

Unclassified / Low Sensitivity

File no. P5100-A029-20-0

April 5, 2005

To members of the Atomic Transportation System Inc Pension Plan

**Subject: Atomic Transportation System Inc. Pension Plan  
(the Atomic Plan)  
Registration Number: 55462  
*Pension Benefits Standards Act, 1985 (PBSA)***

Dear Sir or Madam:

I am writing to inform you of a recent event and some of the next steps with respect to the efforts of the Office of the Superintendent of Financial Institutions (OSFI) to recover money for the Atomic Plan.

### **Background**

TCT Logistics Inc (TCT) and related companies, including Atomic Transportation Inc (Atomic), went into bankruptcy in February 2002. The court appointed KPMG as Trustee in Bankruptcy for the companies. OSFI appointed Morneau Sobeco as the replacement administrator of the Atomic Plan. Morneau Sobeco advised you in September 2003 that there were only sufficient funds in the Atomic Plan to pay part of the pension benefits. OSFI filed a claim with KPMG (OSFI claim) to recover money owed to the Atomic Plan.

When TCT acquired Atomic, the purchase and sale agreement provided for a holdback of part of the purchase price. This holdback is held in trust. After discovering a solvency deficit in the Atomic Plan, TCT filed a claim (TCT claim) against this holdback. The sellers disputed the claim.

### **Recent Event**

On January 21, 2005, the Ontario Superior Court of Justice issued a court order authorizing and approving the assignment of the TCT claim to OSFI. The court order can be viewed on our Web site at [www.osfi-bsif.gc.ca](http://www.osfi-bsif.gc.ca).

### **Next Steps**

The assignment means that OSFI has acquired TCT's right to pursue a claim with respect to the holdback. We can now continue our efforts to recover money for the Atomic plan. We have started discussions with the legal counsel for the sellers of Atomic. The timeframe for completion of this process is difficult to predict. This will depend on the process selected to resolve the dispute. It may go to arbitration or to court.

We will be keeping Morneau Sobeco informed of any progress on this matter. If you have any questions concerning the Atomic Plan please contact Ms. Pauline Frenette of Morneau Sobeco at (888) 667-6328.

Either Morneau Sobeco or OSFI will continue to inform you in due course of significant developments with respect to the Atomic Plan.

**Defined Contributions Pension Plan and Group RRSP**

In addition to the Atomic plan, TCT had a defined contributions pension plan (DC Plan) and a Group RRSP. You may have participated in these other retirement savings plans. At the time of bankruptcy, money was also owed to these other plans. The court order above authorized KPMG to pay into court \$239,917.74, all of the money that was owed to these plans. Manulife is the custodian of the DC plan and the Group RRSP. OSFI will be working with Manulife to secure and distribute the funds to the affected members in the near future.

Questions concerning the DC Plan and Group RRSP may be addressed to Manulife at (888) 245-5558.

Yours truly,

Henri Boudreau  
Director  
Private Pension Plans Division

Cc. Manulife Financial  
Morneau Sobeco  
Ms. C. Taraschuk  
Mr. J. Poyser