



Association **F**or **T**he **E**quitable **R**ecovery  
of the

**National Trust Pension SURPLUS**

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**FOR IMMEDIATE RELEASE**

**SCOTIABANK STILL WITHHOLDS \$140 MILLION IN PENSION FUNDS**

***Bank-Style Fair Treatment Means Ignoring Pensioners***

Halifax, NS - March 2, 2001 – Over 1,000 pensioners and employees of the former National Trust Company continue to seek an equitable resolution to the \$140 million surplus withheld by Scotiabank in their Pension Plan.

For the past 16 months, The Association For The Equitable Recovery of the National Trust Pension Surplus (**AFTER**) has been ignored by Bank executives in its repeated formal requests to discuss the ongoing surplus issue. Since the takeover of National Trust in 1997, Scotiabank has refused to deal with the former National Trust employees, and has maintained unilateral control of the surplus in the National Trust Pension Plan. Meanwhile, upwards of 35 National Trust pensioners can be expected to die each year.

At Scotiabank's Annual Shareholders' Meeting held last year in Calgary, **AFTER** was assured of fair treatment by Bank Chairman and Chief Executive Officer, Peter C. Godsoe. He stated "we've acquired many companies over many years and we (the Bank) always are and will treat people fairly, responsibly, and openly ... we stand for that ... we're committed to being fair, and we will be ... we always have been" (please refer to transcripts available from Scotiabank's Economics, Public & Corporate Affairs Dept.).

From 1985 until the Scotiabank takeover in 1997, National Trust took, and the Bank continues to take, a pension contribution holiday. This is now estimated to total \$75 million over this 16-year period, ignoring investment appreciation.

"Through stalling tactics and refusing to meet with us to negotiate, the Bank is the big winner and continues to boost its profits on the backs of these pensioners and employees. In the end, the average employee who has given years of service is the loser", said Ed O'Brien, a former long-term employee and current pensioner.

Even now, Scotiabank is doing all it can to keep the surplus monies. The Bank recently changed the rules of its Plan for those National Trust employees retained under the take-over. It is using the surplus generated by previous employee contributions to fund future entitlements of the over 50% of those retained staff not contributing to the Plan. "This change is simply unfair and

inequitable, and will seriously drain the surplus which only should be used for the benefit of those who did contribute”, said Robert Smallhorn, **AFTER** spokesperson. This situation is compounded by the Bank’s application to move the Plan to the less onerous federal jurisdiction. Smallhorn further added, “pension legislation prohibits Scotiabank from withdrawing or using the surplus to its benefit at this time, however, nothing prevents the Bank from distributing the \$140 million surplus to its rightful owners now”.

Many **AFTER** members are also Scotiabank shareholders. They plan to attend this year’s Annual Meeting to again raise the issue and appeal to Scotiabank that it meet its commitment to treat this group fairly, responsibly, and openly. The meeting is being held on Tuesday, March 6, 2001 10:00 a.m. (Atlantic time) at the World Trade and Convention Centre, 1800 Argyle Street, Halifax, N.S.

For further information, please refer to [www.koskieminsky.com/nattrust/index.htm](http://www.koskieminsky.com/nattrust/index.htm) or call **AFTER** toll free at 1-800-451-3225 or by mail:

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Media Backgrounder: Web site ([www.koskieminsky.com](http://www.koskieminsky.com)) provides full chronology and informational details