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Ontario

**Deposit Insurance Corporation
of Ontario**

**Société ontarienne
d'assurance-dépôts**

**IN THE MATTER OF THE
CREDIT UNIONS AND CAISSES POPULAIRES ACT, 1994,
S.O. 1994, c. 11, AS AMENDED (the "ACT")**

**AND IN THE MATTER OF
PACE SAVINGS & CREDIT UNION LIMITED**

**AND IN THE MATTER OF AN
ORDER OF DEPOSIT INSURANCE CORPORATION OF ONTARIO
PURSUANT TO SECTION 294(1) OF THE ACT**

**ADMINISTRATION ORDER
(September 28, 2018)**

WHEREAS section 294(1)(1) of the *Credit Unions and Caisses Populaires Act, 1994*, S.O. 1994, c.11, as amended (the "**Act**") provides that Deposit Insurance Corporation of Ontario ("**DICO**") may order a credit union subject to administration by DICO if, on reasonable grounds, it believes that a credit union is conducting its affairs in a way that might be expected to harm the interests of members or depositors or that tends to increase the risk of claims by depositors against the DICO but that a supervision order under section 279(1) of the Act, in the circumstances, would not be appropriate;

AND WHEREAS DICO believes, on reasonable grounds, that PACE Savings & Credit Union Limited (the "**Credit Union**") is conducting its affairs in a way that might be expected to harm the interests of members or depositors or that tends to increase the risk of claims by depositors against DICO;

AND WHEREAS DICO believes that a supervision order under section 279(1) of the Act would, in the circumstances, not be appropriate;

AND WHEREAS DICO may, pursuant to section 240.1(7) of the Act, order a credit union subject to administration by DICO without giving notice or allowing the credit union to make submissions if DICO is of the opinion that the interests of the members, depositors or shareholders of any credit union may be prejudiced or adversely affected by a delay in making the order;

AND WHEREAS DICO is of the opinion that any delay in making an order under section 279(1) of the Act in respect of the Credit Union may, in the circumstances, prejudice or adversely affect the interests of the Credit Union's members, depositors or shareholders;

AND WHEREAS section 240.1(8) of the Act provides that where DICO makes an order pursuant to section 240.1(7) of the Act the person subject to such order or any person affected by the order may request an opportunity to make written submissions to DICO by giving notice of such request to DICO within fifteen (15) days after the person subject to the order receives the order;

DEPOSIT INSURANCE CORPORATION OF ONTARIO HEREBY ORDERS THAT:

1. PACE Savings and Credit Union Limited is hereby placed under administration by DICO pursuant to section 294(1) of the Act effective at 12:01 a.m. on Friday, September 28, 2018, until such time as DICO orders otherwise.
2. All powers and authority of the board of directors of the Credit Union (the "**Board**") are hereby suspended except as expressly provided herein.
3. Notwithstanding paragraph 2 above, the Board may, on behalf of the Credit Union:
 - (a) formally request to make submissions to DICO regarding the issuance of this Order pursuant to section 240.1(8)(1) of the Act ("**Submissions**"), and in the event Submissions are made, DICO will issue a further Order pursuant to section 240.1(8)(3) of the Act following its consideration of the Submissions advising whether it will confirm, vary or revoke this Order;
 - (b) appeal this Order pursuant to section 294(3);
 - (c) with respect to the making of any decisions or taking any actions in connection with the filing of submissions or appealing an Order as permitted by paragraphs 3(a) and (b) above, the Board shall continue to operate according to its current policies and procedures for the conduct of meetings, establishing quorum, establishing committees and passing resolutions (which resolutions, for greater certainty, may only be with respect to the filing of Submissions and the appeal); and

- (d) nothing in paragraphs 3(a), (b) or (c) above permits the Board to approve, by resolution or otherwise, the expenditure of any funds by the Credit Union; in the event the Board wishes to request funding from the Credit Union for the payment of the professional fees and disbursements directly associated with the filing of Submissions or the bringing of an appeal as authorized by paragraphs 3(a) and (b) above, the Board may make a request for such funding in writing to DICO, which written request must contain a copy of the resolution of the Board authorizing such request.
4. The Board shall have until 5:00 p.m. Monday, October 15, 2018, to provide DICO with written notice pursuant to section 240.1(8)(1) that it requests an opportunity to file Submissions with DICO. In the event that the Board requests to file Submissions, the Submissions must be delivered to DICO by no later than 5:00 p.m. on Monday, October 22, 2018, or such other time as DICO may agree to in writing.
5. Pursuant to section 240.1(8)(2) of the Act, notwithstanding the filing of any Submissions or the commencement of any appeals, this Order shall remain in full force and effect unless DICO issues an Order otherwise.

DATED at Toronto, this 28th day of September, 2018.

DEPOSIT INSURANCE CORPORATION OF ONTARIO



Guy Hubert
President and Chief Executive Officer
Deposit Insurance Corporation of Ontario