

For Immediate Release

**INCOME TRUST FALL-OUT:
AMERICAN COUPLE THE FIRST TO LAUNCH NAFTA CHALLENGE
AGAINST GOVERNMENT OF CANADA FOR ELIMINATING INCOME
TRUSTS; INVITING OTHERS TO JOIN**

OTTAWA – OCTOBER 30, 2007 – Marvin and Elaine Gottlieb are taking on Prime Minister Stephen Harper, Finance Minister Jim Flaherty and the Canadian government for the Halloween 2006 broken promise on the elimination of income trusts. The Chicago couple are the first Americans to file a Notice of Intent to Submit a Claim to Arbitration under the North American Free Trade Agreement (NAFTA). The couple are among the thousands of US investors who lost a total of \$5 billion dollars in the fall-out from the Conservative Government's decision last year to effectively tax income trusts in the energy sector out of existence.

“The Halloween 2006 income trust decision by the Government of Canada has had a massive financial impact on thousands of investors in Canada and the U.S. and we believe that it breached Canada's NAFTA obligations”, said Marvin Gottlieb. “Because of this decision, more than \$30 billion has been lost by individual investors in Canada and more than \$5 billion has been lost by energy trust investors, including Elaine and me, in the United States.

“Based on Stephen Harper's very public promise, thousands of individuals and grandparents like us invested our hard earned money in income trusts and energy trusts. This is not just a nightmare on Bay Street. It's a nightmare on Wall Street. But worse, it's been a nightmare on Main Street”.

Under the NAFTA, Canada is not allowed to target other NAFTA citizens when they impose new measures. Mr. Flaherty is on record that energy trusts were included because of their high U.S. ownership, while Real Estate Investment Trusts, owned mostly by Canadians, were excluded. The NAFTA also stipulates that Canada must pay compensation for destroying investment by U.S. investors. The Government of Canada's 2006 Halloween tax changes for income trusts were designed to eliminate the income trust model for investment by U.S. citizens. The NAFTA says that U.S. investors are entitled to rely upon Canadian government promises. Mr. Harper repeatedly made a public promise that his Government would not tax trusts, as had the previous Liberal Government. Canada's tax treaty with the United States also says that trust income will not be taxed at more than 15%.

“Right now we are the first Americans to launch a NAFTA action related to the taxation of energy trusts. I know there are thousands of investors out there like Elaine and me, and I expect that many will join us”, Mr. Gottlieb concluded.

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The NAFTA provides protection for Americans and Mexicans in Canada, just as it provides protection for Canadians doing business in Mexico and the United States.

Investors wishing to learn more about, or participate in Mr. and Mrs. Gottlieb's NAFTA challenge to the Government of Canada can visit www.naftatrustclaims.com.

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