



BÂTIRENTE



**Leading Canadian Investment Funds Will Oppose
Sino-Forest Reorganization Plan Releasing Auditors, Underwriters**

Quick settlement could leave many investors without compensation, damage trust in securities safety net in Canada

Toronto, Dec. 7 2012 -- Leading Canadian investment firms will oppose a proposed “framework” that would circumvent normal class-action investor protections, the firms announced today. Auditors and underwriters for failed Sino-Forest Corporation are in court in Toronto today to seek approvals for settlements that would leave many investors without well-established legal recourse.

Parties to the insolvency proceeding, including Sino-Forest itself, former Sino-Forest auditors Ernst & Young and BDO, and 11 firms that were underwriters for Sino-Forest securities, as well as lawyers for plaintiffs in the class action arising from the crash in Sino-Forest stock, want the insolvency court to approve a Plan, which includes liability releases that would prevent investors from pursuing claims individually against the underwriters and auditors (“the Plan”). The objecting investors contend that those releases would, in effect, deprive them of well-established rights to “opt out” of class actions if they do not want to be bound by settlements negotiated by class counsel.

Comité Syndical National de Retraite Bâtirente Inc. (“Bâtirente”), Northwest & Ethical Investments L.P. (“NEI”) and Trimark Investments, part of Invesco Canada Ltd. are concerned that sanctioning the Plan will damage investors’ trust in the integrity of Canada’s capital markets, particularly in light of the most recent allegations leveled by the OSC against Ernst & Young.

“The approval of a settlement with a third party to a CCAA application is extraordinary,” says John Mountain, SVP Legal, NEI Investments. “The parties are proposing to extinguish the legal rights of thousands of investors across Canada without allowing them the opportunity to review the settlement or to retain counsel and pursue their own actions. We believe it is important to step up to protect the legal rights of those investors who are being deprived a voice at this crucial stage.”

A class action commenced in Ontario against Sino-Forest, its directors and officers, the underwriters, the auditors and other defendants on behalf of investors harmed by the alleged fraud involving Sino-Forest. The class action alleges that the defendants fundamentally misrepresented the integrity of Sino-Forest’s business operations and financial reporting, and materially overstated its assets and financial results. The class action has not been certified and counsel to the plaintiffs in the class action do not represent Bâtirente, NEI, Trimark Investments, who have retained their own counsel.

On March 30, 2012, Sino-Forest sought protection from its creditors under *Companies’ Creditors Arrangement Act* (“CCAA”). On Friday, December 7, Sino-Forest will ask the court to approve a plan to restructure its operations. The most recent version of that plan

was only made publically available on Monday, December 3, the same day that the OSC announced allegations that Ernst & Young had failed in its role as Sino-Forest's auditor, and a potential settlement between Ernst & Young and the plaintiffs in the class action was announced. The most recent version of the Plan includes a mechanism that would forever release Ernst & Young from claims in relation to its work as Sino-Forest's auditor and would deprive other investors of their legal right to pursue separate actions against Ernst & Young. The terms of the settlement with Ernst & Young have not been publicly disclosed, although the settlement is purportedly valued at \$117 million.

The Sanction Hearing to approve the Plan is scheduled to take place before Justice Morawetz on December 7 and 10, 2012 at 10:00 am.

Bâtirente, NEI, and Trimark Investments are represented by Kim Orr Barristers P.C. of Toronto in these proceedings.

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Released by:
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