice of Proposal;

**AND WHEREAS** the parties have consented to the resolution of the Notice of Proposal and request for hearing by funding of the Plan upon the terms set out by the within Order;

**AND WHEREAS** in aid of such resolution and as a result of a ruling by the Financial Services Tribunal on or about September 9, 2009, the Applicant filed a revised partial wind up report on or about October 27, 2009 (the “Partial Wind Up Report”);

**AND WHEREAS** the Superintendent approved the Partial Wind Up Report on or about November 3, 2009;

**AND WHEREAS** the Applicant, with the agreement of the Superintendent, proposes to allocate a disproportionate portion of the Plan assets such that the partial wind up benefit entitlements as described in the Partial Wind Up Report will be fully funded as at May 1, 2009 (report to be filed by the Applicant by March 12, 2010);

**AND WHEREAS** the Applicant and the Superintendent have agreed that any assets allocated to the partial wind up that will ultimately not be required to fund the partial wind up liabilities will be treated as an overpayment under subsection 78(4) of the Act;

**AND WHEREAS** the Applicant gave notice to the members or former members of the Plan affected by the partial wind up pursuant to s.72(1) of the Act of their entitlements under the Plan and options available to them, on or about November 6, 2009;

**AND WHEREAS** notice of this hearing has been given to all persons with an interest, including members and former members of the Plan;

**NOW THEREFORE** having heard the submissions of counsel for the parties this day, no persons appearing in opposition despite notice as set out above, the Tribunal orders that:

1. The Applicant shall fund the continuing segment of the Plan as follows:
  - a) the Applicant shall file with the Superintendent a valuation report as at May 1, 2009 with respect to the continuing segment (“Continuing Segment”) by March 12, 2010;
  - b) the Applicant shall contribute an amount to the Continuing Segment that is equal to the amount of the partial wind up deficit as at May 1, 2009 before the disproportionate allocation to the partial wind up portion of the Plan was made. This amount shall be contributed to the Continuing Segment by April 12, 2010; and
  - c) the Applicant shall also contribute to the Continuing Segment an amount equal to the difference between the minimum amortization payment set out with respect to the Continuing Segment in the actuarial valuation report as at December 31, 2006 (report filed by the Applicant February 2008) and the actual amortization payment remitted to the Continuing Segment between June 1, 2007 and May 1, 2009 by April 12, 2010;
2. This Order is subject to compliance with maximum employer contributions permitted under Regulation 8515 of the *Income Tax Act* Canada; and
3. No costs are payable by any party.

DATED at Toronto, Ontario, this 3<sup>rd</sup>, day of February, 2010.

\_\_\_\_\_  
“John Solursh”

John Solursh  
Chair of the Tribunal and Chair of the Panel

\_\_\_\_\_  
“Ralph Scane”

Ralph Scane  
Member of the Tribunal and of the Panel

\_\_\_\_\_  
“Heather Gavin”

Heather Gavin  
Member of the Tribunal and of the Panel