

SOUTH FINANCIAL GROUP INC

Form 425

July 12, 2010

Filed by The Toronto-Dominion Bank
Pursuant to Rule 425 under the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12 under the
Securities Exchange Act of 1934
Subject Company: The South Financial Group, Inc.
Commission File No.: 0-15083

This filing, which includes communications sent to employees of The Toronto-Dominion Bank and/or TD Bank, America's Most Convenient Bank on July 12, 2010, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and comparable safe harbour provisions of applicable Canadian legislation, including, but not limited to, statements relating to anticipated financial and operating results, the companies' plans, objectives, expectations and intentions, cost savings and other statements, including words such as anticipate, believe, plan, estimate, expect, intend, will, should, may, and other similar expressions. Such statements are based upon the current beliefs and expectations of our management and involve a number of significant risks and uncertainties. Actual results may differ materially from the results anticipated in these forward-looking statements. The following factors, among others, could cause or contribute to such material differences: the ability to obtain the approval of the transaction by The South Financial Group, Inc. shareholders; the ability to realize the expected synergies resulting from the transaction in the amounts or in the timeframe anticipated; the ability to integrate The South Financial Group, Inc.'s businesses into those of The Toronto-Dominion Bank in a timely and cost-efficient manner; and the ability to obtain governmental approvals of the transaction or to satisfy other conditions to the transaction on the proposed terms and timeframe. Additional factors that could cause The Toronto-Dominion Bank's and The South Financial Group, Inc.'s results to differ materially from those described in the forward-looking statements can be found in the 2009 Annual Report on Form 40-F for The Toronto-Dominion Bank and the 2009 Annual Report on Form 10-K of The South Financial Group, Inc. filed with the Securities and Exchange Commission and available at the Securities and Exchange Commission's Internet site (<http://www.sec.gov>).

The proposed merger transaction involving The Toronto-Dominion Bank and The South Financial Group, Inc. will be submitted to The South Financial Group, Inc.'s shareholders for their consideration. The Toronto-Dominion Bank and The South Financial Group, Inc. have filed with the SEC a Registration Statement on Form F-4 containing a preliminary proxy statement/prospectus and each of the companies plans to file with the SEC other documents regarding the proposed transaction. **Shareholders are encouraged to read the preliminary proxy statement/prospectus regarding the proposed transaction and the definitive proxy statement/prospectus when it becomes available, as well as other documents filed with the SEC because they contain important information.** Shareholders may obtain a free copy of the preliminary proxy statement/prospectus, and will be able to obtain a free copy of the definitive proxy statement/prospectus when it becomes available, as well as other filings containing information about The Toronto-Dominion Bank and The South Financial Group, Inc., without charge, at the SEC's Internet site (<http://www.sec.gov>). Copies of the definitive proxy statement/prospectus and the filings with the SEC that will be incorporated by reference in the definitive proxy statement/prospectus can also be obtained, when available, without charge, by directing a request to TD Bank Financial Group, 66 Wellington Street West, Toronto, ON M5K 1A2, Attention: Investor Relations, 1-866-756-8936, or to The South Financial Group, Inc., Investor Relations, 104 South Main Street, Poinsett Plaza, 6th Floor, Greenville, South Carolina 29601, 1-888-592-3001.

The Toronto-Dominion Bank, The South Financial Group, Inc., their respective directors and executive officers and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding The Toronto-Dominion Bank's directors and executive officers is available in its Annual Report on Form 40-F for the year ended October 31, 2009, which was filed with the Securities and Exchange Commission on December 03, 2009, its notice of annual meeting and proxy circular for its 2010 annual meeting, which was filed with the Securities and Exchange Commission on February 25, 2010, and the above-referenced Registration Statement on Form F-4, which was filed with the SEC on June 10, 2010. Information regarding The South Financial Group, Inc.'s directors and executive officers is available in The South Financial Group, Inc.'s proxy statement for its 2010 annual meeting, which was filed with the Securities and Exchange Commission on April 07,

2010. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, is contained in the above-referenced Registration Statement on Form F-4, which was filed with the SEC on June 10, 2010, and other relevant materials to be filed with the SEC when they become available.

THE FOLLOWING IS A COMMUNICATION SENT TO EMPLOYEES OF THE TORONTO-DOMINION BANK ON JULY 12, 2010

1. TD Bank Best North American Bank Euromoney

For the second year running TD Bank wins the best North American bank award, having succeeded in expanding further into the US retail market while increasing its revenues in its domestic territory of Canada. In 2009 and the first quarter of 2010, all of TD's business segments were profitable. Despite the market conditions of 2009, the North American retail business contributed almost 80% of the firm's total profits, at C\$4.7 billion (\$4.6 billion). Bharat Masrani quoted; Ed Clark mentioned. [See full story](#)

2. TD to create precious metals team The Globe and Mail

The bank's TD Securities division is looking to hire about a dozen people to create a trading group that can handle gold, silver, platinum and palladium. Tim Gardiner, who ran Mitsui & Co.'s precious metals business, has been tapped to lead the venture. Pat Meneley (EVP, Wholesale Banking) quoted. [See full story](#)

3. Imagining the Next Wave of Bank M&A TheStreet.com

Now that the economy is healing, the rumblings are starting that traditional M&A is on its way back to the bank sector. There have already been a few smallish transactions, most recently privately held Eastern Bank Corp.'s \$163 million agreement to acquire Wainwright Bank & Trust (WAIN:NYSE) for a hefty premium. Then on Thursday, private equity stepped up as famed distressed investor Wilbur Ross led a \$100 million investment in Sun Bancorp. Bharat Masrani quoted. [See full story](#)

4. Create a legacy worth leaving behind; But the monetary aspects also require attention National Post

My son, a Bruce Lee fan, had one of Lee's quotes on the wall in his bedroom: "The key to immortality is first living a life worth remembering." I'm not exactly a martial arts fan, but I've always liked the quote because, let's face it, we all want to lead a life worth remembering. Immortality comes in the form of stories worth telling and a lasting legacy that benefits generations to come. Written by Patricia Lovett-Reid. [See full story](#)

5. Retired? Don't count on it; Victoria-born Don Drummond just can't stay out of the numbers game The Times Colonist (Victoria)

Don Drummond has clearly lost touch with his West Coast roots. The former TD Canada Trust chief economist just doesn't seem to get the concept of retiring, taking it easy and enjoying a well-deserved break. Don Drummond quoted; Craig Alexander mentioned. [See full story](#)

6. Protecting your holiday The Globe and Mail

There are so many things to worry about when you go on vacation: Will anyone notice the streaks in your spray-on tan? Will all the booze you packed put your baggage over the weight limit? Joanne Nosworthy (AVP, Account Recovery and Fraud Management, TD Canada Trust) quoted. [See full story](#)

7. You can't beat brand newness The Toronto Star

When it's time to buy a new vehicle, most people start out at the dealership looking at brand new cars featuring the latest designs, technical innovations and colours. They might ultimately decide to compromise and buy a used car, but grudgingly. TD Canada Trust mentioned. [See full story](#)

8. Homes the sweetest homes Edmonton Sun

Most Albertans planning on buying a new home have plans to buy a single-family home, according to the new TD Canada Trust Home Buyers Report. Farhaneh Haque (Sales Manager, Mobile Mortgage Specialists, TD Canada Trust) quoted. Similar article in Toronto Sun. [See full story](#)

9. L'assurance vie par petits morceaux [Life insurance in small pieces] La Presse

À quoi sert l'assurance vie-épargne de Desjardins? Vaut-il la peine d'éparpiller son assurance vie? [See full story](#)

[story](#)

10. Wary markets brace for earnings season The Globe and Mail

The second-quarter earnings season that kicks off today may be the make-or-break test for a global recovery that suddenly looks to be sputtering. Beata Caranci (AVP and Deputy Chief Economist) quoted. [See full story](#)

11. Off the charts job market; 93,200 rise caps record streak National Post

OTTAWA Somebody forgot to tell Canada that the global economy is slowing down and, worse still, at risk of falling into the throes of a double-dip recession. Derek Burleton (VP and Deputy Chief Economist) quoted. [See full story](#)

12. Gutting of census stirs opposition to Harper The Toronto Star

Among the Hungarian refugees who came to Canada after the 1956 Soviet invasion was a young math graduate from Budapest. He joined the Dominion Bureau of Statistics as a junior clerk. Simultaneously, he earned a PhD from Carleton. In 1985 he became head of Statistics Canada. He made it the world's most respected census agency, before retiring in 2008. Craig Alexander quoted. [See full story](#)

13. New sponsorship deal has Theatre Under the Stars covered Vancouver Courier

Four years after Theatre Under the Stars looked like it might wind up underground, the Stanley Park summer attraction has secured corporate funding for the first time in its 64-year history. Claire Townsend (Corporate and Public Affairs) quoted. [See full story](#)

Looking for TD's view on articles about the bank or the financial industry? Visit [TD News & Views](#) for background on some stories of the moment that may come up in your discussions with customers, colleagues and friends.

Vous cherchez des opinions et des articles de la TD au sujet du secteur bancaire ou financier? Visitez [Nouvelles et Opinions de la TD](#) pour y trouver de l'information sur certains sujets d'actualité qui peuvent être évoqués dans vos discussions avec des clients, des collègues et des amis.

Full Stories

1. TD Bank Best North American Bank

Euromoney

July 2010

For the second year running **TD Bank** wins the best North American bank award, having succeeded in expanding further into the US retail market while increasing its revenues in its domestic territory of Canada. In 2009 and the first quarter of 2010, all of **TD's** business segments were profitable. Despite the market conditions of 2009, the North American retail business contributed almost 80% of the firm's total profits, at C\$4.7 billion (\$4.6 billion).

TD Bank is now the 13th largest bank in the US by deposits via organic growth and acquisition, with 1,100 branches across the country.

In a market that is saturated and facing consolidation, with more than 8,000 banks, **TD** has managed to differentiate itself from the traditional US retail banking model and win market share from longstanding incumbents. **Bharat Masrani, president and chief executive of TD Bank** in the US, says it is the service that the bank is offering that is winning customers. **TD Bank** goes a step further than its competitors in fulfilling its motto of America's most convenient bank.

In stores that allow for it, our employees can walk you to your car under an umbrella if it is raining, says **Masrani**.

We'll give your dog biscuits and water so you can feel comfortable bringing your pets into a store. We make

banking fun for children so they can use our Penny Arcade change counters and win prizes while the parents are carrying out their banking business. It attracts a deeper relationship. Good service is the only sustainable competitive advantage now in the US retail industry. The strategy is working. In the second fiscal Canadian quarter, reported in May, the US retail business produced net income of \$241 million, up 45% from the same period in 2009.

That income has come not only from organic growth, where **TD** added 32 branches last year and hopes to add 33 in 2010; it will also add more via acquisition. Commerce Bank is now completely absorbed and **TD Bank Financial Group president and chief executive Ed Clark** has turned his eye to acquiring banks that are being sold off by the Federal Deposit Insurance Corporation. Through these acquisitions, the bank will become a top-10 player in Florida and a top-five player in South Carolina. **Masrani** says the acquisitions make sense from a risk-profile perspective.

We've been very sensible through the cycle, avoiding the carnage and not getting involved in risky investments, **Masrani** says. We don't want to disturb that; the FDIC deals do not come with catastrophic risk so it makes sense for us. If there are larger banks for sale outside the FDIC-guaranteed deals, we will consider them, but with a considerable amount of due diligence.

At home in Canada, **TD Bank** is also gaining market share. In 2009, personal and commercial lending grew by a little under 13% compared with just 5% among its Canadian peers. In the second fiscal Canadian quarter of this year, net income of the bank's Canadian retail business grew 31% year on year and 6% over the first quarter.

As the financial crisis passes, the importance of regaining the trust of banking customers is crucial to building reputation and winning clients.

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2. TD to create precious metals team

The Globe and Mail

07/12/2010

BOYD ERMAN

Pg. B1

As gold shines ever brighter, **Toronto-Dominion Bank** plans to take advantage by building a precious metals trading team.

The bank's **TD Securities** division is looking to hire about a dozen people to create a trading group that can handle gold, silver, platinum and palladium. **Tim Gardiner**, who ran Mitsui & Co.'s precious metals business, has been tapped to lead the venture.

TD hasn't been known as a top player in mining and precious metals. With metal prices soaring and Canada home to many of the world's publicly traded metals companies, the bank wants to do more.

It's a really interesting growth market, said **Patrick Meneley, head of investment banking at TD Securities**. He said trading is highly specialized and very intricate, and fits hand-in-glove with our investment-banking and sales and trading businesses.

By building a trading team, **TD** is hoping to do more business for its corporate clients in the mining world, by helping them buy, sell and hedge the metals they produce. That may help the firm win more deals with miners.

There are a lot of ways clients use metals traders to manage their risk, Mr. **Meneley** said. Buyers of metals, both big and small, will also potentially be customers.

At the big end of the scale are manufacturers and huge investors. For example, an auto-parts company might need to line up supplies of palladium for catalytic converters. Central banks, oil refiners (which also need palladium), chemical producers and commodity investment funds are all potential clients that **TD** is aiming for.

The trading business could also allow **TD** to offer products such as gold-linked notes sold to individuals through the bank's retail brokers.

The **TD** group will have to compete with some well-established rivals abroad and at home, including Bank of Nova Scotia's metals trading arm, which is probably the best known in Canada.

TD is building on its experience with a natural gas trading business it started about five years.

The bank found that helped to feed its investment banking business by giving the firm an edge on deals for companies that produce natural gas, Mr. **Meneley** said.

The metals team will include researchers, traders and sales people to drum up business. They will be based in Toronto, London and Singapore. The bank expects to be ready to go in the fall.

At the same time, **TD** is bringing on a high-ranking mining investment banker in **Ron D Ambrosio**.

The firm hired him away from rival Macquarie Capital Markets.

Mr. **D Ambrosio** will be a managing director in **TD**'s global mining group.

The hiring is part of a push to win more mandates helping mining companies as they buy and sell rivals and as they raise money.

We're going to continue to grow that team, Mr. **Meneley** said.

We're definitely not done. The Canadian market is a global hub for mining. People come to Canada to do deals, and we believe there are great opportunities in this market to continue to grow.

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3. Imagining the Next Wave of Bank M&A

TheStreet.com

07/09/2010

LAURIE KULIKOWSKI

Now that the economy is healing, the rumblings are starting that traditional M&A is on its way back to the bank sector.

There have already been a few smallish transactions, most recently privately held Eastern Bank Corp. \$163 million agreement to acquire Wainwright Bank & Trust (WAIN:NYSE) for a hefty premium. Then on Thursday, private equity stepped up as famed distressed investor Wilbur Ross led a \$100 million investment in Sun Bancorp.

But the big deals may have to wait a while. Potential acquirers still need word on capital requirements from

regulators, and a return to normalized earnings remains beyond the horizon. Banks that might be open to selling themselves are of course dealing with many of the same issues. The eventual shape of finreg and increased competition for failed institutions are also evolving factors. But when the things do pick up, the activity could be brisk.

This cycle is going to be even bigger than usual, says analyst Bob Patten of investment bank Morgan Keegan, which is owned by Regions Financial (RF:NYSE).

Patten predicts the first wave of mergers will be so-called takeunders of small banks by larger regional banks looking for fill-in acquisitions. He expects the transformational deals to come along in 2011. FDIC-assisted deals for failed or teetering institutions, such as **TD Bank**'s agreement to purchase the troubled The South Financial Group (TSFG:NYSE) in May are expected to continue to dominate in the near-term as the industry isn't quite out of the woods when it comes to credit costs just yet.

>>>10 Potential Small Bank Takeout Targets

Michael Rose, vice president of equity research at Raymond James & Associates, thinks the pace of economic recovery will be key to timing the next wave of bank M&A as management teams need to get more comfortable with being able to value the troubled assets of targets.

Rose predicts consolidation over the next five to 10 years will bring the current tally of more than 8,000 banks in the United States down to roughly 6,000 banks.

The most likely buyers will be the large and mid-size regional banks. The too big to fail bunch mainly Bank of America (BAC:NYSE), JPMorgan Chase (JPM:NYSE), Citigroup (C:NYSE) and Wells Fargo (WFC:NYSE) could find it tough to participate as they deal with their sprawling businesses and finreg's impact. Although they could jump in under the right circumstances, as this article later theorizes.

Foreign names like Canada's **TD Bank**, Barclays (BCS:NYSE), Spain's BBVA (BBVA:NYSE) and Banco Santander (STD:NYSE) also constitute a force to be reckoned with as they are itching for a larger piece of the U.S. consumer.

When it comes, I think it's going to be something like an arms race so to speak. Once one of them gets comfortable with doing these transactions, more banks will do them, Rose says. At some point it's not yet but when this M&A wave does start, you're going to see the stocks of these companies rebuild in an M&A premium.

So what kind of deals will we see when the cycle kicks in?

The Southeast looks like it could be ripe for significant consolidation. Banks of all sizes sought to capitalize on the massive residential housing wave there, and many of these banks are now sitting on mortgages, residential construction, and land and development loans that soured since the downturn.

That being said, the common historical view is that banks are sold, not bought, meaning that no deal will get done unless a potential seller's management team is willing to entertain discussions.

For this article, we decided to look at three sizable regional banks in the South that could be potential sellers over the next few years. All three have yet to pay back TARP funds and are still reporting losses while struggling against overwhelming amounts of troubled commercial and residential loans. Once we settled on who might end up on the block, the next logical step was to make an educated guess about who might be the logical buyer. Here then are three potential hookups:

3. **TD Bank** and Synovus (SNV:NYSE)

Headquarters: Cherry Hill, N.J./Portland, Maine and Columbus, Ga.

Combined Branches: approximately 1,300

Combined Deposits: approximately \$120 billion

Combined Assets: \$192 billion

Why This Merger: From a geographic standpoint, Synovus' large presence in Georgia, South Carolina as well as Florida, complements **TD Bank's** Maine-to-Florida strategy. Despite a recent large capital raise, Synovus may also be a willing seller in the not so distant future either due to board and/or management exhaustion as it works through its credit troubles.

Commentary: As the U.S. bank subsidiary to **Toronto-Dominion Financial Corp.**(TD:NYSE), **TD Bank** has been aggressively expanding south of the Canadian border for the last five years.

The march began in 2005 when it bought a majority stake in what was once Banknorth of Portland, Maine. **TD** then bought out the rest of the bank in 2007. It followed that deal up with the acquisition of Mid-Atlantic powerhouse Commerce Bank one year later. Most recently, **TD Bank** made an entry into Florida through the April FDIC-assisted acquisitions of **Riverside National Bank of Florida**, **First Federal Bank of North Florida** and **American First Bank**, as well as the previously mentioned agreement to acquire South Financial in May.

The Canadian bank is busy these days integrating the multitude of systems and operations that come along with rapid acquisitions, however **TD Bank's** CEO **Bharat Masrani** said at a recent investor presentation that the bank isn't ruling out further acquisitions.

"[S]hould a compelling opportunity come up, either an FDIC-assisted transaction or one where the risks are clearly understood and manageable, we would be willing to take a look, provided our current integration plans are finalized and well under way to execution, **Masrani** said.

Synovus has its fair share of commercial loan problems that it must continue to wade through.

It's a very challenging market and it's been a very exhaustive process on Synovus' management team, Mogan Keegan Patten says. Over the long haul, the board will start to consider their strategic alternatives, and its attractive capital cushion will appeal to buyers, especially to buffer against further writedowns in its loan portfolio, he posits.

One other factor which may induce Synovus to sell longtime Chairman and CEO Richard Anthony took a leave of absence for medical reasons in June. While the board named temporary replacements to fill Anthony's position, if Anthony were to be replaced permanently, the board may decide that a sale is the best alternative for shareholders.

For now though Synovus has bought itself time by completing a capital raise of over \$1 billion in May.

But Synovus fits the profile of a highly coveted acquisition candidate, Rose of Raymond James says, noting that it's one of the few banks with size and scale in the South, particularly in Georgia and Florida, which will become more valuable over time.

2. JPMorgan Chase (JPM:NYSE) and SunTrust Banks (STI:NYSE)

Headquarters: New York and Atlanta

Combined Branches: 6,800

Combined Deposits: \$1.04 trillion

Combined Assets: \$2.2 trillion

Why This Merger: SunTrust has long been known as the JPMorgan of the South so why not make it official?

Seriously though, SunTrust provides across-the-board banking and investment services to consumers and institutional customers, like, you guessed it, JPMorgan! The bank is also located in an area where JPMorgan lacks significant presence, but may want to eventually gain access, given the large amount of retirement assets in region as well as SunTrust's relationships with area businesses.

Commentary: Lots of ifs, ands or buts come along with raising the prospect of this deal, but in theory it does make sense. We know that JPMorgan's CEO Jamie Dimon is looking outside of the U.S. for future growth. We know that the banking titan is hitting the deposit cap limit, if it hasn't already surpassed it. We know it is still integrating Washington Mutual and Bear Stearns and we know that banks are sold not bought.

But let's say in two to three years, SunTrust's management decides to test the waters.

If the price is right, Dimon is smart enough to figure a way to get the deal done.

I don't think you can discount JPMorgan, says Raymond James Rose, who does not cover JPMorgan, adding that historically SunTrust's valuation included an M&A premium in the stock.

To be fair, JPMorgan wouldn't be the only bank looking at SunTrust. Other banks including foreign banks (rumors surfaced that Barclays was sniffing around the bank this week), and perhaps even a U.S. Bancorp (USB:NYSE) may want a piece of the Southeast via SunTrust.

1. BB&T (BBT:NYSE) and Regions Financial (RF:NYSE)

Headquarters: Winston-Salem, N.C. and Birmingham, Ala.

Combined Branches: approximately 3,700

Combined Deposits: \$202.4 billion

Combined Assets: \$300.9 billion

Why This Merger: Again, another combination that has been posited in the past, but that doesn't change the fact that BB&T could gain some major cost savings from the overlap of franchises, while at the same time picking up complementary adjacent markets that would make the combined entity a true Southern powerhouse.

Commentary: BB&T has long been friendly to M&A and states in its investor presentation materials that it is looking for banks and thrifts with compatible cultures to enhance its banking franchise. The North Carolina-based bank completed one of the largest FDIC-assisted deals of last year by purchasing Colonial Bank.

Morgan Keegan's Patten says BB&T is likely to play defense, given that banks headquartered outside of the South are eager for real estate in that area of the country, such as TD Bank and Fifth Third (FITB:NYSE). Patten doesn't discount the possibility of any substantial in-market deal for BB&T.

Looking forward, my view is that [BB&T CEO] Kelly King and the rest of management see the banking environment as a slower growth revenue scalable environment and the only way to out-earn peers is by

integrating strategic acquisitions with good cost saves, says Patten, who declined to comment specifically on the potential for a BB&T/Regions transaction because Morgan Keegan is owned by Regions.)

Regions has been named more than once as a potential seller, including in a recent research report from Credit Suisse that listed the bank as one of its four names with the highest probability of a takeout sometime next year.

Analysts say that the culture at Regions, which is a culmination of three large bank mergers including the 2004 merger with Union Planters and the 2006 merger with AmSouth, never really meshed well, which could give BB&T a leg up. With the economy off its 2008-2009 lows, BB&T CEO King has said that the bank will turn back to unassisted deals, so who knows?

"[W]e're not opposed to looking at unassisted deals at this point, but we are remaining firm in terms of having a conservative view with regard to the economics of it," King said in a recent conference call.

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4. Create a legacy worth leaving behind; But the monetary aspects also require attention

National Post

07/10/2010

PATRICIA LOVETT-REID

Pg. FP12

My son, a Bruce Lee fan, had one of Lee's quotes on the wall in his bedroom: "The key to immortality is first living a life worth remembering." I'm not exactly a martial arts fan, but I've always liked the quote because, let's face it, we all want to lead a life worth remembering. Immortality comes in the form of stories worth telling and a lasting legacy that benefits generations to come.

Creating a legacy is about much more than just money, but the monetary aspect requires careful attention. While we work to build wealth to satisfy our present needs, we also want to secure the well-being of our families, both while we're alive and through our estates when we pass on. Think about this as more than just estate planning—you are creating a sustainable legacy.

MANAGING YOUR ESTATE

One of the biggest challenges to creating a sustainable legacy is the tax implications upon death. When you die, the total value of your registered assets is included as income in the year of your death, and all of your capital assets (such as your investment portfolio and recreational real estate) are assumed to have been sold immediately before death.

This deemed sale may trigger a sizeable capital gain, 50% of which is taxable. In addition, the estate assets may be subject to probate fees or taxes. In some provinces (such as Ontario and British Columbia), these can be quite large. A quick win is to designate a beneficiary to your registered accounts. This allows your RRSP or RRIF to avoid probate and pass directly to the beneficiaries (in most provinces, except Quebec).

You can also use a financial planning strategy known as the Personal Asset Transfer Plan. This plan moves savings from a tax-exposed investment to a tax-exempt universal life insurance policy. The policy provides immediate life insurance protection. The investment within the policy accumulates on a tax-deferred basis, so your heirs will receive the proceeds tax-free.

There are many options to help reduce taxes and fees. Talk to a financial advisor who can help you determine the best strategy for your personal situation.

HAVE THE TALK

Key to creating a sustainable legacy is ensuring that your family understands your wishes. I was talking with a woman at a cocktail party recently about the importance of communicating your thoughts with your family and she said to me,

I don't need to do that. I always tape my will to my fridge because even in periods of despair, my family will want to eat and they will find it.

Posting your will in the kitchen is not estate planning. Have the talk with your family about what you would like to have happen once you are gone. Share what is important to you and explain how and why you have made the decisions you have. This eliminates all of the second guessing and ensures your legacy is in fact your legacy.

INSTILLING YOUR VALUES

An important aspect to creating a sustainable legacy is philanthropy. Make philanthropy a family affair by instilling values in your children about the importance of giving back. That giving back should be financial, but it can also be a donation of your time. Consider volunteering as a way to share your expertise. Set an example for your children that they can follow in their lifetimes.

Winston Churchill is said to have uttered: You make a living by what you get; you make a life by what you give. Living by these words would lead to a life well-lived and remembered.

-**Patricia Lovett-Reid, senior vice-president, TD Waterhouse**, is one of Canada's leading authorities on personal finance.

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5. Retired? Don't count on it; Victoria-born Don Drummond just can't stay out of the numbers game

The Times Colonist (Victoria)

07/10/2010

ANDREW A. DUFFY

Pg. B1

Don Drummond has clearly lost touch with his West Coast roots.

The former **TD Canada Trust chief economist** just doesn't seem to get the concept of retiring, taking it easy and enjoying a well-deserved break.

He was supposed to have retired this month from his post as one of this country's most influential economic experts. He didn't, really.

I guess I traded in one full-time position for three part-time positions, said **Drummond** from his Toronto home. After 10 years with the bank, **Drummond**, 56, born and raised in Victoria and a graduate of the University of Victoria in 1976, has handed off his chief economist and vice-president role to **TD's Craig Alexander**.

But he remains with the bank in a part-time capacity for a year to ensure both parties are happy. He has also taken on two roles at Queen's University, where he received his Masters degree in economics.

Drummond is the Matthews Fellow and Distinguished Visiting Scholar at the school of policy studies, and as of January he will start teaching a course on economic issues and public policy.

I remember thinking when I decided to retire I was worried I wouldn't have much to do, he said. That didn't last long. Indeed, when news hit that **Drummond** was retiring from the bank, he had no fewer than 35 different offers. The positions he's taken, he hopes, will allow him to spend more time with his family, something that drove him to retire the first time around.

One of the selling features to the family when we moved from Ottawa [and the federal finance ministry] to Toronto [and **TD Economics**] was to be home more. That didn't turn out to be the case, he said.

In recent years, **Drummond** has been on the road more than he's been home, doing in excess of 150 speaking engagements across the country each year.

And that schedule was about to become more hectic, as there was pressure to add more client meetings in the American branches.

The job at **TD** was fantastic but so much travel started to wear a bit thin, he said, adding his best piece of advice to **Alexander** would be to cut down on the client presentations. That's unfortunate, and ironic as it's something I essentially built from scratch.

I find it's hard for you to change it yourself, because for years I drove hard for our business units to create those client events across the country and it's gets hard after a while to say, I'm not going to come to that event, he said. It's much easier for the new guy to say, that [**Drummond**] was an idiot, we're not doing that.

Drummond already misses the job, if not the air travel, and says he has good timing to thank for his enjoyment in his career overall.

Drummond spent 23 years within the federal finance ministry and was a senior figure during the mid-90s when the government tackled Canada's serious debt and deficit issues, a period that while difficult for all Canadians was fascinating for an economist with a yen for public policy.

And though he joined **TD** in 2000, when the economy was in his mind coasting, that all changed in the last three years, which he also considers a career highlight.

I wouldn't have wanted to miss the deficit-reduction years in government, that experience in the mid-1990s and the last couple of years working in the finance sector has been fascinating, he said.

Of the recent economic turmoil, **Drummond** says: You have to be careful, as you're talking to wealth-management clients who have lost a great deal of money, but as an economist there couldn't possibly have been a better time. Every day was fascinating, you wake up every Monday to see some startling new action from banks that have never been contemplated before.

Drummond takes some pride in Canada coming out of a deep global recession in relatively good shape, noting

the hard work in the mid-1990s paid off.

Some other countries are sunk fiscally for years if not decades, and I think we saved Canada from that. We have a deficit problem but we will probably be out of it in three to five years for the federal [government] and most of the provinces as well, he said. We went through a kind of shock therapy for three to four years in extreme form and got out of that, the rest of them will be hammered for a long period of time.

Drummond still has some concerns about the Canadian economy, but they tend to revolve around the same things as they always have productivity which he says he has obsessed over for decades.

So many of the things people like me said ought to be done 20 years ago have been done, but the record has gotten worse, he said. We can have solid banks, more solid household balance sheets and business balance sheets than the rest of the world, but if we're not generating productivity growth we can't sustain real income growth.

Drummond has become more convinced it is no longer a public-policy issue, but may be something ingrained in the psyche of the Canadian business management class.

Maybe we're not as aggressive or entrepreneurial as one might hope, he said, though he was quick to add the history of the nation hasn't done many favours by creating protected markets, high tariff barriers, Crown agencies and restrictions on foreign competition.

It's a little much to expect you to wave a wand and add free trade and all of a sudden everyone's mentality changes, he said. It takes a while and it may take the next generation, university educated with foreign experience and maybe they will be different.

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6. Protecting your holiday

The Globe and Mail

07/12/2010

DIANNE NICE

Pg. B8

There are so many things to worry about when you go on vacation: Will anyone notice the streaks in your spray-on tan? Will all the booze you packed put your baggage over the weight limit?

According to **Joanne Nosworthy, associate vice-president of account recovery and fraud management at TD Canada Trust**, there's something else you should worry about: debit and credit card fraud.

She offers several tips for keeping your cards safe:

Write down the card issuer's phone number. On the back of all credit and debit cards, there's a phone number to reach the issuer in case the card is lost or stolen. The card issuer can usually send you a replacement card within 24 hours or can direct you to a bank branch for immediate assistance. If you don't write down these numbers and the cards go missing, however, you won't know who to call and will lose valuable time.

Protect your PIN. When conducting a transaction at an ATM or making a debit or credit card purchase, use your hand or body to shield the keypad when you enter your PIN, even if the device you are using has a visor.

Keep track of everything. Hang on to your receipts and keep them together. When your account statements arrive

after returning home, review them to ensure all transactions and charges are correct.

Notify your card issuer. To discourage thieves from using stolen cards, your card issuer may deactivate your card if the usage is not according to your regular pattern. Prevent this by letting your issuer know you are going on vacation and will likely use your card more often.

Don't bring more than you need. You don't need a wallet full of credit and debit cards on vacation. Only take the essentials with you - two or three credit cards and your debit card should be enough.

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7. You can't beat brand newness

The Toronto Star

07/10/2010

Pg. H5

When it's time to buy a new vehicle, most people start out at the dealership looking at brand new cars featuring the latest designs, technical innovations and colours. They might ultimately decide to compromise and buy a used car, but grudgingly.

The same thing seems to go for homes, according to a recent **TD Canada Trust Home Buyers Report**, which revealed that if two homes were at the same price point, three-quarters of first-time home buyers would prefer a newer home over an older home.

The **TD** news release didn't expand on the reasons behind this overwhelming preference among first-time homebuyers, but I would think that the latest designs, technical innovations and colours lead the decision-making process, whether first-time buyers are looking at condominium suites, townhomes or single-detached homes.

When it comes to condominium design, as the largest condo market in North America, we have the best building and interior designers who know how to maximize space and create affordable suites without compromising on the finishes.

On the lowrise side of the equation, our builders and home designers are equally creative. Given more space to work with, they are producing affordable starter homes for first-time buyers that feature everything from higher ceilings to open kitchen/family room spaces to more private master bedroom retreats. What I particularly like in a new home is the abundance of natural light, thanks to larger yet more energy efficient windows.

When it comes to technical innovation, the obvious area where new homes stand out is in energy efficiency. For first-time homebuyers, this means lower utility bills, not to mention a smaller carbon footprint.

As for colour, as a new home buyer you get to select your cabinets, countertops, fixtures, flooring and paint colours, as opposed to inheriting someone else's choices.

There's some less sexy but equally important advantages to new homes that first-time buyers might want to consider, not the least of which is the comprehensive mandatory new home warranty that covers everything from your deposit to delayed closings to workmanship and materials to major structural defects. Visit

<http://www.tarion.com/home/www.tarion.com> to find out more.

By buying new, first-time homebuyers also don't need to worry about repairing or replacing the roof or the furnace or other home components for a long, long time. That means more time for career pursuits, leisure or maybe even

starting a family.

I've personally bought two brand new homes over the years and can attest to the excitement that comes with picking the house elevation and floor plan, making all the choices of finishings, then ultimately moving in to a brand new, sparkling clean home and setting up shop.

My third home was a resale, so I can also attest to the amount of time, money and effort my wife Linda and I have put into replacing and updating the home to our liking. Six years later, we're still at it, which brings me back to the **TD** study finding that for the same price, buyers prefer new over resale.

My advice to first-time buyers is to be sure to factor in the incremental cost of redecorating, repairing or replacing.

When in doubt, I always say buy new, buy now!

-Stephen Dupuis is president and CEO of the Building Industry and Land Development Association. The views expressed are those of the president.

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8. Homes the sweetest homes

Edmonton Sun

07/12/2010

MYKE THOMAS

Most Albertans planning on buying a new home have plans to buy a single-family home, according to the new **TD Canada Trust** Home Buyers Report.

Fifty-nine per cent of Albertans surveyed for the report prefer a fully-detached home, with 17% saying they would buy a condo and 14% would go for a townhouse or other semi-detached home.

If two homes were at the same price point, 68% would prefer a new home over an older home and Albertans are split about the preferred location for their home; for the same price, 55% would prefer a smaller home closer to work and 45% would prefer a larger home that requires a longer commute to work.

The report says Albertans do their homework before they go shopping, especially getting their financial house in order.

Getting pre-approved for a mortgage is at the top of the list, with 94% of buyers talking to a lender so they know how much they can spend. Other top activities before making the purchase are: Learning about mortgage options (93%), calculating closing costs (89%) and speaking to a mortgage lender before shopping for a home (89%).

More than in any other province, Albertans report putting as large a down payment as they can afford (95% vs. 88% nationally), with 65% saying they saved or plan on saving for two years or less for their home purchase.

Despite the majority putting down as much as they can afford, only 25% plan to have more than a 20% down payment. The remaining 75% will require their mortgage to be insured by organizations such as Canada Mortgage and Housing Corporation (CMHC).

It's only natural to want your first home to be the home of your dreams, but it is important to be realistic about what you can afford as a down payment and what that will mean for both the type of home you buy and for your mortgage payments over time, says **Farhaneh Haque, regional sales manager, Mobile Mortgage Specialists,**

TD Canada Trust.

I advise first time home buyers to consider a larger down payment because a 10% or greater down payment will make a big difference. It may mean that you need to save longer before buying your first home, but it will pay off in the end. Speak with a representative at your bank about setting up an automatic savings plan to help you save.

With the future direction of mortgage rates uncertain, a majority of Albertans 73% has sought or will seek the security of a fixed-rate mortgage.

Historically you are more likely to save interest costs with a variable rate or short-term mortgage option, so if they can handle some volatility then I recommend buyers choose a variable rate. If people are adverse to interest rate fluctuations then a fixed-rate is best, says **Haque**.

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9. L assurance vie par petits morceaux [Life insurance in small pieces]

La Presse

07/12/2010

MARC TISON

À quoi sert l assurance vie-épargne de Desjardins? Vaut-il la peine d éparpiller son assurance vie?

La publicité vante ses vertus à la radio: l assurance vie-épargne de Desjardins donne accès à une protection de 25 000\$ pour quelques dollars par mois. Une primeur de Desjardins, assure l institution financière.

Pour obtenir cette assurance vie à petit capital-décès, il faut être un épargnant, détenteur chez Desjardins d une part sociale, d un compte d épargne avec opérations ou d un compte d épargne stable. C est un régime collectif pour les membres des caisses , résume Jean Gosselin, directeur du développement des affaires chez Desjardins Sécurité financière. Le fait de détenir un compte à la caisse leur permet d adhérer à notre protection.

Le capital-décès est fixé à 25 000\$ si la police est associée au compte d épargne avec opérations ou à la part sociale, et à 10 000\$ dans le cas du compte d épargne stable. Les comptes conjoints peuvent aussi être assurés, le capital-décès étant alors divisé en deux entre les conjoints.

La protection ne peut excéder 75 000\$ pour l ensemble des comptes de l adhérent, détenus dans une ou plusieurs institutions.

La prime est prélevée automatiquement chaque mois dans le compte concerné et augmente quand l âge de l adhérent atteint un multiple de cinq. Pour un capital-décès de 25 000\$ sur un compte d épargne avec opérations, la prime est fixée à 5,75\$ par mois de 15 à 39 ans, 6,75\$ de 40 à 44 ans, et progresse ainsi jusqu à 62,50\$ par mois à partir de 65 ans.

L admissibilité est déterminée par un questionnaire de quelques points sur l état de santé de l assuré. Le calcul de la prime ne tient pas compte de son sexe ni du fait qu il soit fumeur ou non. Le service est offert depuis 1987, et près de 400 000 comptes sont assurés de cette manière.

Pour qui, pour quoi?

Pourquoi opter pour cette assurance? Parce qu il s agit d une assurance vie abordable qui peut servir à couvrir les frais funéraires et les dernières obligations financières , indique le guide du produit. Cependant, le capital versé au décès diminue à partir de 70 ans. Pour ce même compte d épargne opérations, le capital-décès de 25

000\$ passe à 17 500\$ de 70 à 74 ans, et rétrécit ainsi jusqu'à 5000\$ à 85 ans. En d'autres mots, plus les risques de décès augmentent, moins l'assuré reçoit d'argent pour couvrir les frais funéraires qui étaient prétextes à cette assurance. "À partir de 70 ans, plutôt que d'augmenter la prime, nous avons choisi de diminuer légèrement la protection par groupe d'âge", explique Jean Gosselin.

La clientèle qu'on vise est celle qui ne peut pas se procurer d'assurance individuelle, à des sommes supérieures, poursuit-il. C'est souvent la clientèle des jeunes couples ou des travailleurs saisonniers ou autonomes, qui n'ont pas accès à des régimes collectifs ou à des produits d'assurance de type individuel.

En effet, la majorité des adhérents ont moins de 45 ans.

Mais le planificateur financier et comptable Denis Preston, chargé de cours en assurances à HEC Montréal, voit les choses d'un tout autre oeil. Acheter de l'assurance morceau par morceau, par blocs de 25 000\$, revient extrêmement cher, observe-t-il.

L'assurance vie-épargne s'adresse aux personnes qui ne peuvent pas s'assurer autrement, estime-t-il. Les gens sont attirés par ce produit parce que c'est facile, dit-il, mais ils devraient consulter un planificateur financier pour vérifier d'abord s'ils ont besoin d'assurance vie, et calculer ensuite la somme nécessaire.

À 30 ans, alors que les responsabilités financières commencent à s'accumuler (enfants, maison...), la protection de 25 000\$ de l'assurance vie-épargne Desjardins coûte 69\$ par année.

Pour un capital-décès plus conséquent de 100 000\$, la prime annuelle d'une assurance temporaire 10 ans s'établira à environ 109\$ pour une femme de 30 ans non fumeuse, et à 130\$ pour un homme du même âge.

S'engager pour 10 ans

Que se passe-t-il au terme d'une assurance vie temporaire 10 ans? L'assuré a alors le loisir de s'engager pour une autre période de 10 ans, aux termes du contrat initial (c'est-à-dire avec la prime majorée qui y est prévue).

Mais rien n'oblige à le faire... et on a la plupart du temps intérêt à ne pas le faire.

Seuls les gens en mauvaise santé devraient renouveler leur assurance temporaire 10 ans, avise Denis Preston. Les gens en bonne santé peuvent trouver meilleur marché ailleurs. Les coûts sont à la baisse parce que l'espérance de vie s'accroît. Ils ont 90% de probabilités de trouver une meilleure assurance.

Dans la mesure où elle est encore nécessaire.

Car il y a de fortes chances qu'une fois la maison payée et les enfants partis, les besoins d'assurance vie aient diminué de beaucoup.

Les gens font l'erreur de penser que leur besoin d'assurance vie est permanent, observe M. Preston. C'est l'exception. Que ce soit pour une première assurance vie ou au moment d'un renouvellement, la règle est simple: la protection devrait correspondre aux besoins véritables. Ni plus ni moins.

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10. Wary markets brace for earnings season

The Globe and Mail

07/12/2010

DAVID MILSTEAD

Pg. B1

The second-quarter earnings season that kicks off today may be the make-or-break test for a global recovery that suddenly looks to be sputtering.

The past several weeks have seen a string of disappointing economic data, as growth in the U.S. and elsewhere unexpectedly slowed.

More bears came out of hibernation to argue the recovery that was once seen as V-shaped would look more like a W an imminent double-dip recession.

Last week's market rally, in which the prior week's carnage was reversed, occurred without any major economic or market news and blunted that talk.

What will occur over the next several weeks, however, is a string of major earnings releases with little margin of error, owing to a consistent ratcheting up of expectations in 2010.

You're going to need a lot of upside surprises to break the negative mentality, said **Beata Caranci, the deputy chief economist at Toronto-Dominion Bank.**

And the high expectations tell you where the balance of risks are - it's much easier to disappoint than surprise.

Peter Buchanan, a CIBC economist, said as economists are getting more cautious, analysts for companies in the S&P 500 have not cut their estimates.

We'll see who's right in the weeks to come.

Robert Kavcic, an economist at BMO Nesbitt Burns, notes that at the beginning of 2010, the consensus analyst estimate for 2010 earnings for S&P 500 companies was 8.6 per cent below 2009 levels. On the strength of the fourth-quarter 2009 and first-quarter 2010 earnings reports, 2010 estimates have been jacked up so much that the consensus numbers are now 34 per cent above 2009.

For the second quarter, consensus estimates are for earnings to grow 27 per cent over 2009's second quarter, according to financial data provider Thomson Reuters.

The last three quarters have been absolute blowouts with respect to earnings surprises, Mr. Kavcic said, as about 80 per cent of S&P 500 companies have beaten consensus, versus a historical norm of about 66 per cent.

But the market can only be fooled for so long ... it won't be surprising if the impressive rate of earnings surprises seen in the past three quarters marks the high watermark of this cycle.

Mr. Buchanan, at CIBC, notes that Canadian analysts have actually tempered expectations recently, meaning there's more downside risk in the U.S. from missed numbers.

Investors will get samplings from several sectors this week. Alcoa Inc. kicks it off Monday with a look at industrial production.

Other companies reporting this week include Intel Corp., Advanced Micro Devices, Google Inc., JPMorgan Chase

& Co., Bank of America Corp., Citigroup and General Electric.

Cost-cutting is still the order of the day, so the earnings numbers probably won't disappoint like the economic numbers did, said TD's Ms. Caranci.

Of course, cost-cutting typically includes head count, and that's a big reason why the blowouts in corporate earnings haven't translated to an across-the-board economic recovery.

We should have employment [head count gains] at a rate four to five times higher than it is, based on the health of corporate profits, Ms. Caranci said. Productivity is at its highest rate since the 1960s, unit labour costs are at their lowest point, and companies have very high liquidity, as measured by their ratio of current assets to current liabilities yet companies haven't brought back workers to any large degree.

The longer that persists, [a downturn] is self-prophesizing, Ms. Caranci said. Another quarter of healthy earnings, however, might ignite some faith in the sustainability of this recovery, and that might feed into the labour market. To that end, the real news of the earnings season may not come in the second-quarter numbers themselves, but in the second-half outlooks issued by management. They're not necessarily going to be negative, but they may be somewhat cautious, said Mr. Buchanan.

Certainly, there is enough bearish sentiment out there to make market watchers cautious. Daryl Montgomery, founder of the New York Investing Meetup and a contributor to the Seeking Alpha financial blog, said Friday that the negative ECRI weekly leading indicators, a collapse in global shipping as measured by the Baltic Dry Shipping Index, and poor jobs and consumer confidence numbers are all reasons he believes we have entered another period similar to late 2007 and 2008, when the economic establishment had a rosy view of the economy, but a number of indicators were flashing warning signs that a major downturn was coming.

Yet this week's market performance suggests a significant number of investors are calming down after the recent data and expect plenty of happy news in the coming weeks.

Slowdowns after the surge of economic recovery are normal, said BMO Nesbitt Burns senior economist Michael Gregory. And, while the headwinds facing the U.S. economy are indeed formidable, it's simply way too premature to be shouting double-dip from the roof tops.

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11. Off the charts job market; 93,200 rise caps record streak

National Post

07/10/2010

PAUL VIEIRA

Pg. FP1

Somebody forgot to tell Canada that the global economy is slowing down and, worse still, at risk of falling into the throes of a double-dip recession.

Jobs data for June were simply off the charts, said Michael Gregory, senior economist at BMO Capital Markets, in describing the 93,200 gain in employment for the month. The result caps a record three-month performance in terms of employment levels, with 227,000 new jobs added. This gives Canada the honour of being the first Group of Seven economy to nearly recoup the job losses sustained during the recession, and Canada did so at a faster pace than the downturns of the 1980s and 1990s.

The numbers are impressive on their own, and even more so when compared with the mighty U.S. economy, which last month recorded a net job loss of 125,000. Since July of last year, the Canadian economy has added 403,000 net new jobs. Meanwhile, the United States churned out 176,000 positions, and its payrolls remain 5.4% below peak levels.

This gigantic gap between Canada and the United States comes down to one thing.

The root of it is confidence, said **Derek Burleton, deputy chief economist at Toronto-Dominion Bank**. In the U.S., employers are not very confident. They are worried. But in Canada, businesses are dealing with a domestic economy that has been far more resilient through the recession. They are feeling quite confident.

For instance, Mr. **Burleton** said U.S. companies might be scared off by the size of the trillion-dollar budget shortfalls Congress is racking up on an annual basis, with no clear near-term plan to rein it in, especially ahead of midterm elections. If you are a company and you are looking to invest, you have to factor in the cost of future tax changes. That's not driving all the decisions, but that is a factor.

Canada's deficit has ballooned, but in contrast Ottawa has outlined a strategy to get back to budget balance by mid-decade. In fact, the shortfall for the fiscal year just passed may turn out to be as much as 13% less than the \$53-billion forecast, based on preliminary estimates.

Unlike Canada's recessions of the 1980s and 1990s, this downturn emanated from abroad—the result of excessive risk-taking in real estate by U.S. and European lenders. Canada's GDP shrank 3.3% from peak to trough during the three-quarter downturn, mostly due to a collapse in global demand.

Meanwhile, the service sector hummed along, with employment growth taking off as it dealt with robust domestic demand (expanding at a roughly 5% annualized clip in each of the last three quarters). The service sector accounted for the bulk of new jobs in June, and economists at National Bank Financial noted employment in services is now 2.2% above the pre-recession peak, or the equivalent of 287,000 new jobs.

The strength of the domestic economy will likely push the Bank of Canada to raise its benchmark rate again at its coming July 20 meeting, analysts say. As it was the first G7 member to recoup lost jobs, Canada was also the first to raise interest rates from emergency levels of 0.25%, or the lowest possible level.

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12. Gutting of census stirs opposition to Harper

The Toronto Star

07/11/2010

HAROON SIDDIQUI

Pg. A13

Among the Hungarian refugees who came to Canada after the 1956 Soviet invasion was a young math graduate from Budapest. He joined the Dominion Bureau of Statistics as a junior clerk. Simultaneously, he earned a PhD from Carleton. In 1985 he became head of Statistics Canada. He made it the world's most respected census agency, before retiring in 2008.

So when Ivan Fellegi says the Stephen Harper government is being stupid about next year's census, you have to perk up and pay attention. He is so alarmed by the Tory decision to axe the mandatory detailed census form, he says, that had he still been the chief statistician, he'd have quit in protest.

The national census, conducted every five years, consists of two parts. Eighty per cent of households must fill out a short form recording age, sex, marital status, language, etc. The remaining fifth must fill out the long

questionnaire place of birth, immigrant status, education, employment, income, housing, ethnicity, language, mobility, child care, etc.

The data from the second is used by businesses to figure out what products and services to market to whom and where, down to the neighbourhood level. It is used by governments and the broader public sector to tailor services to the population daycare, schools, hospitals, seniors homes, recreation services, police and fire protection, public transit, etc.

It is the mother ship of all surveys, says Armine Yalnizyan, senior economist at the Canadian Centre for Policy Alternatives.

Adds **Craig Alexander, chief economist at Toronto-Dominion Bank:** It is absolutely crucial from a public policy point of view.

But the Tories have decided that the longer form will no longer be mandatory. It will be voluntary.

Why? Because it is coercive and intrusive, says the minister in charge, Tony Clement the of G8/G20 infamy, of police coercion and of shovelling millions coerced out of taxpayers into his riding of Parry Sound-Muskoka.

The gathered data won't be the same as from a mandatory survey. Some groups will respond less than others, such as libertarians (whom the Tories are courting), aboriginals, new immigrants and people with low incomes as well as very high incomes.

As a corrective, the government plans to increase the sample to 30 per cent (adding \$30 million to the cost). But that won't solve the self-selection bias.

An even bigger problem: Results from the new survey could not be compared with the data gathered over the last 35 years.

It'd have been a heck of a lot better if this long-form census was cancelled altogether and Ottawa saved the entire \$100 million cost, Fellegi told The Canadian Press.

Others upset include: the Federation of Canadian Municipalities; Atlantic Provinces Economics Council; City of Toronto; Canadian Association for Business Economics; Canadian Economics Association; Canadian Association of University Teachers; Canadian Institute of Planners; Canadian Council of Social Development; even the National Statistical Council.

The census decision was not initiated by StatsCan. It was a political decision, made without prior consultation and announced quietly in the Canada Gazette.

The decision is widely seen as part of a pattern Harper's penchant for secrecy, obfuscation and controlling information. He's also said to dislike StatsCan, especially its analytical work, which is what's being squeezed out. Several other surveys have been cut or compromised:

The annual Workplace and Employee Survey. It was the only source of information from employers about health-, pay- and pension-related benefits to full-time and part-time employees. It was cut back at the same time as growing concerns about the sustainability of retirement incomes.

The annual Survey of Household Spending. It charted the spending patterns of Canadian households (savings rates and debt levels of rich, poor and middle class families).

The Survey of Financial Security. It measured the net worth of Canadians across all income and age groups and

regions.

The Longitudinal Survey of Immigrants. It measured how well, or badly, newcomers are doing.

Participation and Activity Limitation Survey. It surveyed the number of people coping with physical and mental disabilities.

These have all been political decisions, says Yalnizyan. Instead of evidence-based decision-making, the Tories think decision-based evidence-making is preferable.

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13. New sponsorship deal has Theatre Under the Stars covered

Vancouver Courier

07/12/2010

JEREMY SHEPHERD

Four years after Theatre Under the Stars looked like it might wind up underground, the Stanley Park summer attraction has secured corporate funding for the first time in its 64-year history.

TD Bank will provide the non-profit theatre group with \$50,000 for the 2010 season.

I hope what they saw was an opportunity to be our first angel, said James Cronk, managing producer of TUTS.

TUTS announced the sponsorship on June 21, four years after they were forced to cancel their 2006 season.

Cronk said he hoped the partnership would continue past 2010. **TD** signed a one-year deal with TUTS, which includes first right of refusal for 2011, according to Cronk. The current season runs July 9 to Aug. 21.

The sponsorship will allow for discounted, last-minute seating for students. High school and university students will also be able to purchase tickets for \$20. TUTS tickets usually cost between \$29 and \$42.

Cronk said getting corporate sponsorship was especially important due to government cutbacks to the arts.

The Public Dreams Society has lost half its funding since 2009 for its Illuminaires lantern festival due to provincial budget cuts, according to artistic director Sam Shem.

Samantha Jo Simmonds, social enterprise manager for Public Dreams Society, stated in an email that Public Dreams received significantly less funding from Canada Council and the B.C. Arts Council, as well as losing all gaming funding. She wrote that the City of Vancouver also reduced their event funding.

Public Dreams Society is currently looking for corporate sponsorship, according to Simmonds.

Cronk said there was no backup plan if TUTS couldn't work out a deal with **TD**. Without [corporate] support, TUTS would not be able to continue, he said.

One of the challenges is getting our name out there, he said, explaining the importance of the partnership with **TD** in terms of gaining exposure. Marketing dollars are always at a premium.

Cronk added that one of the key factors in making the deal was **TD**'s desire to connect youth with music. **TD** also sponsors the Vancouver International Jazz Festival.

Before TUTS found a sponsor, Cronk stressed that any corporation would have to appreciate Theatre Under the

Stars emphasis on mentoring young actors.

The cast of TUTS upcoming production of Joseph and the Amazing Technicolor Dreamcoat consists largely of high school students.

Claire Townsend, corporate communications manager for TD, stated in an email that TUTS emphasis on mentoring young actors was congruent with the company s philosophy.

One of the focuses of our **TD** community giving programs is to create opportunities for young people, she wrote. **Townsend** also stated that there were no plans to change anything for TUTS. They must be doing something right as TUTS is now entering its 64th summer season, she wrote.

The partnership with **TD** comes just one month after TUTS made a deal with the Vancouver Park Board and the federal government for funding to renovate Malkin Bowl, where the productions are staged.

The park board and the federal government will each donate \$300,000 to the project, which includes insulation for the stage and a huge retractable door to cover the stage and shield it from the elements when it s not in use.

The project is scheduled to cost \$700,000 and conclude in 2011.

TUTS currently has a 10-year lease with the City of Vancouver. In addition to Joseph and the Amazing Technicolor Dreamcoat, TUTS 2010 season includes Singing in the Rain.

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The information presented may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and comparable safe harbour provisions of applicable Canadian legislation, including, but not limited to, statements relating to anticipated financial and operating results, the companies plans, objectives, expectations and intentions, cost savings and other statements, including words such as anticipate, believe, plan, estimate, expect, intend, will, should, may, and other similar expressions. Such statements are based upon the current beliefs and expectations of our management and involve a number of significant risks and uncertainties. Actual results may differ materially from the results anticipated in these forward-looking statements. The following factors, among others, could cause or contribute to such material differences: the ability to obtain the approval of the transaction by The South Financial Group, Inc. shareholders; the ability to realize the expected synergies resulting from the transaction in the amounts or in the timeframe anticipated; the ability to integrate The South Financial Group, Inc. s businesses into those of The Toronto-Dominion Bank in a timely and cost-efficient manner; and the ability to obtain governmental approvals of the transaction or to satisfy other conditions to the transaction on the proposed terms and timeframe. Additional factors that could cause The Toronto-Dominion Bank s and The South Financial Group, Inc. s results to differ materially from those described in the forward-looking statements can be found in the 2009 Annual Report on Form 40-F for The Toronto-Dominion Bank and the 2009 Annual Report on Form 10-K of The South Financial Group, Inc. filed with the Securities and Exchange

Commission and available at the Securities and Exchange Commission's Internet site (<http://www.sec.gov>). The proposed merger transaction involving The Toronto-Dominion Bank and The South Financial Group, Inc. will be submitted to The South Financial Group, Inc.'s shareholders for their consideration. The Toronto-Dominion Bank and The South Financial Group, Inc. have filed with the SEC a Registration Statement on Form F-4 containing a preliminary proxy statement/prospectus and each of the companies plans to file with the SEC other documents regarding the proposed transaction. Shareholders are encouraged to read the preliminary proxy statement/prospectus regarding the proposed transaction and the definitive proxy statement/prospectus when it becomes available, as well as other documents filed with the SEC because they contain important information. Shareholders may obtain a free copy of the preliminary proxy statement/prospectus, and will be able to obtain a free copy of the definitive proxy statement/prospectus when it becomes available, as well as other filings containing information about The Toronto-Dominion Bank and The South Financial Group, Inc., without charge, at the SEC's Internet site (<http://www.sec.gov>). Copies of the definitive proxy statement/prospectus and the filings with the SEC that will be incorporated by reference in the definitive proxy statement/prospectus can also be obtained, when available, without charge, by directing a request to The Toronto-Dominion Bank, 15th Floor, 66 Wellington Street West, Toronto, ON M5K 1A2, Attention: Investor Relations, 1-866-486-4826, or to The South Financial Group, Inc., Investor Relations, 104 South Main Street, Poinsett Plaza, 6th Floor, Greenville, South Carolina 29601, 1-888-592-3001. The Toronto-Dominion Bank, The South Financial Group, Inc., their respective directors and executive officers and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding The Toronto-Dominion Bank's directors and executive officers is available in its Annual Report on Form 40-F for the year ended October 31, 2009, which was filed with the Securities and Exchange Commission on December 03, 2009, its notice of annual meeting and proxy circular for its 2010 annual meeting, which was filed with the Securities and Exchange Commission on February 25, 2010, and the above-referenced Registration Statement on Form F-4, which was filed with the SEC on June 10, 2010. Information regarding The South Financial Group, Inc.'s directors and executive officers is available in The South Financial Group, Inc.'s proxy statement for its 2010 annual meeting, which was filed with the Securities and Exchange Commission on April 07, 2010. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, is contained in the above-referenced Registration Statement on Form F-4, which was filed with the SEC on June 10, 2010, and other relevant materials to be filed with the SEC when they become available. Les renseignements présentés peuvent contenir des énoncés prospectifs au sens de la loi intitulée Private Securities Litigation Reform Act of 1995 et des dispositions d'exonération comparables des lois canadiennes applicables, y compris, mais sans s'y limiter, des énoncés relatifs à des résultats financiers et d'exploitation prévus, aux plans, aux objectifs, aux attentes et aux intentions, aux économies de coûts et à d'autres énoncés des sociétés, qui comprennent des termes et expressions comme « anticiper », « croire », « planifier », « estimer », « prévoir », « avoir l'intention de » et « pouvoir », ainsi que des verbes au futur ou au conditionnel et d'autres expressions similaires. Ces énoncés sont fondés sur les croyances et les attentes actuelles de notre direction et comportent un certain nombre de risques et d'incertitudes importants. Les résultats réels peuvent différer considérablement des résultats avancés dans les présents énoncés prospectifs. Les facteurs suivants, entre autres choses, pourraient entraîner de tels écarts importants ou y contribuer : la capacité d'obtenir l'approbation de l'opération par les actionnaires de The South Financial Group, Inc., la capacité de réaliser les synergies prévues découlant de l'opération selon les montants ou l'échéancier prévus, la capacité d'intégrer les activités de The South Financial Group, Inc. à celles de La Banque Toronto-Dominion en temps opportun et de manière rentable, et la capacité d'obtenir les approbations gouvernementales de l'opération ou de remplir d'autres conditions liées à l'opération selon les modalités et l'échéancier proposés. D'autres facteurs qui pourraient faire en sorte que les résultats de La Banque Toronto-Dominion et de The South Financial Group, Inc. diffèrent considérablement de ceux décrits dans les énoncés prospectifs se trouvent dans le rapport annuel de 2009 sur formulaire 40-F de La Banque Toronto-Dominion, et dans le rapport annuel de 2009 sur formulaire 10-K de The South Financial Group, Inc. déposés auprès de la Securities and Exchange

Commission (SEC) et disponibles sur le site Internet de la SEC (<http://www.sec.gov>).

L'opération de fusion envisagée entre La Banque Toronto-Dominion et The South Financial Group, Inc. sera présentée aux actionnaires de The South Financial Group, Inc. afin qu'ils l'approuvent. La Banque Toronto-Dominion et The South Financial Group, Inc. ont déposé, auprès de la SEC, une déclaration d'enregistrement sur formulaire F-4 qui contient une circulaire de sollicitation de procurations/un prospectus provisoire, et chacune des sociétés prévoit déposer d'autres documents relatifs à l'opération proposée auprès de la SEC. Les actionnaires sont invités à lire la circulaire de sollicitation de procurations/prospectus provisoire lié à l'opération de fusion proposée, ainsi que la circulaire de sollicitation de procurations/prospectus définitif, lorsque disponible, ainsi que d'autres documents déposés auprès de la SEC, car ils contiendront des renseignements importants. Les actionnaires peuvent obtenir un exemplaire gratuit de la circulaire de sollicitation de procurations/prospectus provisoire, et pourront obtenir un exemplaire gratuit de la circulaire de sollicitation de procurations/prospectus définitif, lorsqu'il sera disponible, ainsi que d'autres documents ayant fait l'objet d'un dépôt qui contiennent de l'information sur La Banque Toronto-Dominion et The South Financial Group, Inc., sur le site Internet de la SEC (<http://www.sec.gov>). Des exemplaires de la circulaire de sollicitation de procurations/prospectus définitif et des documents déposés auprès de la SEC qui seront intégrés par renvoi dans la circulaire de sollicitation de procurations/prospectus définitif peuvent aussi être obtenus, lorsqu'ils seront disponibles, sans frais, en soumettant une demande à The Toronto-Dominion Bank, 15th floor, 66 Wellington Street West, Toronto (Ontario) M5K 1A2, à l'attention de : Relations avec les investisseurs, 1-866-486-4826, ou à The South Financial Group, Inc. Investor Relations, 104 South Main Street, Poinsett Plaza, 6th Floor, Greenville, South Carolina 29601, 1-888-592-3001.

La Banque Toronto-Dominion, The South Financial Group, Inc., leurs administrateurs et dirigeants respectifs et d'autres personnes peuvent être réputés être des participants à la sollicitation de procurations relativement à l'opération de fusion proposée. L'information concernant les administrateurs et les dirigeants de La Banque Toronto-Dominion est disponible dans son rapport annuel sur formulaire 40-F pour l'exercice terminé le 31 octobre 2009, qui a été déposé auprès de la SEC le 3 décembre 2009, et dans son avis de convocation à son assemblée annuelle et circulaire de procuration de 2010, qui a été déposé auprès de la SEC le 25 février 2010 et dans la déclaration d'enregistrement sur formulaire F-4 susmentionnée, qui a été déposée auprès de la SEC le

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juin 2010. L information concernant les administrateurs et les dirigeants de The South Financial Group, Inc. est disponible dans la circulaire de sollicitation de procurations de The South Financial Group, Inc. à l égard de son assemblée annuelle de 2010, qui a été déposée auprès de la SEC le 7 avril 2010. D autres renseignements sur les participants à la sollicitation de procurations et une description de leurs intérêts directs et indirects, par titres détenus ou autres, sont inclus dans la déclaration d enregistrement susmentionnée sur formulaire F-4, qui a été déposée auprès de la SEC le 10 juin 2010, et d autres documents pertinents qui seront déposés auprès de la SEC lorsqu ils seront disponibles.

**THE FOLLOWING IS A COMMUNICATION SENT TO EMPLOYEES OF TD BANK, AMERICA S
MOST CONVENIENT BANK
AND THE TORONTO-DOMINION BANK ON JULY 12, 2010**

Daily News Brief

July 12, 2010

Compiled by Brittany Roberge, Corporate and Public Affairs

TD BANK NEWS

1. **Non-Profit Notes: July 5** The Record (NJ)

Donations: The Community Chest Serving Englewood, Tenafly and Englewood Cliffs awarded the Center for Food Action \$5,268 to support its efforts at ending local hunger and homelessness. For information, visit cfanj.org. [**TD Bank** is mentioned.]

2. **AmericanFirst Renamed as TD Bank in Central Florida** istockanalyst.com

TD Bank has announced that all the three AmericanFirst stores in central Florida, US, will be branded TD Bank. [TD Bank s **Fred Graziano** is quoted.]

3. **TD Bank Best North American Bank** Euromoney

For the second year running **TD Bank** wins the best North American bank award, having succeeded in expanding further into the US retail market while increasing its revenues in its domestic territory of Canada. In 2009 and the first quarter of 2010, all of TD s business segments were profitable. Despite the market conditions of 2009, the North American retail business contributed almost 80% of the firm s total profits, at C\$4.7 billion (\$4.6 billion). [TD Bank s **Bharat Masrani** is quoted.]

4. **Foundation to Offer \$1.7 Million in Grants to Support Housing Initiatives** PNNonline.org (Similar article appears in Philanthropy Journal and The Berkshire Eagle.)

The **TD Charitable Foundation**, the charitable giving arm of **TD Bank**, announced that it will award \$1.7 million in grants to support affordable housing initiatives from Maine to Florida, through its 2010 Housing for Everyone grant competition. [TD Bank s **Elizabeth Warn** is quoted.]

5. **On Our Own** Newsweek

In Washington, on Wall Street, and in anxious boardrooms and kitchens across the country, concerns are rising about the possibility that the U.S. economy could slip back into recession a so-called double dip. The economy lost 125,000 jobs in June; the unemployment rate still hovers near 10 percent. Four years after it peaked, the housing market has yet fully to stabilize. Perhaps most distressing, the vital forces of monetary and fiscal policy that the government marshaled to stave off the Great Recession last year seem to have flagged. [**TD Bank** is mentioned.]

6. **Imagining the Next Wave of Bank M&A** TheStreet.com

Now that the economy is healing, the rumblings are starting that traditional M&A is on its way back to the bank sector. There have already been a few smallish transactions, most recently privately held Eastern Bank Corp. s\$163 million agreement to acquire Wainwright Bank & Trust (WAIN) for a hefty premium. [TD Bank s Bharat Masrani is quoted.]

7. **Business: Good deeds** Seacoastonline.com

TD Bank, through the TD Charitable Foundation, recently donated \$10,000 to Women s Business Center. The funds will help the organization fund its educational programs and business counseling.

8. **Community Banks are Expanding** Times Herald-Record

The financial downturn that brought down some of the nation s largest banks has had an opposite effect on small community banks in the mid-Hudson. Community banks are finding now to be an opportune time to expand and compete head-on with large banks still struggling to shake off toxic loans that helped lead to the Great Recession. [**TD Bank** is mentioned.]

9. **Wachovia ATMs Going Envelope Free** Philadelphia Business Journal

As a precursor to being rebranded as Wells Fargo & Co. next spring, all local Wachovia Bank ATMs will be converted to modern envelope-free machines this fall. [**TD Bank** is mentioned.]

10. **Canadian Economy Continues Strong Recovery**

Associated Press [Similar article in St. Petersburg Times (FL), The Ledger (FL), The Buffalo News (NY).] Canada s economy s continues to outshine other advanced countries as the unemployment rate unexpectedly dipped below 8 percent for the first time in a year and half. Statistics Canada said Friday the country added a higher-than-expected 93,000 jobs in June and said the unemployment rate dropped to 7.9 percent. [TD Bank Economist **Derek Burleton** is quoted.]

INDUSTRY NEWS

1. **Bank of America Trades Hid Billions in Debt** Wall Street Journal

Bank of America Corp. has told federal regulators that it made six trades from 2007 to early 2009 that led to it hiding billions of dollars of debt, according to a media report Saturday.

2. **Wells Fargo Ends Free Checking Before New Bank Rules** BusinessWeek

Wells Fargo & Co., the U.S. bank with the largest branch network, eliminated free checking accounts for new customers as firms prepare for stricter consumer- protection measures.

3. **Small-Business Lending Fund Finds Unexpected Support in Senate**

American Banker

A drive to create a \$30 billion small-business lending fund once thought headed to a quick death in the Senate may now be on its way toward swift passage. The bill has already passed a key vote in the Senate, and Democratic leaders have taken steps to try and block a host of amendments from being added to the measure.

4. **Reform Bills Exec Pay Mandates May Help Banks Rehab Image**

American Banker

Bankers may never be considered Boy Scouts on compensation, but in terms of the executive pay provisions in the financial reform bill, they certainly are prepared. Say on pay? Check. Any recipient of the Troubled Asset Relief Program already is familiar with the practice, which allows shareholders to cast nonbinding, up-or-down votes on executive pay packages.

TD BANK NEWS

1. **Non-Profit Notes: July 5**

July 5, 2010 The Record (NJ)

Donations

The Community Chest Serving Englewood, Tenafly and Englewood Cliffs awarded the Center for Food Action \$5,268 to support its efforts at ending local hunger and homelessness. For information, visit cfanj.org.

Rebuilding Together Bergen County in Glen Rock received \$5,000 from the **TD Charitable Foundation of TD Bank**. The funds will be used to help repair and renovate single-occupancy rooms and a common room at the YMCA of Greater Bergen County in Hackensack.

Employees of Marcal Manufacturing last month raised \$3,600 by taking part in the George Washington Bridge Challenge. With matching funds from Marcal, \$7,200 went to the American Cancer Society.

What's New

The annual Summer Sunset Blues Cruise 2010 sails into New York Harbor at sunset for the benefit of St. Peter's Haven for Families on Wednesday and July 13 from 6 to 8:30 p.m. Top regional blues bands perform on the deck. Tickets are \$55 per person. For information, call John Muller at 973-340-9405.

Celebrate the dog days of summer and help the Ramapo-Bergen Animal Refuge by creating a classic pet portrait from Aug. 11 to 14 at Keith Hopkins Photography, 216 Godwin Ave. in Midland Park. The photo studio is donating the \$25 session fee to RBARI. Packages start as low as \$35.95. For information or reservations, call 201-670-9559.

A support group for those caring for a relative or friend who is physically frail or suffering from Alzheimer's disease will be held on Wednesday from 10 to 11:30 a.m. at the Gallen Adult Day Health Care Center at the Jewish Home at Rockleigh. The session is free and open to the public. RSVP to Shelley Steiner at 201-784-1414, ext. 5340.

Volunteers

Bergen County CASA trains volunteer advocates to give abused and neglected children in the local court system a voice to ensure they find safe and permanent homes. CASA will host a series of informational sessions for anyone interested in becoming a volunteer, July 14 at 1 p.m., Aug. 10 at 7 p.m., Aug. 26 at 1 p.m., Sept. 2 at 10 a.m. and Sept. 14. at 7 p.m. For information, call 201-843-6700.

The YWCA Bergen County Rape Crisis Center is seeking dedicated female and male volunteers who are interested in participating in special events for survivors, fund-raisi