

Re Pace Securities

IN THE MATTER OF:

The Rules of the Investment Industry Regulatory Organization of Canada

and

Pace Securities Corp.

2021 IIROC 34

Investment Industry Regulatory Organization of Canada
Hearing Panel (Ontario District)

H Heard: December 8, 2021 (in writing)

Decision: December 8, 2021

Reasons for Decision: January 12, 2022

Hearing Panel:

Deborah Anshell, Chair, Colleen Wright and Randee Pavalow

Appearances:

April Engelberg, Enforcement Counsel (in writing)

REASONS FOR DECISION

INTRODUCTION

¶ 1 On December 8, 2021, Staff of the Investment Industry Regulatory Organization of Canada (“IIROC”) made an application to this Hearing Panel for an order expelling Pace Securities Corp. (“PSC”) from IIROC and terminating its rights and privileges of membership pursuant to Sections 8212 (2) (iv), 8212 (4) (v), 8426 (1), 8413, and 8409 (2) (iii) of the Consolidated Enforcement, Examination and Approval Rules of IIROC (the “Consolidated Rules”).

¶ 2 Following a hearing conducted in writing, the Hearing Panel, having discussed the Order sought amongst themselves, approved the Order, a copy of which is attached, and these are our reasons for doing so.

THE FACTS

¶ 3 The facts relevant to the Order are set out in the IIROC Notice of Motion and Written Submissions prepared by IIROC Enforcement Counsel. Pursuant to an earlier order of this Hearing Panel dated May 21, 2020, PSC’s membership in IIROC was suspended (the “Initial Order”).

¶ 4 Paragraph 5 of the Order provided that “At any time after the completion of the wind-up of PSC, IIROC Staff may make an application, without notice to PSC, in a written hearing, for an order expelling PSC as a Dealer Member and terminating its rights and privileges of membership”.

¶ 5 On November 1, 2021, the wind-up of PSC by the trustee in bankruptcy was completed.

¶ 6 The trustee in the bankruptcy of the estate of PSC consented to the draft order attached to the motion herein.

¶ 7 PSC does not hold client assets. Further, IIROC Staff is not aware of any remaining outstanding client claims against PSC.

REASONS

¶ 8 The Panel found that it was appropriate to hold this motion in writing. The Initial Order authorized Staff to proceed by way of written application. PSC is bankrupt and the trustee in bankruptcy in the estate of PSC consented to this motion.

¶ 9 As noted above, the Initial Order suspended PSC's membership in IIROC on May 21, 2020.

¶ 10 As argued in the IIROC Staff Written Submissions, there is no client harm in terminating PSC's rights and privileges.

¶ 11 For the foregoing reasons, we approved the issuance of the Order.

Dated at Toronto, Ontario this 12 day of January 2022.

Deborah Anshell

Colleen Wright

Randee Pavalow

ORDER

THIS MOTION, made by Staff of the Investment Industry Regulatory Organization of Canada ("IIROC") for an Order expelling Pace Securities Corp. from IIROC and terminating its rights and privileges of membership was heard in writing on December 8, 2021 at Toronto, Ontario, pursuant to Sections 8212, 8409, 8426 and 8413 of the Consolidated Enforcement, Examination and Approval Rules of IIROC (the "Consolidated Rules").

ON READING the materials filed in support of this motion,

THIS HEARING PANEL ORDERS that:

1. Pursuant to Section 8212(4)(v) of the Consolidated Rules, Pace Securities Corp. shall be and hereby is expelled from IIROC effective immediately.
2. Pursuant to Section 8212(4)(v) of the Consolidated Rules, Pace Securities Corp's rights and privileges of IIROC membership shall be and hereby are terminated effective immediately.

DATED at Toronto, Ontario, this 8 day of December, 2021.

Original Executed by:

"Deborah Anshell"

Chair

"Colleen Wright"

Panel Member

"Randee Pavalow"

Panel Member