Court File No. CV-20-00641059-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
R.S.O. 1990, C. B.16, AS AMENDED

AND IN IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C., 1985, C. C-44, AS AMENDED

AND IN THE MATTER OF A WINDING UP OF
PACE SECURITIES CORP., PACE FINANCIAL LIMITED,
PACE INSURANCE BROKERS LIMITED AND
PACE GENERAL PARTNER LIMITED

Applicants

MOTION RECORD OF

PACE SAVINGS & CREDIT UNION LIMITED

October 25, 2021

HARRISON PENSA LLP
Barristers & Solicitors
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London, ON N6A 4K3

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Robert Danter (LSO #69806O)

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rdanter@harrisonpensa.com

Lawyers for PACE Savings & Credit Union Limited

TO: Service List

SERVICE LIST

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AND TO: **HARRISON PENSA LLP**
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Secured Creditor of Pace Securities Corp.

AND
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M5C 2W7

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Fax: 416-973-744

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Sean Melzack, Director – Client Relations
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Mobile: 289-980-9450
Email: smelzack@dream.ca

Landlord of Pace Securities Corp.

AND
TO: **HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTRY OF FINANCE**
Revenue Collections Branch – Insolvency Unit
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Oshawa, ON L1H 8H5
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AND
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c/o Department of Justice
Ontario Regional Office
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Attention: Rakhee Bhandari
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Email: rakhee.bhandari@justice.gc.ca

Creditor of Pace Securities Corp.

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Tab 1

Court File No. CV-20-00641059-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
R.S.O. 1990, C. B.16, AS AMENDED

AND IN IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C., 1985, C. C-44, AS AMENDED

AND IN THE MATTER OF A WINDING UP OF
PACE SECURITIES CORP., PACE FINANCIAL LIMITED,
PACE INSURANCE BROKERS LIMITED AND
PACE GENERAL PARTNER LIMITED

Applicants

NOTICE OF MOTION

PACE SAVINGS & CREDIT UNION LIMITED ("**Pace Credit Union**") will make a motion to a judge of the Commercial List on Monday, November 1, 2021, at 12:00 p.m., or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard:

☐In writing under subrule 37.12.1 (1) because it is *(insert one of* on consent, unopposed *or* made without notice*)*;

☐ In writing as an opposed motion under subrule 37.12.1 (4);

☐ In person;

☐ By telephone conference;

☒ By video conference.

at the following location:

https://us02web.zoom.us/j/86143068382?pwd=Sn1TOWQ2bEh0eF1UUVxYmRHbjF4QT09

Meeting ID: 861 4306 8382

Passcode: 118568

THE MOTION IS FOR:

1. An order substantially in the form attached hereto as **Schedule "A"**, among other things, providing for the bankruptcy of Pace Securities Corp. ("**PSC**"); and

2. Such further and other relief that the Pace Credit Union may request and this Honourable Court may consider just.

THE GROUNDS FOR THE MOTION ARE:

1. Pace Credit Union holds 100% of the issued and outstanding common shares of PSC.

2. Pace Credit Union is the largest creditor of PSC, having advanced unsecured loans to PSC in 2012 and 2013 totaling over $4.7 million, which remain unpaid.

3. On May 14, 2020, Ernst & Young Inc. ("**EYI**") was appointed as liquidator of the estate and effects of PSC and certain other related companies pursuant to the *Business Corporations Act* (Ontario), R.S.O. 1990, c. B.16, as amended (the "**Liquidator**").

4. PSC is insolvent and has committed one or more acts of bankruptcy within the past six months, in that PSC has ceased to meet its liabilities generally as they have become due, and has failed to meet its obligations to the moving creditor and to other creditors.

5. The Liquidator is of the view that it is the proper time to address the claims of creditors of PSC, and that a bankruptcy of PSC would be the most expeditious way to address such claims and effect distributions to creditors.

6. EYI is qualified and prepared to act as trustee in the bankruptcy of PSC.

7. Section 43 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.

8. Rules 2.03, 3.02, 16.01 and 37 of the *Rules of Civil Procedure* (Ontario), and Rules 2, 3, 6 11, and 69 to 76 of the *Bankruptcy and Insolvency General Rules*.

9. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

1. The Fifth Report of the Liquidator dated October 19, 2021.

2. Affidavit of Benjamin Choi sworn October 21, 2021.

3. Such further and other material as counsel may advise and this Honourable Court may permit.

October 25, 2021

HARRISON PENSA LLP
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Lawyers for PACE Savings & Credit Union Limited

TO: SERVICE LIST

Schedule "A" – Draft Order

Court File No. CV-20-00641059-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	MONDAY, THE 1st DAY
	)	
JUSTICE KOEHNEN	)	OF NOVEMBER, 2021

IN THE MATTER THE BANKRUPTCY OF
PACE SECURITIES CORP., OF THE CITY OF MISSISSAUGA
IN THE REGIONAL MUNICIPALITY OF PEEL,
IN THE PROVINCE OF ONTARIO

BANKRUPTCY ORDER

Upon reading the application of Pace Savings & Credit Union Limited, a creditor (the "**Applicant Creditor**"), of the City of Vaughan, in the Province of Ontario, filed October 22, 2021, and the Affidavit of Benjamin Choi sworn October 21, 2021, filed;

And upon hearing from counsel for the Applicant Creditor and from counsel for Ernst & Young Inc. as proposed Trustee, no one else appearing although properly served as it appears from the Affidavit of Service of Lindsay Provost sworn October 25, 2021;

And it appearing to the court that the following acts of bankruptcy have been committed:

a) Pace Securities Corp. has ceased to meet its liabilities generally as they have become due, contrary to s. 42(1)(j) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "***BIA***").

1. **IT IS ORDERED** that the issuance, service, and filing of the herein application as is required under the *Bankruptcy and Insolvency General Rules*, C.R.C., c. 368, as amended is hereby abridged and validated, such that the herein application is properly returnable on November 1, 2021, and hereby dispenses with further service or filing thereof.

2. **IT IS FURTHER ORDERED** that the said Pace Securities Corp., of the City of Mississauga, in the Regional Municipality of Peel, in the Province of Ontario is hereby adjudged bankrupt, and a Bankruptcy Order is hereby made against the said Pace Securities Corp. on this date.

3. **IT IS FURTHER ORDERED** that Ernst & Young Inc. of the City of Toronto, in the Province of Ontario be and is hereby appointed Trustee of the estate of the said bankrupt.

4. **IT IS FURTHER ORDERED** that the Trustee give security in cash or by bond or suretyship without delay, in accordance with subsection 16(1) of the *BIA*.

5. **IT IS FURTHER ORDERED** that the costs of the Applicant Creditor shall be paid out of the estate of the bankrupt upon taxation thereof.

____

Justice, Ontario Superior Court of Justice
In Bankruptcy

YOU, Pace Securities Corp.,

the bankrupt named herein, are required, pursuant to Section 159 of the *Bankruptcy and Insolvency Act*, to attend at the Office of _________________________, the Official Receiver, _____________________ Street, _____________________ on the _______ day of___________________, 2021 at the hour of __________ o'clock in the _______ noon there to answer such questions with respect to your conduct, the causes of your bankruptcy and the disposition of your property as may be put by the Official Receiver, and take notice that if you fail to present yourself for examination, the Court may by warrant cause you to be apprehended and brought up for examination and may order you to be imprisoned for a term not exceeding three years.

OFFICIAL RECEIVER

HARRISON PENSA LLP
Solicitors for the Applicant Creditor

Court File No. CV-20-00641059-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY

IN THE MATTER THE BANKRUPTCY OF PACE SECURITIES CORP., OF THE CITY OF MISSISSAUGA
IN THE REGIONAL MUNICIPALITY OF PEEL, IN THE PROVINCE OF ONTARIO

BANKRUPTCY ORDER

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PACE Savings & Credit Union Limited

IN THE MATTER OF A WINDING UP OF PACE SECURITIES CORP., PACE FINANCIAL LIMITED, PACE INSURANCE BROKERS LIMITED AND PACE GENERAL PARTNER LIMITED

Court File No. CV-20-00641059-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at
Toronto, Ontario

NOTICE OF MOTION

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Solicitors for PACE Savings & Credit Union Limited

Tab 2

Court File No. CV-20-00641059-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS AMENDED

AND IN IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C., 1985, C. C-44, AS AMENDED

AND IN THE MATTER OF A WINDING UP OF PACE SECURITIES CORP., PACE FINANCIAL LIMITED, PACE INSURANCE BROKERS LIMITED AND PACE GENERAL PARTNER LIMITED

Applicants

AFFIDAVIT OF BENJAMIN CHOI

I, Benjamin Choi, of the City of Burlington, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am the Chief Financial and Risk Officer for the moving party herein, Pace Savings & Credit Union Limited ("**Pace Credit Union**"), and as such have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary these matters are within my own knowledge and are true. Where I have indicated that I have obtained facts from other sources, I have identified the source and I believe those facts to be true.

2. Pace Credit Union is a credit union and carries on business in the Greater Toronto Area.

3. Pace Credit Union is a 100% shareholder of the issued and outstanding common shares of its subsidiary, Pace Securities Corp. ("**PSC**"). Attached hereto to this my affidavit and

marked as **Exhibit "A"** is a true copy of the organizational chart for Pace Credit Union and its subsidiary companies. Attached hereto to this my affidavit and marked as **Exhibit "B"** is a true copy of the corporate profile for PSC.

4. Pursuant to the Order of the Honourable Mr. Justice Hainey dated May 14, 2020, Ernst & Young Inc. ("**EYI**") was appointed as liquidator of the estate of PSC and certain other related companies, pursuant to the *Business Corporations Act* (Ontario), R.S.O. 1990, c. B.16, as amended (the "**Liquidator**"). Attached hereto to this my affidavit and marked as **Exhibit "C"** is a true copy of the Order of Justice Hainey dated May 14, 2020.

5. As set out in the Fifth Report of the Liquidator dated October 19, 2021 (the "**Fifth Report**"), PSC previously operated as an investment dealer and investment funds manager. On the appointment of the Liquidator, all of PSC's employees were terminated, and PSC was subsequently barred from operating by its various governing bodies. For ease of reference, attached hereto to this my affidavit and marked as **Exhibit "D"** is a true copy of the Fifth Report, without appendices.

6. PSC is currently indebted to Pace Credit Union in the sum of $5,084,468.55 as at October 21, 2021 (the "**Pace Indebtedness**"), with interest and costs continuing to accrue, and pursuant to the following:

   a) Intercompany Accounts Receivable totalling $308,645;

   b) The following loan agreements as between Pace Credit Union, PSC, and Investment Industry Regulatory Organization of Canada:

i. Uniform Subordinated Loan Agreement dated July 24, 2012, pursuant to which PSC is indebted to Pace Credit Union in the sum of $250,000;

ii. Uniform Subordinated Loan Agreement dated October 12, 2012, pursuant to which PSC is indebted to Pace Credit Union in the sum of $75,823.55;

iii. Uniform Subordinated Loan Agreement dated October 23, 2012, pursuant to which PSC is indebted to Pace Credit Union in the sum of $50,000; and,

iv. Uniform Subordinated Loan Agreement dated May 15, 2013, pursuant to which PSC is indebted to Pace Credit Union in the sum of $4,400,000.

(collectively, the "**Loan Agreements**")

Attached hereto to this my affidavit and marked as **Exhibits "E" to "H"**, respectively, are true copies of each of the Loan Agreements

7. To the best of my knowledge, Pace Credit Union does not hold any security over the assets of PSC.

8. As set out in the Fifth Report, PSC is insolvent, with known secured and unsecured liabilities in significant excess of its assets. Pace Credit Union is the largest unsecured creditor of PSC, holding approximately 53% of PSC's known unsecured liabilities.

9. PSC has committed one or more acts of bankruptcy within the past six months, in that PSC has ceased to meet its liabilities generally as they have become due, and has failed to meet its obligations to the moving creditor and to other creditors.

10. There is one secured creditor of PSC with a registration under the Ontario *Personal*

Property Security Act ("**PPSA**"), which has been served with the herein motion. Attached hereto to this my affidavit and marked as **Exhibit "I"** is a true copy of the PPSA search results for PSC, current to October 18, 2021.

11. I make this affidavit in support of the herein motion for the issuance of a bankruptcy Order as against PSC, and for no other or improper purpose.

Sworn **or** ***Affirmed*** **before me:** ☐ in person OR ☒ by video conference

by Benjamin Choi, from the City of Vaughan in the Province of Ontario, before me at the City of London in the Province of Ontario, on October 21, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits *(or as may be)*

Signature of Commissioner (or as may be)

BENJAMIN CHOI

Court File No. CV-20-00641059-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
R.S.O. 1990, C. B.16, AS AMENDED

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AND IN THE MATTER OF A WINDING UP OF
PACE SECURITIES CORP., PACE FINANCIAL LIMITED,
PACE INSURANCE BROKERS LIMITED AND
PACE GENERAL PARTNER LIMITED

Applicants

ATTACHED HERETO ARE EXHIBITS “A” TO “I”

AS REFERRED TO IN THE AFFIDAVIT OF BENJAMIN CHOI,

SWORN BEFORE ME ON OCTOBER 21, 2021.

A Commissioner, etc.

EXHIBIT "A"

PACE Organizational Chart

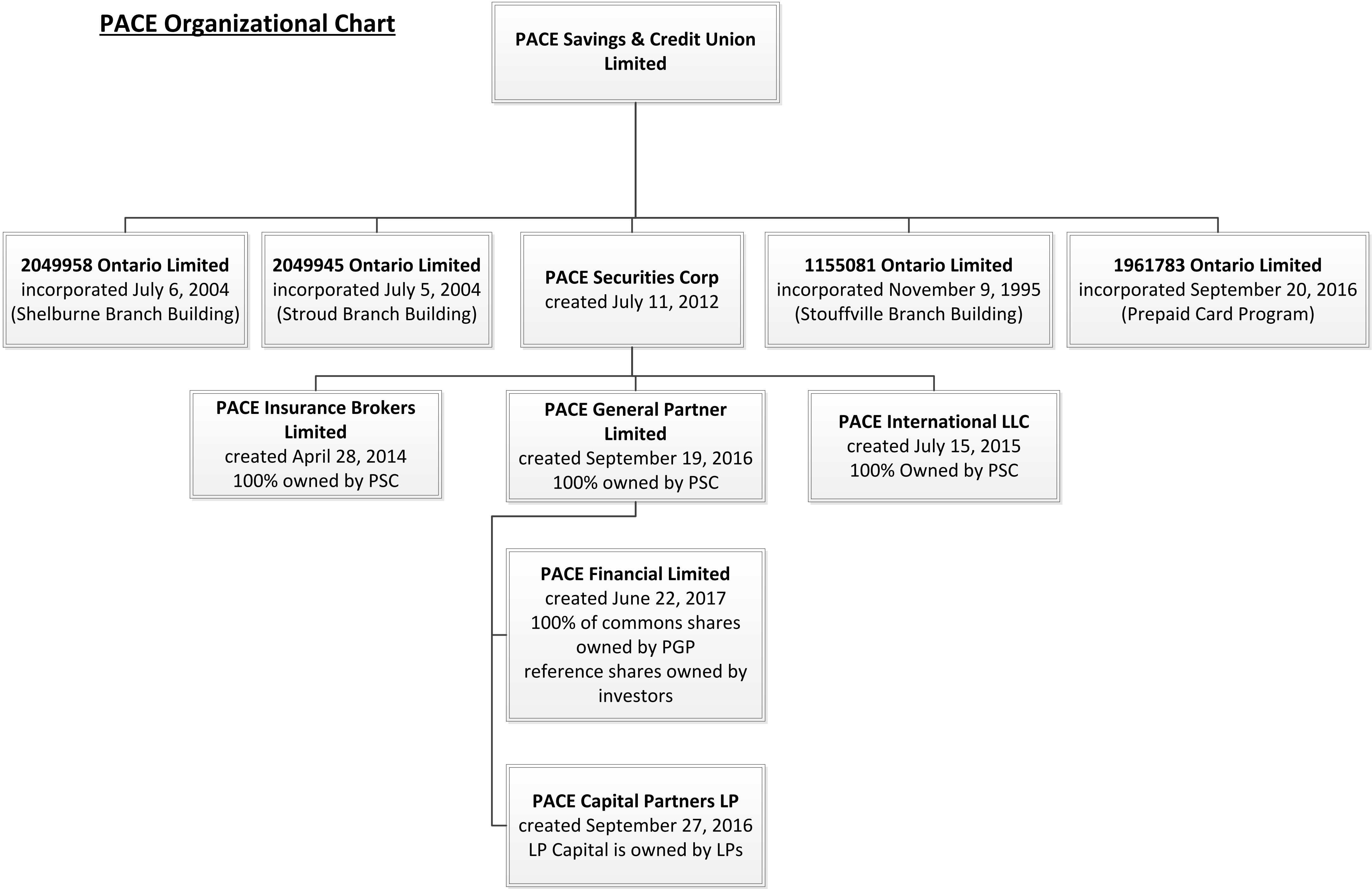

EXHIBIT "B"

Ontario

Ministry of Government and
Consumer Services

Profile Report

PACE SECURITIES CORP. as of October 19, 2021

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	PACE SECURITIES CORP.
Ontario Corporation Number (OCN)	2334920
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	July 11, 2012
Registered or Head Office Address	50 Burnhamthorpe Road West, 600, Mississauga, Ontario, Canada, L5L 3M4

Active Director(s)

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	Gerald MCRAE
Resident Canadian	Yes
Date Began	April 29, 2014

Name	Joseph THOMSON
Resident Canadian	Yes
Date Began	July 11, 2012

Active Officer(s)

Name	Andre SIAN
Position	Chief Financial Officer
Date Began	July 02, 2019
Name	Joseph THOMSON
Position	Secretary
Date Began	July 11, 2012
Name	Joseph THOMSON
Position	Chief Executive Officer
Date Began	June 27, 2013
Name	Joseph THOMSON
Position	President
Date Began	July 11, 2012

Corporate Name History

Name	PACE SECURITIES CORP.
Effective Date	July 11, 2012

Active Business Names

Name	PACE CAPITAL MANAGEMENT
Business Identification Number (BIN)	270660657
Registration Date	June 14, 2017
Expiry Date	June 13, 2022

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Document List

Filing Name	Effective Date
Annual Return - 2019 PAF: JOSEPH THOMSON - DIRECTOR	October 18, 2020
Other - NOTICE CONCERNING WINDING	July 06, 2020
Annual Return - 2018 PAF: JOSEPH THOMSON - DIRECTOR	March 01, 2020
CIA - Notice of Change PAF: ELLIE RODRIGUES - OTHER	February 03, 2020
CIA - Notice of Change PAF: ELLIE RODRIGUES - OTHER	November 15, 2019
CIA - Notice of Change PAF: ELLIE RODRIGUES - OTHER	November 15, 2019
Annual Return - 2017 PAF: JOSEPH THOMSON - DIRECTOR	July 08, 2018
Annual Return - 2015 PAF: JOSEPH THOMSON - DIRECTOR	December 23, 2016
Annual Return - 2014 PAF: JOSEPH THOMSON - DIRECTOR	February 09, 2016
Annual Return - 2013 PAF: JOSEPH JAMES THOMSON - DIRECTOR	November 18, 2014
CIA - Notice of Change PAF: JOSEPH THOMSON - OFFICER	April 29, 2014
Annual Return - 2012 PAF: JOSEPH THOMSON - DIRECTOR	June 29, 2013
CIA - Initial Return PAF: JOSEPH THOMSON - OFFICER	November 09, 2012

BCA - Articles of Incorporation	July 11, 2012

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

EXHIBIT "C"

Court File No. • CV-20-641059-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	WEDNESDAY, THE 14th DAY
	)	
JUSTICE HAINEY	)	OF MAY, 2020

SUPERIOR COURT OF JUSTICE
COUR SUPÉRIEURE DE JUSTICE
JUSTICIA

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B.16, AS AMENDED

AND IN IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C., 1985, C. C-44, AS AMENDED

AND IN THE MATTER OF A WINDING UP OF PACE SECURITIES CORP., PACE FINANCIAL LIMITED, PACE INSURANCE BROKERS LIMITED AND PACE GENERAL PARTNER LIMITED

WINDING-UP ORDER

THIS APPLICATION, made by Pace Securities Corp. ("**PSC**"), Pace Financial Limited ("**PFL**"), Pace Insurance Brokers Limited ("**PIB**"), Pace General Partner Limited ("**PGPL**", together with PSC, PFL and PIB, the "**Companies**"), pursuant to section 207 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the "**OBCA**") and section 214 of the *Canada Business Corporations Act*, RSC 1985, c. C-44 (the "**CBCA**"), for an Order, among other things, winding up each of the Companies, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Mitch Vininsky affirmed on May 14, 2020, and on hearing the submissions of counsel for the Companies,

Doc#4760501v5

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS** that that each of the Companies shall be wound up pursuant to section 207 of the OBCA and section 214 of the CBCA with effect as of the date of this Order.

NO PROCEEDINGS AGAINST THE COMPANIES OR THEIR PROPERTY

3. **THIS COURT ORDERS** that from the date of this Order until further order of this Court (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Companies, any of its subsidiaries or affiliates, or the Liquidator, or affecting any of the Companies' current or future assets, undertakings or properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, and for greater certainty, including all funds on deposit with Laurentian Bank Securities and all customer accounts (collectively, the "**Property**"), except with the written consent of the Liquidator, or with leave of this Court, and any and all Proceedings currently under way against or in respect of or affecting the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

4. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Companies or the Liquidator, or affecting the Property, including rights of set-off, are hereby stayed and suspended except with the written consent of the Liquidator, or leave of this Court, provided that nothing in this Order shall: (i) empower the Liquidator to carry on any business which the Companies are not lawfully entitled to carry on; (ii) exempt the Liquidator from compliance with statutory or regulatory provisions relating to health, safety or the environment;

(iii) prevent the filing of any registration to preserve or re-perfect an existing security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

5. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sub-lease, licence or permit in favour of or held by the Companies, except with the written consent of the Liquidator, or leave of this Court.

CONTINUATION OF SERVICES

6. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Companies or statutory or regulatory mandates for the supply of goods and/or services, including, without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, employee benefits, transportation services, utility, leasing or other services to the Companies, are hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Liquidator, and that the Liquidator shall be entitled to the continued use of the Companies' current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Liquidator in accordance with normal payment practices of the Companies or such other practices as may be agreed upon by the supplier or service provider and the Liquidator, or as may be ordered by this Court.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

7. **THIS COURT ORDERS** that during the Stay Period, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Companies with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Companies whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers of the Companies, except with the written consent of the Liquidator or leave of this Court.

THE LIQUIDATOR

8. **THIS COURT ORDERS** that Ernst & Young Inc. is hereby appointed pursuant to section 210 of the OBCA and section 217(b) of the CBCA as liquidator (in such capacity, the "**Liquidator**") of the estate and effects of the Companies for the purpose of winding up their business and affairs and distributing their Property, and the Companies' officers, directors, employees, consultants, agents, experts, accountants, counsel and such other persons currently retained or employed by it shall co-operate fully with the Liquidator in the exercise of its powers and discharge of its obligations and provide the Liquidator with the assistance that is necessary to enable the Liquidator to adequately carry out the its functions.

9. **THIS COURT ORDERS** that the Liquidator is expressly empowered and authorized, but not obligated, to do any of the following:

(a) take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) deposit all money belonging to the Companies in any bank of Canada listed in Schedule I or II to the *Bank Act (Canada)* or in any trust corporation or loan corporation that is registered under the *Loan and Trust Corporations Act* or in any other depository approved by the Court, which deposits shall not be made in the name of the Liquidator individually, but shall be separate deposit accounts in the Liquidator's name as Liquidator of the Companies;

(c) carry on the business of the Companies so far as may be required as beneficial for the winding up of the Companies;

(d) sell any of the Property by public auction or private sale or, where applicable, through a stock exchange, and receive payment of the purchase price either in cash or otherwise;

(e) enter into one or more agreements for the transfer of the Companies' client accounts to other investment dealers on such terms as the Liquidator may in its discretion deem appropriate;

(f) take such steps with respect to accounts of deferred customers (as that term is defined in the *Bankruptcy and Insolvency Act* (the "**BIA**")) as the Liquidator may in its discretion deem appropriate;

(g) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Liquidator's powers and duties, including engaging the services of a broker to effect the sale of securities held by the Companies;

(h) do all acts and execute, in the name and on behalf of the Companies, all documents, and for that purpose use the seal of the Companies, if any;

(i) draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the Companies;

(j) make such compromise or other arrangement as the Liquidator thinks expedient with any creditor or person claiming to be a creditor or having or alleging that he, she or it has a Claim whereby the Companies may be rendered liable;

(k) compromise all debts and liabilities capable of resulting in debts, and all claims, whether present or future, certain or contingent, liquidated or unliquidated, subsisting or supposed to subsist between the Companies and any contributory, alleged contributory or other debtor or person who may be liable to the Companies and all questions in any way relating to or affecting the Property, or the winding up of the Companies, upon the receipt of such sums payable at such times and generally upon such terms as are agreed, and the Liquidator may take any security for the discharge of such debts or liabilities and give a complete discharge in respect thereof;

(l) disclaim any leases entered into by the Companies;

(m) cause to be filed with the appropriate governmental authority all tax returns required to be filed by the Companies, their subsidiaries and, if necessary, any trusts or special purpose entities for which the Companies continue to have responsibility;

(n) remit all taxes required to be remitted by the Companies in accordance with all applicable statutes;

(o) obtain any all applicable clearance certificates from governmental authorities;

(p) cause to be filed with the appropriate governmental authority all financial statements and reports required to be filed by the Companies;

(q) establish and implement a claims process in respect of any or all of the Companies;

(r) in respect of each of the Companies, pay or otherwise satisfy all claims from the Property thereof if there are sufficient funds to do so, and after satisfying all such claims, distribute the remaining Property or proceeds thereof (if any) rateably among the registered shareholders thereof according to their rights and interests;

(s) bring or defend any action, suit or prosecution, or other legal proceedings, civil or criminal, in the name and on behalf of the Companies;

(t) at any time after the affairs of any of the Companies have been fully wound up, make an application to the Court for an order dissolving any or all of the Companies;

(u) wind up or dissolve all wholly-owned subsidiaries of the Companies; and

(v) do and execute all such other things as are necessary for winding up the business and affairs of the Companies and distributing the Property.

10. **THIS COURT ORDERS** that the Liquidator shall provide any creditor or shareholder of the Companies with information provided by the Companies in response to reasonable requests for information made in writing by such creditor or shareholder addressed to the Liquidator or its legal counsel. The Liquidator shall not have any responsibility or liability with respect to the

information disseminated by it pursuant to this paragraph. In the case of information that the Liquidator has been advised by the Companies is confidential or otherwise material, non-public information, the Liquidator shall not provide such information to creditors or shareholders unless otherwise directed by this Court, or on such terms as the Liquidator may agree.

11. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Liquidator under the OBCA and the CBCA, the Liquidator shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Liquidator by the OBCA or any applicable legislation.

12. **THIS COURT ORDERS** that the Liquidator and counsel to the Liquidator shall be paid their reasonable fees and disbursements incurred both before and after the making of this Order, in each case at their standard rates and charges, that the Liquidator and counsel to the Liquidator shall be entitled to and are hereby granted a charge (the "**Administration Charge**") on the Property, as security for such fees and disbursements, and that the Administration Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "**Encumbrances**"), in favour of any Person.

13. **THIS COURT ORDERS** that the Liquidator and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Liquidator and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

14. **THIS COURT ORDERS** that prior to the passing of their accounts, the Liquidator shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

15. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or

perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

16. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA or otherwise; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Companies, and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Companies of any Agreement to which it is a party;

(b) none of the chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and

(c) the payments made by the Companies pursuant to this Order and the granting of the Administration Charge do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable, reviewable, void or voidable transactions under any applicable law.

FUNDING OF THE LIQUIDATION

17. **THIS COURT ORDERS** that the Liquidator be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may

arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Liquidator by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Liquidator's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Administration Charge.

18. **THIS COURT ORDERS** that neither the Liquidator's Borrowings Charge nor any other security granted by the Liquidator in connection with its borrowings under this Order shall be enforced without leave of this Court.

19. THIS COURT ORDERS that the Liquidator is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "A"** hereto (the "**Liquidator's Certificates**") for any amount borrowed by it pursuant to this Order.

20. THIS COURT ORDERS that the monies from time to time borrowed by the Liquidator pursuant to this Order or any further order of this Court and any and all Liquidator's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Liquidator's Certificates.

EMPLOYEES

21. **THIS COURT ORDERS** that all employees of the Companies shall be deemed terminated as of the date of this Order. The Liquidator shall not be liable for any employee-related liabilities other than such amounts as the Liquidator may specifically agree in writing to pay.

PIPEDA

22. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Liquidator shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to

whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Liquidator, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Liquidator, or ensure that all other personal information is destroyed.

SERVICE AND NOTICE

23. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.ey.com/ca/pacesecurities.

24. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Liquidator is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to interested parties at their respective addresses as last shown on the records of the Companies and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

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GENERAL

25. **THIS COURT ORDERS** that Liquidator may from time to time apply to this Court for advice and directions in the discharge of its powers and duties under this Order.

26. **THIS COURT ORDERS** that nothing in this Order shall prevent the Liquidator from acting as a trustee in bankruptcy of the Companies.

27. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Liquidator and its respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Liquidator in any foreign proceeding, or to assist the Liquidator and its respective agents in carrying out the terms of this Order.

28. **THIS COURT ORDERS** that the Liquidator be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Liquidator is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

29. **THIS COURT ORDERS** that any interested party (including the Liquidator) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

30. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Daylight Time on the date of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAY 15 2020

PER / PAR:

Doc#4760501v5

SCHEDULE "A"

LIQUIDATOR'S CERTIFICATE

CERTIFICATE NO. ______________

AMOUNT $____________________

1. THIS IS TO CERTIFY that Ernst & Young Inc., the liquidator (the "**Liquidator**") of the assets, undertakings and properties of by Pace Securities Corp., Pace Financial Limited and Pace General Partner Limited (collectively, the "**Companies**"), including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 13th day of May, 2020 (the "**Order**") made in an action having Court file number __-CL-_______, has received as such Liquidator from the holder of this certificate (the "**Lender**") the principal sum of $__________, being part of the total principal sum of $__________ which the Liquidator is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _______ day of each month] after the date hereof at a notional rate per annum equal to the rate of ______ per cent above the prime commercial lending rate of Bank of _________ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Liquidator pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, and the right of the Liquidator to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the

Liquidator to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Liquidator to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Liquidator does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____________, 20__.

ERNST & YOUNG INC., solely in its capacity as Liquidator of the Property, and not in its personal capacity

Per: ______________________________

Name:

Title:

IN THE MATTER OF A WINDING UP OF PACE SECURITIES CORP., PACE FINANCIAL LIMITED, AND PACE GENERAL PARTNER LIMITED .

Court File No. •CV-20-641059-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

WINDING-UP ORDER

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Doc#4760501v5

EXHIBIT "D"

Court File No.CV-2000641059-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
R.S.O. 1990, C. B.16, AS AMENDED

AND IN IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C., 1985, C. C-44, AS AMENDED

AND IN THE MATTER OF A WINDING UP OF
PACE SECURITIES CORP., PACE FINANCIAL LIMITED,
PACE INSURANCE BROKERS LIMITED AND
PACE GENERAL PARTNER LIMITED

Applicants

FIFTH REPORT OF THE LIQUIDATOR

OCTOBER 19, 2021

INTRODUCTION

1. This fifth report of the Liquidator (the "**Fifth Report**") is filed by Ernst & Young Inc. ("**EYI**" or the "**Liquidator**") in its capacity as Liquidator of the estate and effects of the Applicants, Pace Securities Corp. ("**PSC**"), Pace Financial Limited ("**PFL**"), Pace Insurance Brokers Limited ("**PIB**") and Pace General Partner Limited ("**PGPL**") (collectively the "**Companies**"), appointed pursuant to the Order of the Honourable Mr. Justice Hainey dated May 14, 2020 (the "**Appointment Order**"). A copy of the Appointment Order is attached hereto as **Appendix "A".**

2. The purpose of this Fifth Report is to provide the Court with information relating to the Liquidator's motion seeking:

   a) a bankruptcy order for PIB;

b) court approval of a claims process for PFL, PCP and PGPL;

c) court approval of the Liquidator's activities as described in this Fifth Report, including the guarantee by PSC for the cost of PIB's bankruptcy; and

d) court approval of the fees and disbursements of the Liquidator and its counsel to date, as described in this Fifth Report.

TERMS OF REFERENCE

3. In preparing this Fifth Report and making the comments herein, the Liquidator has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Companies' books and records, discussions with the management of the Companies and information from other third-party sources (collectively, the "**Information**"). Future oriented financial information relied upon in this Fifth Report is based on assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.

4. The Liquidator has not audited, reviewed or otherwise verified the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Professional Accountants Handbook and, accordingly, the Liquidator expresses no opinion or other form of assurance in respect of the Information.

5. The Liquidator will make a copy of this Fifth Report, and related documents, available on the Liquidator's website at www.ey.com/ca/pacesecurities.

6. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian Dollars.

OVERVIEW OF THE COMPANIES

7. Attached hereto as **Appendix "B"** is an organizational chart describing the relationships among the companies and their ultimate corporate shareholder, PACE Savings & Credit Union Limited ("**Pace Credit Union**").

8. PSC and PFL are each corporations incorporated under the *Business Corporations Act* (Ontario). Their registered and head office was located at 50 Burnhamthorpe Road West, Suite 600, Mississauga, Ontario L5B 3C2. Joe Thomson was the CEO and was a director of PSC and PFL.

9. PSC is an investment dealer regulated by The Investment Industry Regulatory Organization of Canada ("**IIROC**") and an investment fund manager regulated by the Ontario Securities Commission ("**OSC**").

10. PSC did not hold its customers' cash and securities itself. Rather, pursuant to the IIROC rules, PSC was an introducing broker that was a party to an Introducing Type 2 Arrangement and, as such, PSC's client accounts were held with its carrying broker, Laurentian Bank Securities Limited ("**LBS**").

11. PFL carried on business as an investment vehicle for accredited investors to earn fixed dividends from an investment in a basket of high-yield bonds. PFL raised capital by selling preference shares. PFL used those proceeds to purchase high-yield bonds on "margin"[1] through its accounts at PSC. The interest and any trading profits earned on the bonds net of management costs from PSC and other expenses were to be used to fund regular dividend payments to the preference shareholders.

12. Almost all of PFL's investors are retail investors, and many of its investors also have accounts with PSC. PSC provided brokerage, investment and business management services to PFL.

13. Like PFL, First Hamilton Holdings Inc. ("**FHH**")[2] sold preference shares, accompanied by warrants for one series of shares, to investors and used the proceeds from those shares to invest in a basket of high-yield bonds, the interest and gains on which were intended to be

[1] Margin is a form of loan whereby the broker loans money to its client to allow the client to purchase more securities than could otherwise be purchased with the amount of money the client has available in the account. The interest-bearing loan in the account is collateralized by the securities and cash in the account. Because LBS is PSC's carrying broker, any margin loans provided through a PSC account were in fact provided by LBS.

[2] Joe Thomson was the CEO and is a director of FHH.

used to pay management fees to PSC and dividends to holders of the preference shares, as well as to fund other business ventures.

14. PGPL is a corporation incorporated under the *Canada Business Corporations Act* and is a holding company that owns 100% of the common shares of PFL. PGPL also acts as the general partner for Pace Capital Partners LP ("**PCP**").

15. PCP is a limited partnership. PCP raised money from accredited investors and invested the proceeds in high-yield bonds on margin through LBS. The majority of investors that subscribed for units of PCP have since redeemed their units. There are five remaining investors in and limited securities owned by PCP. PSC provided brokerage, investment and business management services to PCP.

16. On May 14, 2020, EYI was appointed as Liquidator of the estate and effects of the Companies. Pursuant to the Appointment Order, all of PSC's employees were terminated. None of the other Companies had any employees.

17. On May 21, 2020, a Hearing Panel of IIROC issued an order, among other things, suspending PSC's membership in IIROC and ordering that PSC immediately cease dealing with the public.

18. Also, on May 21, 2020, MNP Ltd. ("**MNP**") was appointed, pursuant to an order of this Court, as liquidator of the estate and effects of, among other entities, FHH (the "**FHH Liquidator**").[3]

19. On June 5, 2020 the OSC suspended PSC's investment fund manager registration.

[3] This proceeding and the FHH liquidation proceeding are referred to herein collectively as the "**Liquidation Proceedings**". The Liquidator and the FHH Liquidator are referred to herein collectively as the "**Court Appointed Liquidators**".

HISTORY OF THIS PROCEEDING

20. As described in the First Report of the Liquidator dated June 16, 2020 (the "**First Report**"), at the time of the Appointment Order, PSC managed approximately 2,000 active registered and non-registered accounts for about 1,200 clients. Nearly half of active PSC customer accounts held at LBS (registered and non-registered) contained as investments, among other things, private company preference shares of either PFL, FHH or both, as well as FHH warrants.

21. Pursuant to the Order of the Honourable Mr. Justice Hainey dated June 19, 2020 (the "**Share Transfer Order**"), the preference shares and/or warrants of PFL and FHH were transferred out of the client accounts to the Liquidator, to be held on behalf of the clients until the affairs of PFL and FHH were wound up.

22. The Liquidator worked cooperatively with LBS and IIROC to transfer the active PSC customer accounts to new investment dealers as soon as possible. As of October 12, 2021, approximately 110 PSC customer accounts remained with LBS that relate to approximately 85 customers.

23. As initially discussed in the Second Report of the Liquidator dated July 31, 2020 (the "**Second Report**"), EYI had been made aware of claims and/or potential claims by holders of PFL and FHH preference shares and warrants (collectively referred to herein as the "**Investor Claimants**") against various parties including the Companies, FHH, Pace Credit Union, and their respective directors and officers.

24. On August 6, 2020, Paliare Roland Rosenberg Rothstein LLP ("**Paliare Roland**") was appointed by Order of Justice Hainey (the "**Representative Counsel Order**") as Representative Counsel to, among other things, advance the interests of the Investor Claimants in this proceeding and the liquidation proceeding in respect of FHH.

25. By Orders of the Court dated March 2, 2021 in each of the Liquidation Proceedings on motions by Representative Counsel (the "**Claim Procedure Orders**"), a process was established for resolving the claims of the Investor Claimants in respect of their purchase of PFL and FHH preference shares and warrants (together, with the claims of 7903197

Canada Inc. in respect of its purchase of Pace Capital Partners Series A Limited Partnership Units, the "**Investor Claims**"). This process was explained in more detail in the Third Report of the Liquidator dated February 3, 2021 (the "**Third Report**").

26. As described in the Fourth Report of the Liquidator dated July 26, 2021 (the "**Fourth Report**"), the aforesaid process included a mediation which formally commenced on April 21, 2021 and which resulted in the execution on June 24, 2021 of a term sheet settling the Investor Claims (the "**Investor Settlement**"). The Investor Settlement provides for payment by the Settling Parties (as that term is defined in the settlement documents, which term does not include the Liquidator) to pay an all-inclusive, non-reversionary amount of $40 million to the Investor Claimants in exchange for a full and final release of the Investor Claims against the Settling Parties (including any related claims over for contribution or indemnity).

27. By Orders of the Court dated July 30, 2021 in each of the Liquidation Proceedings on motions by Representative Counsel (the "**Settlement Approval Orders**"), the Investor Settlement was approved.

28. Paliare Roland has developed a scheme of allocation and distribution to the Investor Claimants for the funds obtained under the Investor Settlement. The Liquidator provided information to Paliare Roland, as requested, for that purpose. Paliare Roland has brought a motion before this Court returnable on October 18, 2021 to approve the scheme of allocation and distribution and for the approval of professional costs.

LIQUIDATION OF SECURITIES PORTFOLIO

29. The Liquidator has continued to monitor the market for opportunities to liquidate the investments of PSC and PFL and to consult with analysts at LBS and other various financial institutions who are familiar with the bond market. As discussed in the Third Report, some of the companies whose bonds these entities hold had either just completed, or were in the process of completing, a financial restructuring. Once some time had passed after the completion of these restructurings, there began to be some increased liquidity and pricing in the market for certain of these bonds. As of September 30, 2021, EYI has liquidated approximately $436,000 of investments at PSC and approximately $5.6 million of

investments at PFL. The last remaining investment in PFL is approximately $0.5 million of Sherritt International 8.5% bonds maturing November 30, 2026.

PCP

30. As mentioned above, PGPL acts as the general partner for PCP. As part of the windup of PGPL, the Liquidator has been in discussion with the remaining limited partners in PCP regarding the impact of PGPL's windup on the limited partnership. At September 30, 2021, PCP had roughly $284,000 in various bonds and owed LBS approximately $38,000. As discussed in the Third Report, the Liquidator was in discussions with one of these limited partners regarding a purchase of the remaining investments held in PCP. An agreement could not be reached with that limited partner and the Liquidator therefore continued discussions with the limited partners regarding their views about the future of PCP.

31. None of the remaining partners have expressed interest in finding a replacement general partner. Three of the five limited partners confirmed that they would prefer a wind up and dissolution of the partnership entirely, while the other two have not provided feedback on these issues. As a result, at the request of the majority of the limited partners, the Liquidator is assisting in liquidating the remaining investments in PCP and as of October 12, 2021, PCP had remaining only approximately $66,000 of Source Energy 10.5% bonds maturing March 15, 2025. For the purpose of completing a wind up of PCP, the Liquidator is requesting that the proposed claims process include that entity.

NEXT STEPS

32. Given the resolution of the Investor Claims and the nearly complete liquidation of the Companies' securities portfolio, the Liquidator is of the view that it is the proper time to address the claims of all the other remaining creditors of the Companies. Once all the remaining investments are sold and the Companies' creditors are ascertained, the Liquidator will be in a position to complete distributions to creditors (and, where applicable, the shareholders) of the Companies.

33. While bankruptcy proceedings would likely be the most expeditious way to address these claims and effect these distributions, not all of the Companies meet the requisite insolvency tests.

34. The chart below outlines generally the estimated remaining assets and liabilities of the Companies as of September 30, 2021:

	PFL	PGPL	PSC	PIB
Assets				
Cash	5,542	-	436	-
CAD Investments	533	-	-	-
USD Investments	-	-	-	-
Intercompany receivable	-	50	360	-
	5,543	50	796	-
Liabilities				
Intercompany payables	(60)	(350)	(300)	(350)
Subordinated loan to PCU	-	-	(4,700)	-
Secured liabilities	-	-	(300)	-
Other unsecured liabilities	(905)	(3)	(3,850)	(40)
	(965)	(353)	(9,150)	(390)

35. As can be seen in the chart above:

a) PSC's known claims exceed its assets. The Liquidator understands that Pace Credit Union will be bringing a bankruptcy application against PSC in its capacity as PSC's largest unsecured creditor. If granted, PSC's claims would be addressed within that proceeding.

b) PIB's known claims exceed its assets. Given the lack of assets, and expected limited creditor pool, the Liquidator is of the view that converting the liquidation proceedings for PIB into a bankruptcy would be the most efficient manner to wind up this entity.

36. As PIB has no assets, it will require its parent company, PSC, to guarantee the fees for the cost of a bankruptcy proceeding. The Liquidator is not aware of any material prejudice to any PIB stakeholders resulting from the bankruptcy or the said guarantee. The Liquidator

is of the view that given PIB's lack of assets and expected limited creditor pool, the fees for a bankruptcy proceeding would be limited and it would be reasonable for PSC to guarantee the fees of a bankruptcy proceeding for PIB.

37. For PFL and PGPL, the Liquidator seeks the Court's approval to implement a claims process ("**Claims Process**"), which if approved, will establish the procedure for the solicitation, resolution and barring of claims, thereby allowing for the payment of proven claims against these companies and the distribution of any remaining funds to their respective shareholders.

PFL, PCP AND PGPL CLAIMS PROCESS[4]

38. The Claims Process provides that as soon as practicable following court approval, the Liquidator will post the Proof of Claim Document Package on the Liquidator's website at www.ey.com/ca/pacesecurities. The Liquidator will also arrange for the publication of the Notice to Creditors for one business day in the Globe and Mail (National Edition).

39. Additionally, as soon as practicable following the issuance of the Claims Process Order, the Liquidator will send the Proof of Claim Document Package to all known creditors of PFL, PCP and PGPL with a claim greater than $50.

40. The Claims Process contemplates a claims bar date of 5:00 p.m. (Toronto Time) on January 7, 2022 ("**Claims Bar Date**") for all Claimants to submit a proof of claim in respect of their claim against PFL, PCP and/or PGPL, failing which such claims shall be forever extinguished and barred.

41. The Claims Process provides that upon collecting proofs of claim by the Claims Bar Date, the Liquidator will review and determine either to allow, partially allow/partially disallow or disallow the Claims. In this regard, where a claim is revised or disallowed partially or entirely, the Liquidator will provide each claimant with a Notice of Revision or Disallowance, attaching a form of Dispute Notice, setting out its determination of such Claimant's Claim. Claimants that wish to object to the Notice of Revision or Disallowance

[4] All capitalized terms not defined in this section are used as defined in the Liquidator's proposed Claims Process Order.

are required to deliver a Dispute Notice no later than 5:00 PM (prevailing Eastern Time) on the day which is fourteen calendar days after the date the Notice of Revision or Disallowance is deemed to be received. If a claimant does not provide the Liquidator with a Dispute Notice within the timeframe required, it shall be deemed to have agreed with the Notice of Revision or Disallowance.

42. The Claims Process allows the Liquidator to attempt to settle any dispute with a Claimant directly, and if unsuccessful, the Liquidator may either direct the dispute to a claims officer (as may be appointed by the Court on application of the Liquidator), or may seek directions from the Court with respect to an appropriate process for the determination of such Claims. A creditor may also appeal the Claims Officer's determination within ten calendar days of notification of the Claims Officer's determination of the creditor's claim, otherwise it shall be deemed to have agreed with the Claims Officer's determination.

43. The Liquidator is of the view that the proposed Claims Process provides sufficient notice and time for claimants to file proofs of claim and have their claims determined.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

44. Attached hereto as **Appendix "C"** is the Liquidator's Statement of Receipts and Disbursements (the "**R&D Statement**") for the period from May 14, 2020 to October 7, 2021, which reflects receipts over disbursements of approximately $128,953. The R&D Statement details individual receipt and disbursement line items.

REQUEST FOR APPROVAL OF FEES AND DISBURSEMENTS

45. Pursuant to paragraph 12 of the Appointment Order, the Liquidator and the Liquidator's Counsel have been paid their fees and disbursements at their standard rates as part of the costs of the Liquidation.

46. Paragraphs 14 and 15 and of the Appointment Order provide that:

   a) **THIS COURT ORDERS** that prior to the passing of their accounts, the Liquidator shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

b) **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

47. The total fees and disbursements of the Liquidator during the period from May 14, 2020 to October 1, 2021 (inclusive) amount to $$1,105,825.52 (the "**Liquidator's Fees and Disbursements**"), including $1,027,330.00 in fees and $78,495.52 for disbursements (excluding applicable taxes). The time spent by Liquidator personnel in the period is more particularly described in the affidavit of Jeffrey Kerbel of the Liquidator, sworn October 18, 2021, in support of the Liquidator's request for approval of its fees and disbursements. A copy of the affidavit of Jeffrey Kerbel is attached hereto as **Appendix "D"**.

48. The total fees and disbursements of the Liquidator's Counsel during the period from May 14, 2020 to September 30, 2021 (inclusive) amount to $284,857.13 (the "**Liquidator's Counsel Fees and Disbursements**"), including $284,555.00 in fees and $302.13 for disbursements (excluding applicable taxes). The time spent by the Liquidator's Counsel personnel in the period is more particularly described in the affidavit of Chris J. Staples, a partner with Chaitons LLP, sworn October 18, 2021 in support of the Liquidator's Counsel Fees and Disbursements. A copy of the affidavit of Mr. Staples is attached hereto as **Appendix "E"**.

49. The Liquidator is of the view that the Liquidator's Fees and Disbursements and the Liquidator's Counsel Fees and Disbursements are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Appointment Order.

RECOMMENDATIONS

50. For the reasons enumerated above, the Liquidator respectfully asks this Court to grant the relief described in paragraph 2 above.

All of which is respectfully submitted this 19th day of October, 2021.

ERNST & YOUNG INC.,
Solely in its capacity as Liquidator of
Pace Securities Corp., Pace Financial Limited,
Pace Insurance Brokers Limited, and Pace General Partner Limited
and not in its personal or corporate capacity
Per:

Jeffrey D. Kerbel
Senior Vice-President

EXHIBIT "E"

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

ORGANISME CANADIEN DE RÉGLEMENTATION DU COMMERCE DES VALEURS MOBILIÈRES

UNIFORM SUBORDINATED LOAN AGREEMENT

AGREEMENT made this 24 day of July 20 12

B E T W E E N :

PACE Credit & Savings Union Ltd , of the City of Vaughan ,

in the Province of Ontario

(hereinafter called the "Creditor")

OF THE FIRST PART

PACE Securities Corp , carrying on business in the City of

Vaughan , in the Province of Ontario

(hereinafter called the "Member")

OF THE SECOND PART

- and -

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA / ORGANISME CANADIEN DE RÉGLEMENTATION DU COMMERCE DES VALEURS MOBILIÈRES

(hereinafter called the "Institution")

OF THE THIRD PART

WHEREAS the Member is indebted to the Creditor as of the date of this agreement in the principal amount of Two hundred and fifty thousand Canadian dollars

Dollars ($ 250,000) and/or for the securities set forth in Schedule A to this agreement; and

WHEREAS the Member is a member firm or member corporation of the Institution and is subject to the by-laws, rulings and regulations of the Institution; and

WHEREAS the Creditor is directly interested in the successful carrying on by the Member of the Member's business, including the ability of the Member to meet the requirements of the Institution as set out in the Institution's by-laws, rulings and regulations and to this end is prepared to subordinate and postpone the Debt; and

WHEREAS it is the intent of the parties hereto that any moneys or property received by the Institution hereunder, whether received by the Institution as its absolute property or otherwise, shall be used for the benefit of the Customers to the extent necessary to pay their Claims; and

WHEREAS it is the intent of the parties hereto that the valid claims of the creditors of the Member shall be paid in priority of payment as follows:

1. all Claims of Customers;
2. all claims of Banks which are subordinated in favour of Customers;
3. all claims of persons, other than Banks, whose claims are, or are required by the by-laws of the Institution to be, subordinated in favour of Customers but whose claims are expressed to be senior in right of payment to other subordinated claims;
4. all claims of persons, other than Banks, whose claims are, or are required by the by-laws of the Institution to be, subordinated in favour of the Customers and whose claims are not expressed to be senior in right of payment to other subordinated claims; and
5. all claims of creditors not paid in accordance with the foregoing priorities.

NOW THEREFORE THIS AGREEMENT WITNESSETH that for the purposes aforesaid and in consideration of the premises and of the sum of One Dollar ($1.00) now paid by the Institution to the Creditor (the receipt whereof is hereby acknowledged) and of the sum of One Dollar ($1.00) now paid by the Member to the Creditor (the receipt whereof is hereby acknowledged) it is agreed by and between the parties hereto as follows:

1. In this agreement, in the recitals hereto and in any schedule hereto:

   "Bank" means a bank to which the *Bank Act* (Canada) applies;

   "CIPF/FCPE" means Canadian Investor Protection Fund/Fonds canadien de protections des épargnants, a corporation existing under the laws of Canada;

   "Customers" means the persons for the time being and from time to time who are or are determined to be eligible for protection by CIPF/FCPE (pursuant to its constitution and any policies adopted by it from time to time) for losses in accounts held by them as

customers of the Member. For the purposes of this definition, Customers of the Member shall be determined as if the Board of Directors of CIPF/FCPE had exercised any discretion necessary to entitle the person to CIPF/FCPE protection. A determination by the Board of Directors (whenever made) as to whether a person is eligible for CIPF/FCPE protection for the purposes of this agreement shall be conclusive and binding on the parties;

"Claims" means all claims of Customers in respect of securities, cash or other property held, or required to be held, by the Member for such Customers and which are eligible for protection by CIPF/FCPE (pursuant to its constitution and policies adopted by it from time to time. For the purposes of this definition, Claims shall be determined as if the Board of Directors of CIPF/FCPE had exercised any discretion necessary to entitle the person to CIPF/FCPE protection. A determination by the CIPF/FCPE Board of Directors (whenever made) as to whether a claim is eligible for CIPF/FCPE protection for the purposes of this agreement shall be conclusive and binding on the parties;

"Debt" means that amount of the indebtedness of the Member to the Creditor, in moneys and/or securities, set forth in Schedule A hereto and includes any interest from time to time due and payable by the Member in respect of the said amount of indebtedness;

"IIROC-Quebec" means the Investment Industry Regulatory Organization of Canada / Organisme canadien de réglementation du commerce des valeurs mobilières when the Member at the date of this agreement has its head office situate in the Province of Quebec;

"persons" includes corporations, partnerships, trusts, associations and other legal or commercial entities; and

"Schedule A" means the schedule marked "Schedule A" attached hereto bearing the most recent date and signed by all the parties hereto.

2. (a) The Creditor hereby postpones the payment and satisfaction of the Debt in favour of the Customers and subordinates the Debt to all Claims to the intent that the Customers shall, subject to paragraph 7 hereof, in the event of the dissolution, winding-up, liquidation, insolvency or bankruptcy of the Member, be paid their Claims in full in priority to and before the Creditor shall have any claims upon any property, assets, rights or benefits of the Member or upon any assets comprising or included in the Debt.

(b) In the event of dissolution, winding-up, liquidation, insolvency or bankruptcy of the Member,

(i) the Creditor, if the Creditor is not a Bank, hereby agrees that the Debt herein subordinated and postponed shall rank subsequent to any valid claim of a Bank against the Member which is then subordinated and postponed in favour of the Customers;

(ii) the Creditor, if the Creditor is not a Bank, hereby further agrees that the Debt herein subordinated and postponed and described, or deemed by this

paragraph 2(b) to be described, in Schedule A as "junior subordinated debt" shall rank subsequent to any valid claim of any other creditor against the Member which is then subordinated and postponed in favour of the Customers and which is expressly stated in the instrument effecting the subordination and postponement to be senior subordinated debt or senior in right of payment to claims of the class of junior subordinated debt;

(iii) subject to clause (ii) of this paragraph 2(b) the Creditor, if the Creditor is not a Bank, hereby further agrees that the Debt herein subordinated and postponed shall rank pari passu with and not prior to any valid claim of another creditor, other than a Bank, against the Member which is then similarly subordinated and postponed in favour of the Customers; and

(iv) the Creditor, if the Creditor is a Bank, hereby agrees that the Debt herein subordinated and postponed shall rank pari passu with and not prior to any valid claim of another Bank against the Member which is then subordinated and postponed in favour of the Customers, subject to any contrary agreement between the Creditor and such other Bank.

Where the Creditor is not a Bank and Schedule A contains no statement as to whether the Debt herein subordinated and postponed is junior subordinated debt or senior subordinated debt, the Debt herein subordinated and postponed shall be deemed to be described in Schedule A as junior subordinated debt. The term "senior subordinated debt" means the amount of indebtedness of the Member to a creditor which is subordinated in right of payment to claims of Customers and Banks but which is senior in right of payment to claims of the class of junior subordinated debt.

3. (a) Except as provided in paragraphs 3(b), 3(c), 3(d) and 7 hereof the Creditor shall not accept repayment of, and the Member shall not repay to the Creditor, the Debt or any part thereof, and the Creditor shall not demand or accept delivery of, and the Member shall not deliver to the Creditor, all or any part of the items listed in Schedule A, or any moneys on account or in respect of such items.

(b) Where the Institution has given its prior consent in writing, moneys and/or securities may be substituted for the moneys and/or securities set forth in Schedule A or a part or all of the moneys and/or securities may be repaid or redelivered, as the case may be, and upon such consent being delivered to the Member or the Creditor, Schedule A, if it antedates the date of such consent, shall be deemed to have been amended by the parties hereto in accordance with the terms of such consent. Any moneys so repaid or items so redelivered shall cease to form any part of the Debt.

(c) Nothing contained in paragraph 3(a) hereof shall be deemed to prevent the payment of interest to the Creditor which is now or hereafter due and payable on the moneys or any of the items set out in Schedule A if such payment is permitted in Schedule A and the Institution has not notified the Creditor and Member that such payment shall cease.

(d) Notwithstanding any other provision of this agreement, where the Creditor is a Bank, interest from time to time due and payable in respect of the Debt shall not form any part of the Debt and shall not be subject to the provisions of this agreement unless the Institution notifies the Creditor and the Member that the Member has ceased to meet the risk adjusted capital requirement of the Institution or the Institution notifies the Creditor and the Member that an interest payment, if made, would cause the Member to cease to meet the risk adjusted capital requirement of the Institution whereupon in either case the Member and the Creditor hereby agree that payment of any interest due and payable in respect of the Debt after the receipt of such notification shall be suspended until such time as the Institution gives its written consent to the resumption of interest payments in respect of the Debt. All interest, the payment of which is suspended, shall form part of the Debt until the Institution gives its written consent to the resumption of interest payments at which time such interest shall cease to form part of the Debt.

4. (a) Any payment, repayment, delivery or redelivery of any part or all of the Debt received by the Creditor otherwise than in accordance with the provisions of paragraph 3 hereof (any such payment, repayment, delivery or redelivery so received by the Creditor being hereinafter in this paragraph 4 referred to as an "Unauthorized Repayment") shall be held by the Creditor in trust for the Customers and for the ratable distribution of the Unauthorized Repayment among the Customers to the extent necessary to pay all Claims in full, and the Creditor shall and hereby agrees to do all things and execute all documents which may be necessary or desirable for effecting such ratable distribution to the extent aforesaid among the Customers; provided that if this agreement shall have been terminated by the Creditor in the manner provided in paragraph 7 hereof, any Unauthorized Repayment shall be held in trust for Customers in accordance with this paragraph 4(a) to the extent necessary to pay only the Claims, if any, which have arisen up to the earlier of the time of suspension or the effective time, both as hereinafter defined in said paragraph 7. Subject to the applicable portion of the succeeding sentence, if the Institution is IIROC-Quebec, the foregoing sentence of this paragraph 4(a) is of no force and effect. Where the Institution is IIROC-Quebec and any payment or repayment of any part or all of the Debt is received by the Creditor otherwise than in accordance with the provisions of paragraph 3 hereof, the Creditor shall without demand, forthwith pay be way of penalty to the Institution, as the Institution's absolute property, an amount equal to the sum so received (or, if this agreement shall have been terminated by the Creditor in the manner provided in paragraph 7 hereof, an amount equal to the lesser of the sum so received or the amount necessary to pay only the Claims, if any, which have arisen up to the earlier of the time of suspension or the effective time, both as hereinafter defined in paragraph 7) with the intent that the Institution shall distribute such amount to the Customers entitled thereto pursuant to the first sentence of this paragraph 4(a) during the course of a distribution to the Customers of the assets of the Member.

(b) The Creditor shall pay to the Customers entitled pursuant to paragraph 4(a), or in lieu thereof shall pay to the Institution for the benefit of the Customers so entitled,

the equivalent value of any Unauthorized Repayment, but only to the extent that the operation of the provision of paragraph 4(a) hereof did not result in any Unauthorized Repayment being realized by the Customers to the extent of their entitlement thereto in accordance with the provisions of paragraph 4(a). Where payment has been made to IIROC-Quebec pursuant to paragraph 4(a), the amount of the payment shall be deemed to have been realized by the Customers for the purposes of this paragraph 4(b).

(c) Except where the Institution is IIROC-Quebec, the Creditor hereby assigns to the Institution on behalf of and for the benefit of the Customers, for the purposes and to the extent set out herein, all its right, title and interest in and to any payment or distribution of assets of the Member of any kind or character which the Creditor would, except for the provisions of this agreement, be entitled to receive on account of the Debt upon any dissolution, winding-up, liquidation, insolvency or bankruptcy of the Member, and the Creditor hereby authorizes and directs the Institution in such capacity to make application for payment, such application to be made to the liquidating trustee or agent or other person entrusted with the responsibility of distributing the assets of the Member, whether a trustee in bankruptcy, a receiver or otherwise, and the Institution shall receive and hold any such payment or distribution made by any such party in trust for the Customers and for the ratable distribution among the Customers, all to the extent necessary to provide for the payment of all Claims in full, in accordance with the Customers' respective interests, prior to the making of any payment or delivery on account of or in respect of the Debt; provided that if this agreement shall have been terminated by the Creditor in the manner provided in paragraph 7 hereof any such payment or distribution so received by the Institution shall be held in trust for the Customers in accordance with this paragraph 4(c) to the extent necessary to pay only the Claims, if any, which have arisen up to the earlier of the time of suspension or the effective time, both as hereinafter defined in said paragraph 7.

(d) Where the Institution is IIROC-Quebec and the Creditor receives from the Member payment of any part or all of the Debt within three months prior to any insolvency or bankruptcy of the Member or in the course of any dissolution, winding-up, liquidation, insolvency or bankruptcy of the Member before the Claims have been paid in full (or, if this agreement shall have been terminated by the Creditor in the manner provided in paragraph 7 hereof, before the Claims which have arisen up to the earlier of the time of suspension or the effective time, both as hereinafter defined in said paragraph 7, have been paid in full), the Creditor, notwithstanding any other provision hereof, shall and hereby agrees to forthwith pay, without demand, by way of penalty to the Institution, as its absolute property, an amount equal to the sum so received with the intent that the Institution shall distribute such amount to the Customers entitled thereto pursuant to paragraph 4(c) hereof; provided, however, that if the Creditor is required by any relevant bankruptcy or insolvency legislation to repay all or any portion of the sum so received to the Member or its trustee in bankruptcy or receiver, such repayment shall be deemed, for the purposes of this agreement, as payment to the Institution.

5. It is understood and agreed that so long only as this agreement shall continue with the approval of the Institution, the Institution hereby declares that it is acting hereunder as trustee on behalf of and for the benefit of all Customers for the time being, with the consent and approval of the Creditor and the Member; provided that this paragraph 5 is of no force and effect if the Institution is IIROC-Quebec.

6. The Institution shall be under no obligation or responsibility of any kind or character to any of the Customers or creditors of the Member, and the Institution shall have no obligation, responsibility or duty to see that the covenants herein contained are carried out and fulfilled or to take any action for the enforcement of this agreement unless and until (i) the Institution is so requested in writing by one or more of the Customers, (ii) the Institution is furnished with security or indemnity satisfactory to it in respect of any such proceedings and (iii) the Institution, in its uncontrolled discretion, deems the action requested to be taken to be to the advantage of the Customers; provided that notwithstanding anything in this paragraph 6 that may be construed to the contrary, the Institution shall be required to fulfil its obligations and responsibilities under paragraph 7 upon the Creditor delivering to the Institution a notice of termination. If the Institution is IIROC-Quebec, the Institution shall be under no obligation of any kind or character to take any action to enforce the rights of the Customers.

7. This agreement shall remain in full force and effect until it is terminated in accordance with this paragraph 7. This agreement may be terminated by the Institution in its absolute discretion by notice in writing given to the Creditor and to the Member.

   If the Creditor is a Bank, the Creditor may deliver to the Institution and to the Member notice in writing of the Creditor's intention to terminate (herein called a "notice of termination") whereupon the following provisions apply:

   (a) after the Creditor has delivered notice of termination the postponement and subordination of the Debt provided for in paragraph 2 of this agreement shall continue to be effective with respect to all Claims against the Member which have arisen up to the earlier of the close of business on the day that the Member is suspended, terminated or expelled by the Institution (the close of business on the day of termination, suspension or expulsion, as the case may be, is herein called the "time of suspension") and the close of business on the fortieth day after the day upon which the Creditor has delivered notice of termination (the close of business on such fortieth day is herein called the "effective time");

   (b) the postponement and subordination of the Debt provided for in paragraph 2 of this agreement shall not apply to Claims against the Member which arise subsequent to the time of suspension or the effective time, whichever shall first occur;

   (c) on or before the effective time, the Member shall calculate its risk adjusted capital (as that term is defined by the Institution at the time the calculation is made) as of a day which is within the seven days immediately preceding and the seven days immediately following the day upon which the Creditor has delivered notice of

termination and in making such calculation the Member shall treat the Debt postponed and subordinated by this agreement as if it were not postponed and subordinated and the Institution's designated officer shall check the accuracy of the Member's calculation;

(d) if in the opinion of the Institution's designated officer the Member meets the risk adjusted capital requirement of the Institution and if the designated officer has no reason to believe that the Member would not, on the day he is checking the accuracy of the Member's calculation, meet the risk adjusted capital requirement as a result of material adverse changes in the financial position of the Member since the day as of which risk adjusted capital was calculated, the Institution shall forthwith deliver to the Creditor and to the Member its written consent to the repayment or redelivery of the Debt postponed and subordinated by this agreement and upon receipt of such consent by the Creditor and the Member this agreement shall terminate and be of no further force and effect, and the Member shall forthwith repay or redeliver the Debt to the Creditor, subject to any equities which there may be between the Creditor and the Member;

(e) if in the opinion of the Institution's designated officer the Member does not meet the risk adjusted capital requirement of the Institution or if, as a result of material adverse changes in the financial position of the Member since the day as of which risk adjusted capital was calculated, the designated officer has reason to believe that the Member would not currently meet the risk adjusted capital requirement, the Institution shall forthwith deliver to the Creditor and to the Member notice in writing informing the Creditor and the Member that the Institution will not consent to the repayment or redelivery of the Debt and in this event, subject to the terms and conditions of any agreements between the member and the Creditor relating to the Debt, the Debt postponed and subordinated by this agreement may be declared due and payable by the Creditor; provided that realization by the Creditor of the Debt shall be subject to the terms of this agreement and provided that the Institution may consent to partial repayments or redeliveries of the Debt from time to time in its sole and absolute discretion, notwithstanding that it will not at such time consent to full repayment or redelivery of the Debt;

(f) the Creditor prior to or concurrently with commencing any proceedings against the Member for the recovery of the Debt shall notify the Institution; if the Debt or any part thereof is realized by the Creditor, either pursuant to any proceedings or as a result of a voluntary repayment or redelivery by the Member, and the Institution has not consented to such repayment or redelivery, the Debt or any part thereof so realized shall remain subject to the provisions of this agreement.

8. Any notice or communication hereunder or pursuant hereto which is given in writing may be effectively given by delivering the same or mailing the same by prepaid registered post addressed to the Creditor as follows:

PACE Credit & Savings Union Ltd
Attn: Larry Smith
8111 Jane Street, Unit 1
Vaughan, ON
L4K 4L7

and to the Member as follows:

PACE Securities Corp
Attn: Joseph Thomson
8111 Jane Street, Unit 1
Vaughan, ON
L4K 4L7

and to the Institution as follows:

Investment Industry Regulatory Organization of Canada
Attn: Louis Piergeti
121 King Street West, Suite 2000
Toronto, ON
M5H 3T9

or to such address as any of these parties shall have previously specified by notice given to the other parties. Any notice or communication that is mailed by prepaid registered post shall be deemed to have been received on the business day following the day upon which it was mailed unless there is a disruption in the regular mail delivery due to postal strikes or other causes of which public notice has been given, in which case any such notice or communication that is mailed by prepaid registered post shall be deemed not to have been given until it has actually come to the attention of the addressee.

9. Any instrument issued or made by the Member evidencing the Debt shall be clearly marked so as to indicate the subordinated nature thereof and shall have marked conspicuously on its face, with the blanks properly completed, the following legend:

"THE INDEBTEDNESS REPRESENTEDHEREBY IS POSTPONED"

The indebtedness herein evidenced is subject to a subordination agreement dated
24 July 2012

between PACE Credit & Savings Union Ltd
(name of Creditor)

PACE Securities Corp
(name of Member)

and

Investment Industry Regulatory Organization of Canada
(name of Institution)

copies of which may be inspected at

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

121 King Street West, Suite 2000

(address of Institution)

Toronto, ON, M5H 3T9

10. Any right or remedy hereby granted, conferred upon or reserved to the Institution on behalf of and for the benefit of the Customers is intended to be exclusive of any other right or remedy and each and every right or remedy shall be in addition to every other right or remedy given hereunder or now existing or hereafter existing by law or by statute or under the terms of this agreement and any one or more of such rights or remedies may from time to time be exercised independently or in combination.

11. This agreement shall extend to and enure to the benefit of and be binding upon the heirs, executors, administrators, successors (which term shall include, without limitation, any firm or corporation which succeeds to all or part of the business of the Member) and assigns of the parties hereto and shall enure to the benefit of the Institution in trust for the Customers, except where the Institution is IIROC-Quebec in which case this agreement shall enure to the benefit of the Institution and its successors and assigns.

12. Where the Institution is IIROC-Quebec, this agreement shall be governed by and construed in accordance with the laws of the Province of Quebec.

13. Whenever the singular or the masculine are used in this agreement, they shall be construed as meaning the plural, feminine or neuter, where the context or the parties hereto so require.

14. This agreement has been drawn up in the English language at the request of the parties. Les parties ont requis que la présente convention soit rédigée en anglais

SIGNED, SEALED AND DELIVERED
in the presence of:

PACE Credit & Savings Union Ltd

(name of Creditor)

Per:

(signature of authorized signing officer
of Creditor)

SEAL

Per:

(signature of authorized signing officer
of Creditor)

PACE Securities Corp

(name of Member)

Per:

(signature of authorized signing officer
of Member)

SEAL

Per:

(signature of authorized signing officer
of Member)

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA / ORGANISME CANADIEN DE RÉGLEMENTATION DU COMMERCE DES VALEURS MOBILIÈRES

Per:

(signature of authorized signing officer
of Institution)

SEAL

Per:

(signature of authorized signing officer
of Institution)

SCHEDULE A

The following are the items referred to as the "Debt" in the foregoing agreement:

1. Amount of indebtedness, details of any security for the Debt, terms or repayment and the payment of interest which shall be permitted:

   Amount of indebtedness: $250,000 CAD

   Repayment terms: perpetual, callable by creditor at any time

   Interest: 1% simple per annum

2. If there is more than one class of indebtedness state if the Debt is junior or senior subordinated debt or if the Debt is to a Bank:

   N/A

3. Details of any securities given as part of the Debt and the payment of interest which shall be permitted:

   N/A

4. The Debt or any part of the Debt shall not be transferable or assigned to any person without the prior written consent of the Member and the Institution. Any instrument (whether in writing or in electronic form) evidencing the Debt shall not contain any terms inconsistent with the provisions of this Agreement including this Schedule and, to the extent any such terms are so inconsistent, the provisions of this Agreement including this Schedule shall prevail.

5. In the event of any inconsistency between the terms of this Schedule, the Uniform Subordinated Loan Agreement or any agreements, documents or understandings between the Member and the Creditor relating to or evidencing the Debt, the terms of the Uniform Subordinated Loan Agreement (as construed without reference to this Schedule) shall prevail.

The foregoing is a full and accurate statement of items included in the Debt mentioned in the foregoing agreement dated the 24 day of July , 20 12 .

DATED this 24 day of July , 20 12 .

PACE Securities Corp	PACE Credit & Savings Union Ltd
(name of Member)	(name of Creditor)
Per:	Per:
(signature of authorized signing officer of Member)	(signature of authorized signing officer of Creditor)
SEAL	SEAL
Per:	Per:
(signature of authorized signing officer of Member)	(signature of authorized signing officer of Creditor)

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA / ORGANISME CANADIEN DE RÉGLEMENTATION DU COMMERCE DES VALEURS MOBILIÈRES

Per: ______________________ (SEAL)
(signature of authorized signing officer of Institution)

06/08

EXHIBIT "F"

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

ORGANISME CANADIEN DE RÉGLEMENTATION DU COMMERCE DES VALEURS MOBILIÈRES

UNIFORM SUBORDINATED LOAN AGREEMENT

AGREEMENT made this 12 day of October 20 12

BETWEEN:

PACE Credit & Savings Union Ltd, of the City of Vaughan, in the Province of ON

(hereinafter called the "Creditor")

OF THE FIRST PART

PACE Securities Corp., carrying on business in the City of Vaughan, in the Province of Ontario

(hereinafter called the "Member")

OF THE SECOND PART

- and -

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA / ORGANISME CANADIEN DE RÉGLEMENTATION DU COMMERCE DES VALEURS MOBILIÈRES

(hereinafter called the "Institution")

OF THE THIRD PART

WHEREAS the Member is indebted to the Creditor as of the date of this agreement in the principal amount of Seventy five thousand, eight hundred and twenty three dollars and 55 cents Dollars ($ 75,823.55) and/or for the securities set forth in Schedule A to this agreement; and

WHEREAS the Member is a member firm or member corporation of the Institution and is subject to the by-laws, rulings and regulations of the Institution; and

WHEREAS the Creditor is directly interested in the successful carrying on by the Member of the Member's business, including the ability of the Member to meet the requirements of the Institution as set out in the Institution's by-laws, rulings and regulations and to this end is prepared to subordinate and postpone the Debt; and

WHEREAS it is the intent of the parties hereto that any moneys or property received by the Institution hereunder, whether received by the Institution as its absolute property or otherwise, shall be used for the benefit of the Customers to the extent necessary to pay their Claims; and

WHEREAS it is the intent of the parties hereto that the valid claims of the creditors of the Member shall be paid in priority of payment as follows:

1. all Claims of Customers;

2. all claims of Banks which are subordinated in favour of Customers;

3. all claims of persons, other than Banks, whose claims are, or are required by the by-laws of the Institution to be, subordinated in favour of Customers but whose claims are expressed to be senior in right of payment to other subordinated claims;

4. all claims of persons, other than Banks, whose claims are, or are required by the by-laws of the Institution to be, subordinated in favour of the Customers and whose claims are not expressed to be senior in right of payment to other subordinated claims; and

5. all claims of creditors not paid in accordance with the foregoing priorities.

NOW THEREFORE THIS AGREEMENT WITNESSETH that for the purposes aforesaid and in consideration of the premises and of the sum of One Dollar ($1.00) now paid by the Institution to the Creditor (the receipt whereof is hereby acknowledged) and of the sum of One Dollar ($1.00) now paid by the Member to the Creditor (the receipt whereof is hereby acknowledged) it is agreed by and between the parties hereto as follows:

1. In this agreement, in the recitals hereto and in any schedule hereto:

"Bank" means a bank to which the *Bank Act* (Canada) applies;

"CIPF/FCPE" means Canadian Investor Protection Fund/Fonds canadien de protections des épargnants, a corporation existing under the laws of Canada;

"Customers" means the persons for the time being and from time to time who are or are determined to be eligible for protection by CIPF/FCPE (pursuant to its constitution and any policies adopted by it from time to time) for losses in accounts held by them as

customers of the Member. For the purposes of this definition, Customers of the Member shall be determined as if the Board of Directors of CIPF/FCPE had exercised any discretion necessary to entitle the person to CIPF/FCPE protection. A determination by the Board of Directors (whenever made) as to whether a person is eligible for CIPF/FCPE protection for the purposes of this agreement shall be conclusive and binding on the parties;

"Claims" means all claims of Customers in respect of securities, cash or other property held, or required to be held, by the Member for such Customers and which are eligible for protection by CIPF/FCPE (pursuant to its constitution and policies adopted by it from time to time. For the purposes of this definition, Claims shall be determined as if the Board of Directors of CIPF/FCPE had exercised any discretion necessary to entitle the person to CIPF/FCPE protection. A determination by the CIPF/FCPE Board of Directors (whenever made) as to whether a claim is eligible for CIPF/FCPE protection for the purposes of this agreement shall be conclusive and binding on the parties;

"Debt" means that amount of the indebtedness of the Member to the Creditor, in moneys and/or securities, set forth in Schedule A hereto and includes any interest from time to time due and payable by the Member in respect of the said amount of indebtedness;

"IIROC-Quebec" means the Investment Industry Regulatory Organization of Canada / Organisme canadien de réglementation du commerce des valeurs mobilières when the Member at the date of this agreement has its head office situate in the Province of Quebec;

"persons" includes corporations, partnerships, trusts, associations and other legal or commercial entities; and

"Schedule A" means the schedule marked "Schedule A" attached hereto bearing the most recent date and signed by all the parties hereto.

2. (a) The Creditor hereby postpones the payment and satisfaction of the Debt in favour of the Customers and subordinates the Debt to all Claims to the intent that the Customers shall, subject to paragraph 7 hereof, in the event of the dissolution, winding-up, liquidation, insolvency or bankruptcy of the Member, be paid their Claims in full in priority to and before the Creditor shall have any claims upon any property, assets, rights or benefits of the Member or upon any assets comprising or included in the Debt.

   (b) In the event of dissolution, winding-up, liquidation, insolvency or bankruptcy of the Member,

      (i) the Creditor, if the Creditor is not a Bank, hereby agrees that the Debt herein subordinated and postponed shall rank subsequent to any valid claim of a Bank against the Member which is then subordinated and postponed in favour of the Customers;

      (ii) the Creditor, if the Creditor is not a Bank, hereby further agrees that the Debt herein subordinated and postponed and described, or deemed by this

paragraph 2(b) to be described, in Schedule A as "junior subordinated debt" shall rank subsequent to any valid claim of any other creditor against the Member which is then subordinated and postponed in favour of the Customers and which is expressly stated in the instrument effecting the subordination and postponement to be senior subordinated debt or senior in right of payment to claims of the class of junior subordinated debt;

(iii) subject to clause (ii) of this paragraph 2(b) the Creditor, if the Creditor is not a Bank, hereby further agrees that the Debt herein subordinated and postponed shall rank pari passu with and not prior to any valid claim of another creditor, other than a Bank, against the Member which is then similarly subordinated and postponed in favour of the Customers; and

(iv) the Creditor, if the Creditor is a Bank, hereby agrees that the Debt herein subordinated and postponed shall rank pari passu with and not prior to any valid claim of another Bank against the Member which is then subordinated and postponed in favour of the Customers, subject to any contrary agreement between the Creditor and such other Bank.

Where the Creditor is not a Bank and Schedule A contains no statement as to whether the Debt herein subordinated and postponed is junior subordinated debt or senior subordinated debt, the Debt herein subordinated and postponed shall be deemed to be described in Schedule A as junior subordinated debt. The term "senior subordinated debt" means the amount of indebtedness of the Member to a creditor which is subordinated in right of payment to claims of Customers and Banks but which is senior in right of payment to claims of the class of junior subordinated debt.

3. (a) Except as provided in paragraphs 3(b), 3(c), 3(d) and 7 hereof the Creditor shall not accept repayment of, and the Member shall not repay to the Creditor, the Debt or any part thereof, and the Creditor shall not demand or accept delivery of, and the Member shall not deliver to the Creditor, all or any part of the items listed in Schedule A, or any moneys on account or in respect of such items.

(b) Where the Institution has given its prior consent in writing, moneys and/or securities may be substituted for the moneys and/or securities set forth in Schedule A or a part or all of the moneys and/or securities may be repaid or redelivered, as the case may be, and upon such consent being delivered to the Member or the Creditor, Schedule A, if it antedates the date of such consent, shall be deemed to have been amended by the parties hereto in accordance with the terms of such consent. Any moneys so repaid or items so redelivered shall cease to form any part of the Debt.

(c) Nothing contained in paragraph 3(a) hereof shall be deemed to prevent the payment of interest to the Creditor which is now or hereafter due and payable on the moneys or any of the items set out in Schedule A if such payment is permitted in Schedule A and the Institution has not notified the Creditor and Member that such payment shall cease.

(d) Notwithstanding any other provision of this agreement, where the Creditor is a Bank, interest from time to time due and payable in respect of the Debt shall not form any part of the Debt and shall not be subject to the provisions of this agreement unless the Institution notifies the Creditor and the Member that the Member has ceased to meet the risk adjusted capital requirement of the Institution or the Institution notifies the Creditor and the Member that an interest payment, if made, would cause the Member to cease to meet the risk adjusted capital requirement of the Institution whereupon in either case the Member and the Creditor hereby agree that payment of any interest due and payable in respect of the Debt after the receipt of such notification shall be suspended until such time as the Institution gives its written consent to the resumption of interest payments in respect of the Debt. All interest, the payment of which is suspended, shall form part of the Debt until the Institution gives its written consent to the resumption of interest payments at which time such interest shall cease to form part of the Debt.

4. (a) Any payment, repayment, delivery or redelivery of any part or all of the Debt received by the Creditor otherwise than in accordance with the provisions of paragraph 3 hereof (any such payment, repayment, delivery or redelivery so received by the Creditor being hereinafter in this paragraph 4 referred to as an "Unauthorized Repayment") shall be held by the Creditor in trust for the Customers and for the ratable distribution of the Unauthorized Repayment among the Customers to the extent necessary to pay all Claims in full, and the Creditor shall and hereby agrees to do all things and execute all documents which may be necessary or desirable for effecting such ratable distribution to the extent aforesaid among the Customers; provided that if this agreement shall have been terminated by the Creditor in the manner provided in paragraph 7 hereof, any Unauthorized Repayment shall be held in trust for Customers in accordance with this paragraph 4(a) to the extent necessary to pay only the Claims, if any, which have arisen up to the earlier of the time of suspension or the effective time, both as hereinafter defined in said paragraph 7. Subject to the applicable portion of the succeeding sentence, if the Institution is IIROC-Quebec, the foregoing sentence of this paragraph 4(a) is of no force and effect. Where the Institution is IIROC-Quebec and any payment or repayment of any part or all of the Debt is received by the Creditor otherwise than in accordance with the provisions of paragraph 3 hereof, the Creditor shall without demand, forthwith pay be way of penalty to the Institution, as the Institution's absolute property, an amount equal to the sum so received (or, if this agreement shall have been terminated by the Creditor in the manner provided in paragraph 7 hereof, an amount equal to the lesser of the sum so received or the amount necessary to pay only the Claims, if any, which have arisen up to the earlier of the time of suspension or the effective time, both as hereinafter defined in paragraph 7) with the intent that the Institution shall distribute such amount to the Customers entitled thereto pursuant to the first sentence of this paragraph 4(a) during the course of a distribution to the Customers of the assets of the Member.

(b) The Creditor shall pay to the Customers entitled pursuant to paragraph 4(a), or in lieu thereof shall pay to the Institution for the benefit of the Customers so entitled,

the equivalent value of any Unauthorized Repayment, but only to the extent that the operation of the provision of paragraph 4(a) hereof did not result in any Unauthorized Repayment being realized by the Customers to the extent of their entitlement thereto in accordance with the provisions of paragraph 4(a). Where payment has been made to IIROC-Quebec pursuant to paragraph 4(a), the amount of the payment shall be deemed to have been realized by the Customers for the purposes of this paragraph 4(b).

(c) Except where the Institution is IIROC-Quebec, the Creditor hereby assigns to the Institution on behalf of and for the benefit of the Customers, for the purposes and to the extent set out herein, all its right, title and interest in and to any payment or distribution of assets of the Member of any kind or character which the Creditor would, except for the provisions of this agreement, be entitled to receive on account of the Debt upon any dissolution, winding-up, liquidation, insolvency or bankruptcy of the Member, and the Creditor hereby authorizes and directs the Institution in such capacity to make application for payment, such application to be made to the liquidating trustee or agent or other person entrusted with the responsibility of distributing the assets of the Member, whether a trustee in bankruptcy, a receiver or otherwise, and the Institution shall receive and hold any such payment or distribution made by any such party in trust for the Customers and for the ratable distribution among the Customers, all to the extent necessary to provide for the payment of all Claims in full, in accordance with the Customers' respective interests, prior to the making of any payment or delivery on account of or in respect of the Debt; provided that if this agreement shall have been terminated by the Creditor in the manner provided in paragraph 7 hereof any such payment or distribution so received by the Institution shall be held in trust for the Customers in accordance with this paragraph 4(c) to the extent necessary to pay only the Claims, if any, which have arisen up to the earlier of the time of suspension or the effective time, both as hereinafter defined in said paragraph 7.

(d) Where the Institution is IIROC-Quebec and the Creditor receives from the Member payment of any part or all of the Debt within three months prior to any insolvency or bankruptcy of the Member or in the course of any dissolution, winding-up, liquidation, insolvency or bankruptcy of the Member before the Claims have been paid in full (or, if this agreement shall have been terminated by the Creditor in the manner provided in paragraph 7 hereof, before the Claims which have arisen up to the earlier of the time of suspension or the effective time, both as hereinafter defined in said paragraph 7, have been paid in full), the Creditor, notwithstanding any other provision hereof, shall and hereby agrees to forthwith pay, without demand, by way of penalty to the Institution, as its absolute property, an amount equal to the sum so received with the intent that the Institution shall distribute such amount to the Customers entitled thereto pursuant to paragraph 4(c) hereof; provided, however, that if the Creditor is required by any relevant bankruptcy or insolvency legislation to repay all or any portion of the sum so received to the Member or its trustee in bankruptcy or receiver, such repayment shall be deemed, for the purposes of this agreement, as payment to the Institution.

5. It is understood and agreed that so long only as this agreement shall continue with the approval of the Institution, the Institution hereby declares that it is acting hereunder as trustee on behalf of and for the benefit of all Customers for the time being, with the consent and approval of the Creditor and the Member; provided that this paragraph 5 is of no force and effect if the Institution is IIROC-Quebec.

6. The Institution shall be under no obligation or responsibility of any kind or character to any of the Customers or creditors of the Member, and the Institution shall have no obligation, responsibility or duty to see that the covenants herein contained are carried out and fulfilled or to take any action for the enforcement of this agreement unless and until (i) the Institution is so requested in writing by one or more of the Customers, (ii) the Institution is furnished with security or indemnity satisfactory to it in respect of any such proceedings and (iii) the Institution, in its uncontrolled discretion, deems the action requested to be taken to be to the advantage of the Customers; provided that notwithstanding anything in this paragraph 6 that may be construed to the contrary, the Institution shall be required to fulfil its obligations and responsibilities under paragraph 7 upon the Creditor delivering to the Institution a notice of termination. If the Institution is IIROC-Quebec, the Institution shall be under no obligation of any kind or character to take any action to enforce the rights of the Customers.

7. This agreement shall remain in full force and effect until it is terminated in accordance with this paragraph 7. This agreement may be terminated by the Institution in its absolute discretion by notice in writing given to the Creditor and to the Member.

   If the Creditor is a Bank, the Creditor may deliver to the Institution and to the Member notice in writing of the Creditor's intention to terminate (herein called a "notice of termination") whereupon the following provisions apply:

   (a) after the Creditor has delivered notice of termination the postponement and subordination of the Debt provided for in paragraph 2 of this agreement shall continue to be effective with respect to all Claims against the Member which have arisen up to the earlier of the close of business on the day that the Member is suspended, terminated or expelled by the Institution (the close of business on the day of termination, suspension or expulsion, as the case may be, is herein called the "time of suspension") and the close of business on the fortieth day after the day upon which the Creditor has delivered notice of termination (the close of business on such fortieth day is herein called the "effective time");

   (b) the postponement and subordination of the Debt provided for in paragraph 2 of this agreement shall not apply to Claims against the Member which arise subsequent to the time of suspension or the effective time, whichever shall first occur;

   (c) on or before the effective time, the Member shall calculate its risk adjusted capital (as that term is defined by the Institution at the time the calculation is made) as of a day which is within the seven days immediately preceding and the seven days immediately following the day upon which the Creditor has delivered notice of

termination and in making such calculation the Member shall treat the Debt postponed and subordinated by this agreement as if it were not postponed and subordinated and the Institution's designated officer shall check the accuracy of the Member's calculation;

(d) if in the opinion of the Institution's designated officer the Member meets the risk adjusted capital requirement of the Institution and if the designated officer has no reason to believe that the Member would not, on the day he is checking the accuracy of the Member's calculation, meet the risk adjusted capital requirement as a result of material adverse changes in the financial position of the Member since the day as of which risk adjusted capital was calculated, the Institution shall forthwith deliver to the Creditor and to the Member its written consent to the repayment or redelivery of the Debt postponed and subordinated by this agreement and upon receipt of such consent by the Creditor and the Member this agreement shall terminate and be of no further force and effect, and the Member shall forthwith repay or redeliver the Debt to the Creditor, subject to any equities which there may be between the Creditor and the Member;

(e) if in the opinion of the Institution's designated officer the Member does not meet the risk adjusted capital requirement of the Institution or if, as a result of material adverse changes in the financial position of the Member since the day as of which risk adjusted capital was calculated, the designated officer has reason to believe that the Member would not currently meet the risk adjusted capital requirement, the Institution shall forthwith deliver to the Creditor and to the Member notice in writing informing the Creditor and the Member that the Institution will not consent to the repayment or redelivery of the Debt and in this event, subject to the terms and conditions of any agreements between the member and the Creditor relating to the Debt, the Debt postponed and subordinated by this agreement may be declared due and payable by the Creditor; provided that realization by the Creditor of the Debt shall be subject to the terms of this agreement and provided that the Institution may consent to partial repayments or redeliveries of the Debt from time to time in its sole and absolute discretion, notwithstanding that it will not at such time consent to full repayment or redelivery of the Debt;

(f) the Creditor prior to or concurrently with commencing any proceedings against the Member for the recovery of the Debt shall notify the Institution; if the Debt or any part thereof is realized by the Creditor, either pursuant to any proceedings or as a result of a voluntary repayment or redelivery by the Member, and the Institution has not consented to such repayment or redelivery, the Debt or any part thereof so realized shall remain subject to the provisions of this agreement.

8. Any notice or communication hereunder or pursuant hereto which is given in writing may be effectively given by delivering the same or mailing the same by prepaid registered post addressed to the Creditor as follows:

PACE Credit & Savings Union Ltd
8111 Jane Street, Unit 1
Vaughan, ON
L4K 4L7

and to the Member as follows:

PACE Securities Corp.
8111 Jane Street, Unit 1
Vaughan, ON
L4K 4L7

and to the Institution as follows:

or to such address as any of these parties shall have previously specified by notice given to the other parties. Any notice or communication that is mailed by prepaid registered post shall be deemed to have been received on the business day following the day upon which it was mailed unless there is a disruption in the regular mail delivery due to postal strikes or other causes of which public notice has been given, in which case any such notice or communication that is mailed by prepaid registered post shall be deemed not to have been given until it has actually come to the attention of the addressee.

9. Any instrument issued or made by the Member evidencing the Debt shall be clearly marked so as to indicate the subordinated nature thereof and shall have marked conspicuously on its face, with the blanks properly completed, the following legend:

"THE INDEBTEDNESS REPRESENTEDHEREBY IS POSTPONED"

The indebtedness herein evidenced is subject to a subordination agreement dated

between PACE Credit & Savings Union Ltd
(name of Creditor)

PACE Securities Corp.
(name of Member) and (name of Institution)

copies of which may be inspected at

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

____

(address of Institution)

____

10. Any right or remedy hereby granted, conferred upon or reserved to the Institution on behalf of and for the benefit of the Customers is intended to be exclusive of any other right or remedy and each and every right or remedy shall be in addition to every other right or remedy given hereunder or now existing or hereafter existing by law or by statute or under the terms of this agreement and any one or more of such rights or remedies may from time to time be exercised independently or in combination.

11. This agreement shall extend to and enure to the benefit of and be binding upon the heirs, executors, administrators, successors (which term shall include, without limitation, any firm or corporation which succeeds to all or part of the business of the Member) and assigns of the parties hereto and shall enure to the benefit of the Institution in trust for the Customers, except where the Institution is IIROC-Quebec in which case this agreement shall enure to the benefit of the Institution and its successors and assigns.

12. Where the Institution is IIROC-Quebec, this agreement shall be governed by and construed in accordance with the laws of the Province of Quebec.

13. Whenever the singular or the masculine are used in this agreement, they shall be construed as meaning the plural, feminine or neuter, where the context or the parties hereto so require.

14. This agreement has been drawn up in the English language at the request of the parties. Les parties ont requis que la présente convention soit rédigée en anglais

SIGNED, SEALED AND DELIVERED
in the presence of:

PACE Credit & Savings Union Ltd

(name of Creditor)

Per:

(signature of authorized signing officer
of Creditor)

SEAL

Per:

(signature of authorized signing officer
of Creditor)

PACE Securities Corp.

(name of Member)

Per:

(signature of authorized signing officer
of Member)

SEAL

Per:

(signature of authorized signing officer
of Member)

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA / ORGANISME CANADIEN DE RÉGLEMENTATION DU COMMERCE DES VALEURS MOBILIÈRES

Per:

(signature of authorized signing officer
of Institution)

SEAL

Per:

(signature of authorized signing officer
of Institution)

SCHEDULE A

The following are the items referred to as the "Debt" in the foregoing agreement:

1. Amount of indebtedness, details of any security for the Debt, terms or repayment and the payment of interest which shall be permitted:

   Amount of loan $75,823.55

   1% interest compounded annually

2. If there is more than one class of indebtedness state if the Debt is junior or senior subordinated debt or if the Debt is to a Bank:

3. Details of any securities given as part of the Debt and the payment of interest which shall be permitted:

4. The Debt or any part of the Debt shall not be transferable or assigned to any person without the prior written consent of the Member and the Institution. Any instrument (whether in writing or in electronic form) evidencing the Debt shall not contain any terms inconsistent with the provisions of this Agreement including this Schedule and, to the extent any such terms are so inconsistent, the provisions of this Agreement including this Schedule shall prevail.

5. In the event of any inconsistency between the terms of this Schedule, the Uniform Subordinated Loan Agreement or any agreements, documents or understandings between the Member and the Creditor relating to or evidencing the Debt, the terms of the Uniform Subordinated Loan Agreement (as construed without reference to this Schedule) shall prevail.

The foregoing is a full and accurate statement of items included in the Debt mentioned in the foregoing agreement dated the 11 day of October , 20 12 .

DATED this 11 day of October , 20 12 .

PACE Securities Corp.
(name of Member)

Per: ______________________
(signature of authorized signing officer of Member)

SEAL

Per: ______________________
(signature of authorized signing officer of Member)

PACE Credit & Savings Union Ltd
(name of Creditor)

Per: ______________________
(signature of authorized signing officer of Creditor)

SEAL

Per: ______________________
(signature of authorized signing officer of Creditor)

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA / ORGANISME CANADIEN DE RÉGLEMENTATION DU COMMERCE DES VALEURS MOBILIÈRES

Per: ______________________ (SEAL)
(signature of authorized signing officer of Institution)

06/08

EXHIBIT "G"

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

ORGANISME CANADIEN DE RÉGLEMENTATION DU COMMERCE DES VALEURS MOBILIÈRES

UNIFORM SUBORDINATED LOAN AGREEMENT

AGREEMENT made this 23rd day of October 20 12

BETWEEN:

PACE Credit & Savings Union Ltd , of the City of Vaughan ,

in the Province of Ontario

(hereinafter called the "Creditor")

OF THE FIRST PART

PACE Securities Corp. , carrying on business in the City of

Vaughan , in the Province of Ontario

(hereinafter called the "Member")

OF THE SECOND PART

\- and -

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA / ORGANISME CANADIEN DE RÉGLEMENTATION DU COMMERCE DES VALEURS MOBILIÈRES

(hereinafter called the "Institution")

OF THE THIRD PART

WHEREAS the Member is indebted to the Creditor as of the date of this agreement in the principal amount of Fifty thousand dollars

Dollars ($ 50,000.00) and/or for the securities set forth in Schedule A to this agreement; and

WHEREAS the Member is a member firm or member corporation of the Institution and is subject to the by-laws, rulings and regulations of the Institution; and

WHEREAS the Creditor is directly interested in the successful carrying on by the Member of the Member's business, including the ability of the Member to meet the requirements of the Institution as set out in the Institution's by-laws, rulings and regulations and to this end is prepared to subordinate and postpone the Debt; and

WHEREAS it is the intent of the parties hereto that any moneys or property received by the Institution hereunder, whether received by the Institution as its absolute property or otherwise, shall be used for the benefit of the Customers to the extent necessary to pay their Claims; and

WHEREAS it is the intent of the parties hereto that the valid claims of the creditors of the Member shall be paid in priority of payment as follows:

1. all Claims of Customers;
2. all claims of Banks which are subordinated in favour of Customers;
3. all claims of persons, other than Banks, whose claims are, or are required by the by-laws of the Institution to be, subordinated in favour of Customers but whose claims are expressed to be senior in right of payment to other subordinated claims;
4. all claims of persons, other than Banks, whose claims are, or are required by the by-laws of the Institution to be, subordinated in favour of the Customers and whose claims are not expressed to be senior in right of payment to other subordinated claims; and
5. all claims of creditors not paid in accordance with the foregoing priorities.

NOW THEREFORE THIS AGREEMENT WITNESSETH that for the purposes aforesaid and in consideration of the premises and of the sum of One Dollar ($1.00) now paid by the Institution to the Creditor (the receipt whereof is hereby acknowledged) and of the sum of One Dollar ($1.00) now paid by the Member to the Creditor (the receipt whereof is hereby acknowledged) it is agreed by and between the parties hereto as follows:

1. In this agreement, in the recitals hereto and in any schedule hereto:

"Bank" means a bank to which the *Bank Act* (Canada) applies;

"CIPF/FCPE" means Canadian Investor Protection Fund/Fonds canadien de protections des épargnants, a corporation existing under the laws of Canada;

"Customers" means the persons for the time being and from time to time who are or are determined to be eligible for protection by CIPF/FCPE (pursuant to its constitution and any policies adopted by it from time to time) for losses in accounts held by them as

customers of the Member. For the purposes of this definition, Customers of the Member shall be determined as if the Board of Directors of CIPF/FCPE had exercised any discretion necessary to entitle the person to CIPF/FCPE protection. A determination by the Board of Directors (whenever made) as to whether a person is eligible for CIPF/FCPE protection for the purposes of this agreement shall be conclusive and binding on the parties;

"Claims" means all claims of Customers in respect of securities, cash or other property held, or required to be held, by the Member for such Customers and which are eligible for protection by CIPF/FCPE (pursuant to its constitution and policies adopted by it from time to time. For the purposes of this definition, Claims shall be determined as if the Board of Directors of CIPF/FCPE had exercised any discretion necessary to entitle the person to CIPF/FCPE protection. A determination by the CIPF/FCPE Board of Directors (whenever made) as to whether a claim is eligible for CIPF/FCPE protection for the purposes of this agreement shall be conclusive and binding on the parties;

"Debt" means that amount of the indebtedness of the Member to the Creditor, in moneys and/or securities, set forth in Schedule A hereto and includes any interest from time to time due and payable by the Member in respect of the said amount of indebtedness;

"IIROC-Quebec" means the Investment Industry Regulatory Organization of Canada / Organisme canadien de réglementation du commerce des valeurs mobilières when the Member at the date of this agreement has its head office situate in the Province of Quebec;

"persons" includes corporations, partnerships, trusts, associations and other legal or commercial entities; and

"Schedule A" means the schedule marked "Schedule A" attached hereto bearing the most recent date and signed by all the parties hereto.

2. (a) The Creditor hereby postpones the payment and satisfaction of the Debt in favour of the Customers and subordinates the Debt to all Claims to the intent that the Customers shall, subject to paragraph 7 hereof, in the event of the dissolution, winding-up, liquidation, insolvency or bankruptcy of the Member, be paid their Claims in full in priority to and before the Creditor shall have any claims upon any property, assets, rights or benefits of the Member or upon any assets comprising or included in the Debt.

(b) In the event of dissolution, winding-up, liquidation, insolvency or bankruptcy of the Member,

(i) the Creditor, if the Creditor is not a Bank, hereby agrees that the Debt herein subordinated and postponed shall rank subsequent to any valid claim of a Bank against the Member which is then subordinated and postponed in favour of the Customers;

(ii) the Creditor, if the Creditor is not a Bank, hereby further agrees that the Debt herein subordinated and postponed and described, or deemed by this

paragraph 2(b) to be described, in Schedule A as "junior subordinated debt" shall rank subsequent to any valid claim of any other creditor against the Member which is then subordinated and postponed in favour of the Customers and which is expressly stated in the instrument effecting the subordination and postponement to be senior subordinated debt or senior in right of payment to claims of the class of junior subordinated debt;

(iii) subject to clause (ii) of this paragraph 2(b) the Creditor, if the Creditor is not a Bank, hereby further agrees that the Debt herein subordinated and postponed shall rank pari passu with and not prior to any valid claim of another creditor, other than a Bank, against the Member which is then similarly subordinated and postponed in favour of the Customers; and

(iv) the Creditor, if the Creditor is a Bank, hereby agrees that the Debt herein subordinated and postponed shall rank pari passu with and not prior to any valid claim of another Bank against the Member which is then subordinated and postponed in favour of the Customers, subject to any contrary agreement between the Creditor and such other Bank.

Where the Creditor is not a Bank and Schedule A contains no statement as to whether the Debt herein subordinated and postponed is junior subordinated debt or senior subordinated debt, the Debt herein subordinated and postponed shall be deemed to be described in Schedule A as junior subordinated debt. The term "senior subordinated debt" means the amount of indebtedness of the Member to a creditor which is subordinated in right of payment to claims of Customers and Banks but which is senior in right of payment to claims of the class of junior subordinated debt.

3. (a) Except as provided in paragraphs 3(b), 3(c), 3(d) and 7 hereof the Creditor shall not accept repayment of, and the Member shall not repay to the Creditor, the Debt or any part thereof, and the Creditor shall not demand or accept delivery of, and the Member shall not deliver to the Creditor, all or any part of the items listed in Schedule A, or any moneys on account or in respect of such items.

(b) Where the Institution has given its prior consent in writing, moneys and/or securities may be substituted for the moneys and/or securities set forth in Schedule A or a part or all of the moneys and/or securities may be repaid or redelivered, as the case may be, and upon such consent being delivered to the Member or the Creditor, Schedule A, if it antedates the date of such consent, shall be deemed to have been amended by the parties hereto in accordance with the terms of such consent. Any moneys so repaid or items so redelivered shall cease to form any part of the Debt.

(c) Nothing contained in paragraph 3(a) hereof shall be deemed to prevent the payment of interest to the Creditor which is now or hereafter due and payable on the moneys or any of the items set out in Schedule A if such payment is permitted in Schedule A and the Institution has not notified the Creditor and Member that such payment shall cease.

(d) Notwithstanding any other provision of this agreement, where the Creditor is a Bank, interest from time to time due and payable in respect of the Debt shall not form any part of the Debt and shall not be subject to the provisions of this agreement unless the Institution notifies the Creditor and the Member that the Member has ceased to meet the risk adjusted capital requirement of the Institution or the Institution notifies the Creditor and the Member that an interest payment, if made, would cause the Member to cease to meet the risk adjusted capital requirement of the Institution whereupon in either case the Member and the Creditor hereby agree that payment of any interest due and payable in respect of the Debt after the receipt of such notification shall be suspended until such time as the Institution gives its written consent to the resumption of interest payments in respect of the Debt. All interest, the payment of which is suspended, shall form part of the Debt until the Institution gives its written consent to the resumption of interest payments at which time such interest shall cease to form part of the Debt.

4. (a) Any payment, repayment, delivery or redelivery of any part or all of the Debt received by the Creditor otherwise than in accordance with the provisions of paragraph 3 hereof (any such payment, repayment, delivery or redelivery so received by the Creditor being hereinafter in this paragraph 4 referred to as an "Unauthorized Repayment") shall be held by the Creditor in trust for the Customers and for the ratable distribution of the Unauthorized Repayment among the Customers to the extent necessary to pay all Claims in full, and the Creditor shall and hereby agrees to do all things and execute all documents which may be necessary or desirable for effecting such ratable distribution to the extent aforesaid among the Customers; provided that if this agreement shall have been terminated by the Creditor in the manner provided in paragraph 7 hereof, any Unauthorized Repayment shall be held in trust for Customers in accordance with this paragraph 4(a) to the extent necessary to pay only the Claims, if any, which have arisen up to the earlier of the time of suspension or the effective time, both as hereinafter defined in said paragraph 7. Subject to the applicable portion of the succeeding sentence, if the Institution is IIROC-Quebec, the foregoing sentence of this paragraph 4(a) is of no force and effect. Where the Institution is IIROC-Quebec and any payment or repayment of any part or all of the Debt is received by the Creditor otherwise than in accordance with the provisions of paragraph 3 hereof, the Creditor shall without demand, forthwith pay be way of penalty to the Institution, as the Institution's absolute property, an amount equal to the sum so received (or, if this agreement shall have been terminated by the Creditor in the manner provided in paragraph 7 hereof, an amount equal to the lesser of the sum so received or the amount necessary to pay only the Claims, if any, which have arisen up to the earlier of the time of suspension or the effective time, both as hereinafter defined in paragraph 7) with the intent that the Institution shall distribute such amount to the Customers entitled thereto pursuant to the first sentence of this paragraph 4(a) during the course of a distribution to the Customers of the assets of the Member.

(b) The Creditor shall pay to the Customers entitled pursuant to paragraph 4(a), or in lieu thereof shall pay to the Institution for the benefit of the Customers so entitled,

the equivalent value of any Unauthorized Repayment, but only to the extent that the operation of the provision of paragraph 4(a) hereof did not result in any Unauthorized Repayment being realized by the Customers to the extent of their entitlement thereto in accordance with the provisions of paragraph 4(a). Where payment has been made to IIROC-Quebec pursuant to paragraph 4(a), the amount of the payment shall be deemed to have been realized by the Customers for the purposes of this paragraph 4(b).

(c) Except where the Institution is IIROC-Quebec, the Creditor hereby assigns to the Institution on behalf of and for the benefit of the Customers, for the purposes and to the extent set out herein, all its right, title and interest in and to any payment or distribution of assets of the Member of any kind or character which the Creditor would, except for the provisions of this agreement, be entitled to receive on account of the Debt upon any dissolution, winding-up, liquidation, insolvency or bankruptcy of the Member, and the Creditor hereby authorizes and directs the Institution in such capacity to make application for payment, such application to be made to the liquidating trustee or agent or other person entrusted with the responsibility of distributing the assets of the Member, whether a trustee in bankruptcy, a receiver or otherwise, and the Institution shall receive and hold any such payment or distribution made by any such party in trust for the Customers and for the ratable distribution among the Customers, all to the extent necessary to provide for the payment of all Claims in full, in accordance with the Customers' respective interests, prior to the making of any payment or delivery on account of or in respect of the Debt; provided that if this agreement shall have been terminated by the Creditor in the manner provided in paragraph 7 hereof any such payment or distribution so received by the Institution shall be held in trust for the Customers in accordance with this paragraph 4(c) to the extent necessary to pay only the Claims, if any, which have arisen up to the earlier of the time of suspension or the effective time, both as hereinafter defined in said paragraph 7.

(d) Where the Institution is IIROC-Quebec and the Creditor receives from the Member payment of any part or all of the Debt within three months prior to any insolvency or bankruptcy of the Member or in the course of any dissolution, winding-up, liquidation, insolvency or bankruptcy of the Member before the Claims have been paid in full (or, if this agreement shall have been terminated by the Creditor in the manner provided in paragraph 7 hereof, before the Claims which have arisen up to the earlier of the time of suspension or the effective time, both as hereinafter defined in said paragraph 7, have been paid in full), the Creditor, notwithstanding any other provision hereof, shall and hereby agrees to forthwith pay, without demand, by way of penalty to the Institution, as its absolute property, an amount equal to the sum so received with the intent that the Institution shall distribute such amount to the Customers entitled thereto pursuant to paragraph 4(c) hereof; provided, however, that if the Creditor is required by any relevant bankruptcy or insolvency legislation to repay all or any portion of the sum so received to the Member or its trustee in bankruptcy or receiver, such repayment shall be deemed, for the purposes of this agreement, as payment to the Institution.

5. It is understood and agreed that so long only as this agreement shall continue with the approval of the Institution, the Institution hereby declares that it is acting hereunder as trustee on behalf of and for the benefit of all Customers for the time being, with the consent and approval of the Creditor and the Member; provided that this paragraph 5 is of no force and effect if the Institution is IIROC-Quebec.

6. The Institution shall be under no obligation or responsibility of any kind or character to any of the Customers or creditors of the Member, and the Institution shall have no obligation, responsibility or duty to see that the covenants herein contained are carried out and fulfilled or to take any action for the enforcement of this agreement unless and until (i) the Institution is so requested in writing by one or more of the Customers, (ii) the Institution is furnished with security or indemnity satisfactory to it in respect of any such proceedings and (iii) the Institution, in its uncontrolled discretion, deems the action requested to be taken to be to the advantage of the Customers; provided that notwithstanding anything in this paragraph 6 that may be construed to the contrary, the Institution shall be required to fulfil its obligations and responsibilities under paragraph 7 upon the Creditor delivering to the Institution a notice of termination. If the Institution is IIROC-Quebec, the Institution shall be under no obligation of any kind or character to take any action to enforce the rights of the Customers.

7. This agreement shall remain in full force and effect until it is terminated in accordance with this paragraph 7. This agreement may be terminated by the Institution in its absolute discretion by notice in writing given to the Creditor and to the Member.

   If the Creditor is a Bank, the Creditor may deliver to the Institution and to the Member notice in writing of the Creditor's intention to terminate (herein called a "notice of termination") whereupon the following provisions apply:

   (a) after the Creditor has delivered notice of termination the postponement and subordination of the Debt provided for in paragraph 2 of this agreement shall continue to be effective with respect to all Claims against the Member which have arisen up to the earlier of the close of business on the day that the Member is suspended, terminated or expelled by the Institution (the close of business on the day of termination, suspension or expulsion, as the case may be, is herein called the "time of suspension") and the close of business on the fortieth day after the day upon which the Creditor has delivered notice of termination (the close of business on such fortieth day is herein called the "effective time");

   (b) the postponement and subordination of the Debt provided for in paragraph 2 of this agreement shall not apply to Claims against the Member which arise subsequent to the time of suspension or the effective time, whichever shall first occur;

   (c) on or before the effective time, the Member shall calculate its risk adjusted capital (as that term is defined by the Institution at the time the calculation is made) as of a day which is within the seven days immediately preceding and the seven days immediately following the day upon which the Creditor has delivered notice of

termination and in making such calculation the Member shall treat the Debt postponed and subordinated by this agreement as if it were not postponed and subordinated and the Institution's designated officer shall check the accuracy of the Member's calculation;

(d) if in the opinion of the Institution's designated officer the Member meets the risk adjusted capital requirement of the Institution and if the designated officer has no reason to believe that the Member would not, on the day he is checking the accuracy of the Member's calculation, meet the risk adjusted capital requirement as a result of material adverse changes in the financial position of the Member since the day as of which risk adjusted capital was calculated, the Institution shall forthwith deliver to the Creditor and to the Member its written consent to the repayment or redelivery of the Debt postponed and subordinated by this agreement and upon receipt of such consent by the Creditor and the Member this agreement shall terminate and be of no further force and effect, and the Member shall forthwith repay or redeliver the Debt to the Creditor, subject to any equities which there may be between the Creditor and the Member;

(e) if in the opinion of the Institution's designated officer the Member does not meet the risk adjusted capital requirement of the Institution or if, as a result of material adverse changes in the financial position of the Member since the day as of which risk adjusted capital was calculated, the designated officer has reason to believe that the Member would not currently meet the risk adjusted capital requirement, the Institution shall forthwith deliver to the Creditor and to the Member notice in writing informing the Creditor and the Member that the Institution will not consent to the repayment or redelivery of the Debt and in this event, subject to the terms and conditions of any agreements between the member and the Creditor relating to the Debt, the Debt postponed and subordinated by this agreement may be declared due and payable by the Creditor; provided that realization by the Creditor of the Debt shall be subject to the terms of this agreement and provided that the Institution may consent to partial repayments or redeliveries of the Debt from time to time in its sole and absolute discretion, notwithstanding that it will not at such time consent to full repayment or redelivery of the Debt;

(f) the Creditor prior to or concurrently with commencing any proceedings against the Member for the recovery of the Debt shall notify the Institution; if the Debt or any part thereof is realized by the Creditor, either pursuant to any proceedings or as a result of a voluntary repayment or redelivery by the Member, and the Institution has not consented to such repayment or redelivery, the Debt or any part thereof so realized shall remain subject to the provisions of this agreement.

8. Any notice or communication hereunder or pursuant hereto which is given in writing may be effectively given by delivering the same or mailing the same by prepaid registered post addressed to the Creditor as follows:

PACE Credit & Savings Union Ltd
Attn: CEO
8111 Jane Street, Unit 1
Vaughan, ON
L4K 4L7

and to the Member as follows:

PACE Securities Corp.
Attn: CEO
8111 Jane Street, Unit 1
Vaughan, ON
L4K 4L7

and to the Institution as follows:

or to such address as any of these parties shall have previously specified by notice given to the other parties. Any notice or communication that is mailed by prepaid registered post shall be deemed to have been received on the business day following the day upon which it was mailed unless there is a disruption in the regular mail delivery due to postal strikes or other causes of which public notice has been given, in which case any such notice or communication that is mailed by prepaid registered post shall be deemed not to have been given until it has actually come to the attention of the addressee.

9. Any instrument issued or made by the Member evidencing the Debt shall be clearly marked so as to indicate the subordinated nature thereof and shall have marked conspicuously on its face, with the blanks properly completed, the following legend:

"THE INDEBTEDNESS REPRESENTEDHEREBY IS POSTPONED"

The indebtedness herein evidenced is subject to a subordination agreement dated

between PACE Credit & Savings Union Ltd
(name of Creditor)

PACE Securities Corp.
(name of Member) and (name of Institution)

copies of which may be inspected at

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

____
(address of Institution)

____

10. Any right or remedy hereby granted, conferred upon or reserved to the Institution on behalf of and for the benefit of the Customers is intended to be exclusive of any other right or remedy and each and every right or remedy shall be in addition to every other right or remedy given hereunder or now existing or hereafter existing by law or by statute or under the terms of this agreement and any one or more of such rights or remedies may from time to time be exercised independently or in combination.

11. This agreement shall extend to and enure to the benefit of and be binding upon the heirs, executors, administrators, successors (which term shall include, without limitation, any firm or corporation which succeeds to all or part of the business of the Member) and assigns of the parties hereto and shall enure to the benefit of the Institution in trust for the Customers, except where the Institution is IIROC-Quebec in which case this agreement shall enure to the benefit of the Institution and its successors and assigns.

12. Where the Institution is IIROC-Quebec, this agreement shall be governed by and construed in accordance with the laws of the Province of Quebec.

13. Whenever the singular or the masculine are used in this agreement, they shall be construed as meaning the plural, feminine or neuter, where the context or the parties hereto so require.

14. This agreement has been drawn up in the English language at the request of the parties. Les parties ont requis que la présente convention soit rédigée en anglais

SIGNED, SEALED AND DELIVERED
in the presence of:

PACE Credit & Savings Union Ltd

(name of Creditor)

Per:

(signature of authorized signing officer of Creditor)

SEAL

Per:

(signature of authorized signing officer of Creditor)

PACE Securities Corp.

(name of Member)

Per:

(signature of authorized signing officer of Member)

SEAL

Per:

(signature of authorized signing officer of Member)

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA / ORGANISME CANADIEN DE RÉGLEMENTATION DU COMMERCE DES VALEURS MOBILIÈRES

Per:

(signature of authorized signing officer of Institution)

SEAL

Per:

(signature of authorized signing officer of Institution)

SCHEDULE A

The following are the items referred to as the "Debt" in the foregoing agreement:

1. Amount of indebtedness, details of any security for the Debt, terms or repayment and the payment of interest which shall be permitted:

   Principal Loan Value $50,000

   1 % per annum Simple interest

2. If there is more than one class of indebtedness state if the Debt is junior or senior subordinated debt or if the Debt is to a Bank:

3. Details of any securities given as part of the Debt and the payment of interest which shall be permitted:

4. The Debt or any part of the Debt shall not be transferable or assigned to any person without the prior written consent of the Member and the Institution. Any instrument (whether in writing or in electronic form) evidencing the Debt shall not contain any terms inconsistent with the provisions of this Agreement including this Schedule and, to the extent any such terms are so inconsistent, the provisions of this Agreement including this Schedule shall prevail.

5. In the event of any inconsistency between the terms of this Schedule, the Uniform Subordinated Loan Agreement or any agreements, documents or understandings between the Member and the Creditor relating to or evidencing the Debt, the terms of the Uniform Subordinated Loan Agreement (as construed without reference to this Schedule) shall prevail.

The foregoing is a full and accurate statement of items included in the Debt mentioned in the foregoing agreement dated the day of , 20 .

DATED this 23 day of October , 20 12 .

PACE Securities Corp.	PACE Credit & Savings Union Ltd
(name of Member)	(name of Creditor)
Per:	Per:
(signature of authorized signing officer of Member)	(signature of authorized signing officer of Creditor)
SEAL	SEAL
Per:	Per:
(signature of authorized signing officer of Member)	(signature of authorized signing officer of Creditor)

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA / ORGANISME CANADIEN DE RÉGLEMENTATION DU COMMERCE DES VALEURS MOBILIÈRES

Per: ______________________ (SEAL)
(signature of authorized signing officer of Institution)

06/08

EXHIBIT "H"

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

ORGANISME CANADIEN DE RÉGLEMENTATION DU COMMERCE DES VALEURS MOBILIÈRES

UNIFORM SUBORDINATED LOAN AGREEMENT

AGREEMENT made this 15th day of May 20 13

B E T W E E N :

PACE Savings & Credit Union Ltd, of the City of Vaughan,
in the Province of Ontario
(hereinafter called the "Creditor")

OF THE FIRST PART

PACE Securities Corp., carrying on business in the City of Vaughan, in the Province of Ontario
(hereinafter called the "Member")

OF THE SECOND PART

- and -

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA / ORGANISME CANADIEN DE RÉGLEMENTATION DU COMMERCE DES VALEURS MOBILIÈRES

(hereinafter called the "Institution")

OF THE THIRD PART

WHEREAS the Member is indebted to the Creditor as of the date of this agreement in the principal amount of Four million and four hundred thousand dollars Dollars ($ 4,400,000) and/or for the securities set forth in Schedule A to this agreement; and

WHEREAS the Member is a member firm or member corporation of the Institution and is subject to the by-laws, rulings and regulations of the Institution; and

WHEREAS the Creditor is directly interested in the successful carrying on by the Member of the Member's business, including the ability of the Member to meet the requirements of the Institution as set out in the Institution's by-laws, rulings and regulations and to this end is prepared to subordinate and postpone the Debt; and

WHEREAS it is the intent of the parties hereto that any moneys or property received by the Institution hereunder, whether received by the Institution as its absolute property or otherwise, shall be used for the benefit of the Customers to the extent necessary to pay their Claims; and

WHEREAS it is the intent of the parties hereto that the valid claims of the creditors of the Member shall be paid in priority of payment as follows:

1. all Claims of Customers;

2. all claims of Banks which are subordinated in favour of Customers;

3. all claims of persons, other than Banks, whose claims are, or are required by the by-laws of the Institution to be, subordinated in favour of Customers but whose claims are expressed to be senior in right of payment to other subordinated claims;

4. all claims of persons, other than Banks, whose claims are, or are required by the by-laws of the Institution to be, subordinated in favour of the Customers and whose claims are not expressed to be senior in right of payment to other subordinated claims; and

5. all claims of creditors not paid in accordance with the foregoing priorities.

NOW THEREFORE THIS AGREEMENT WITNESSETH that for the purposes aforesaid and in consideration of the premises and of the sum of One Dollar ($1.00) now paid by the Institution to the Creditor (the receipt whereof is hereby acknowledged) and of the sum of One Dollar ($1.00) now paid by the Member to the Creditor (the receipt whereof is hereby acknowledged) it is agreed by and between the parties hereto as follows:

1. In this agreement, in the recitals hereto and in any schedule hereto:

"Bank" means a bank to which the *Bank Act* (Canada) applies;

"CIPF/FCPE" means Canadian Investor Protection Fund/Fonds canadien de protections des épargnants, a corporation existing under the laws of Canada;

"Customers" means the persons for the time being and from time to time who are or are determined to be eligible for protection by CIPF/FCPE (pursuant to its constitution and any policies adopted by it from time to time) for losses in accounts held by them as

customers of the Member. For the purposes of this definition, Customers of the Member shall be determined as if the Board of Directors of CIPF/FCPE had exercised any discretion necessary to entitle the person to CIPF/FCPE protection. A determination by the Board of Directors (whenever made) as to whether a person is eligible for CIPF/FCPE protection for the purposes of this agreement shall be conclusive and binding on the parties;

"Claims" means all claims of Customers in respect of securities, cash or other property held, or required to be held, by the Member for such Customers and which are eligible for protection by CIPF/FCPE (pursuant to its constitution and policies adopted by it from time to time. For the purposes of this definition, Claims shall be determined as if the Board of Directors of CIPF/FCPE had exercised any discretion necessary to entitle the person to CIPF/FCPE protection. A determination by the CIPF/FCPE Board of Directors (whenever made) as to whether a claim is eligible for CIPF/FCPE protection for the purposes of this agreement shall be conclusive and binding on the parties;

"Debt" means that amount of the indebtedness of the Member to the Creditor, in moneys and/or securities, set forth in Schedule A hereto and includes any interest from time to time due and payable by the Member in respect of the said amount of indebtedness;

"IIROC-Quebec" means the Investment Industry Regulatory Organization of Canada / Organisme canadien de réglementation du commerce des valeurs mobilières when the Member at the date of this agreement has its head office situate in the Province of Quebec;

"persons" includes corporations, partnerships, trusts, associations and other legal or commercial entities; and

"Schedule A" means the schedule marked "Schedule A" attached hereto bearing the most recent date and signed by all the parties hereto.

2. (a) The Creditor hereby postpones the payment and satisfaction of the Debt in favour of the Customers and subordinates the Debt to all Claims to the intent that the Customers shall, subject to paragraph 7 hereof, in the event of the dissolution, winding-up, liquidation, insolvency or bankruptcy of the Member, be paid their Claims in full in priority to and before the Creditor shall have any claims upon any property, assets, rights or benefits of the Member or upon any assets comprising or included in the Debt.

(b) In the event of dissolution, winding-up, liquidation, insolvency or bankruptcy of the Member,

(i) the Creditor, if the Creditor is not a Bank, hereby agrees that the Debt herein subordinated and postponed shall rank subsequent to any valid claim of a Bank against the Member which is then subordinated and postponed in favour of the Customers;

(ii) the Creditor, if the Creditor is not a Bank, hereby further agrees that the Debt herein subordinated and postponed and described, or deemed by this

paragraph 2(b) to be described, in Schedule A as "junior subordinated debt" shall rank subsequent to any valid claim of any other creditor against the Member which is then subordinated and postponed in favour of the Customers and which is expressly stated in the instrument effecting the subordination and postponement to be senior subordinated debt or senior in right of payment to claims of the class of junior subordinated debt;

(iii) subject to clause (ii) of this paragraph 2(b) the Creditor, if the Creditor is not a Bank, hereby further agrees that the Debt herein subordinated and postponed shall rank pari passu with and not prior to any valid claim of another creditor, other than a Bank, against the Member which is then similarly subordinated and postponed in favour of the Customers; and

(iv) the Creditor, if the Creditor is a Bank, hereby agrees that the Debt herein subordinated and postponed shall rank pari passu with and not prior to any valid claim of another Bank against the Member which is then subordinated and postponed in favour of the Customers, subject to any contrary agreement between the Creditor and such other Bank.

Where the Creditor is not a Bank and Schedule A contains no statement as to whether the Debt herein subordinated and postponed is junior subordinated debt or senior subordinated debt, the Debt herein subordinated and postponed shall be deemed to be described in Schedule A as junior subordinated debt. The term "senior subordinated debt" means the amount of indebtedness of the Member to a creditor which is subordinated in right of payment to claims of Customers and Banks but which is senior in right of payment to claims of the class of junior subordinated debt.

3. (a) Except as provided in paragraphs 3(b), 3(c), 3(d) and 7 hereof the Creditor shall not accept repayment of, and the Member shall not repay to the Creditor, the Debt or any part thereof, and the Creditor shall not demand or accept delivery of, and the Member shall not deliver to the Creditor, all or any part of the items listed in Schedule A, or any moneys on account or in respect of such items.

(b) Where the Institution has given its prior consent in writing, moneys and/or securities may be substituted for the moneys and/or securities set forth in Schedule A or a part or all of the moneys and/or securities may be repaid or redelivered, as the case may be, and upon such consent being delivered to the Member or the Creditor, Schedule A, if it antedates the date of such consent, shall be deemed to have been amended by the parties hereto in accordance with the terms of such consent. Any moneys so repaid or items so redelivered shall cease to form any part of the Debt.

(c) Nothing contained in paragraph 3(a) hereof shall be deemed to prevent the payment of interest to the Creditor which is now or hereafter due and payable on the moneys or any of the items set out in Schedule A if such payment is permitted in Schedule A and the Institution has not notified the Creditor and Member that such payment shall cease.

(d) Notwithstanding any other provision of this agreement, where the Creditor is a Bank, interest from time to time due and payable in respect of the Debt shall not form any part of the Debt and shall not be subject to the provisions of this agreement unless the Institution notifies the Creditor and the Member that the Member has ceased to meet the risk adjusted capital requirement of the Institution or the Institution notifies the Creditor and the Member that an interest payment, if made, would cause the Member to cease to meet the risk adjusted capital requirement of the Institution whereupon in either case the Member and the Creditor hereby agree that payment of any interest due and payable in respect of the Debt after the receipt of such notification shall be suspended until such time as the Institution gives its written consent to the resumption of interest payments in respect of the Debt. All interest, the payment of which is suspended, shall form part of the Debt until the Institution gives its written consent to the resumption of interest payments at which time such interest shall cease to form part of the Debt.

4. (a) Any payment, repayment, delivery or redelivery of any part or all of the Debt received by the Creditor otherwise than in accordance with the provisions of paragraph 3 hereof (any such payment, repayment, delivery or redelivery so received by the Creditor being hereinafter in this paragraph 4 referred to as an "Unauthorized Repayment") shall be held by the Creditor in trust for the Customers and for the ratable distribution of the Unauthorized Repayment among the Customers to the extent necessary to pay all Claims in full, and the Creditor shall and hereby agrees to do all things and execute all documents which may be necessary or desirable for effecting such ratable distribution to the extent aforesaid among the Customers; provided that if this agreement shall have been terminated by the Creditor in the manner provided in paragraph 7 hereof, any Unauthorized Repayment shall be held in trust for Customers in accordance with this paragraph 4(a) to the extent necessary to pay only the Claims, if any, which have arisen up to the earlier of the time of suspension or the effective time, both as hereinafter defined in said paragraph 7. Subject to the applicable portion of the succeeding sentence, if the Institution is IIROC-Quebec, the foregoing sentence of this paragraph 4(a) is of no force and effect. Where the Institution is IIROC-Quebec and any payment or repayment of any part or all of the Debt is received by the Creditor otherwise than in accordance with the provisions of paragraph 3 hereof, the Creditor shall without demand, forthwith pay be way of penalty to the Institution, as the Institution's absolute property, an amount equal to the sum so received (or, if this agreement shall have been terminated by the Creditor in the manner provided in paragraph 7 hereof, an amount equal to the lesser of the sum so received or the amount necessary to pay only the Claims, if any, which have arisen up to the earlier of the time of suspension or the effective time, both as hereinafter defined in paragraph 7) with the intent that the Institution shall distribute such amount to the Customers entitled thereto pursuant to the first sentence of this paragraph 4(a) during the course of a distribution to the Customers of the assets of the Member.

(b) The Creditor shall pay to the Customers entitled pursuant to paragraph 4(a), or in lieu thereof shall pay to the Institution for the benefit of the Customers so entitled,

the equivalent value of any Unauthorized Repayment, but only to the extent that the operation of the provision of paragraph 4(a) hereof did not result in any Unauthorized Repayment being realized by the Customers to the extent of their entitlement thereto in accordance with the provisions of paragraph 4(a). Where payment has been made to IIROC-Quebec pursuant to paragraph 4(a), the amount of the payment shall be deemed to have been realized by the Customers for the purposes of this paragraph 4(b).

(c) Except where the Institution is IIROC-Quebec, the Creditor hereby assigns to the Institution on behalf of and for the benefit of the Customers, for the purposes and to the extent set out herein, all its right, title and interest in and to any payment or distribution of assets of the Member of any kind or character which the Creditor would, except for the provisions of this agreement, be entitled to receive on account of the Debt upon any dissolution, winding-up, liquidation, insolvency or bankruptcy of the Member, and the Creditor hereby authorizes and directs the Institution in such capacity to make application for payment, such application to be made to the liquidating trustee or agent or other person entrusted with the responsibility of distributing the assets of the Member, whether a trustee in bankruptcy, a receiver or otherwise, and the Institution shall receive and hold any such payment or distribution made by any such party in trust for the Customers and for the ratable distribution among the Customers, all to the extent necessary to provide for the payment of all Claims in full, in accordance with the Customers' respective interests, prior to the making of any payment or delivery on account of or in respect of the Debt; provided that if this agreement shall have been terminated by the Creditor in the manner provided in paragraph 7 hereof any such payment or distribution so received by the Institution shall be held in trust for the Customers in accordance with this paragraph 4(c) to the extent necessary to pay only the Claims, if any, which have arisen up to the earlier of the time of suspension or the effective time, both as hereinafter defined in said paragraph 7.

(d) Where the Institution is IIROC-Quebec and the Creditor receives from the Member payment of any part or all of the Debt within three months prior to any insolvency or bankruptcy of the Member or in the course of any dissolution, winding-up, liquidation, insolvency or bankruptcy of the Member before the Claims have been paid in full (or, if this agreement shall have been terminated by the Creditor in the manner provided in paragraph 7 hereof, before the Claims which have arisen up to the earlier of the time of suspension or the effective time, both as hereinafter defined in said paragraph 7, have been paid in full), the Creditor, notwithstanding any other provision hereof, shall and hereby agrees to forthwith pay, without demand, by way of penalty to the Institution, as its absolute property, an amount equal to the sum so received with the intent that the Institution shall distribute such amount to the Customers entitled thereto pursuant to paragraph 4(c) hereof; provided, however, that if the Creditor is required by any relevant bankruptcy or insolvency legislation to repay all or any portion of the sum so received to the Member or its trustee in bankruptcy or receiver, such repayment shall be deemed, for the purposes of this agreement, as payment to the Institution.

5. It is understood and agreed that so long only as this agreement shall continue with the approval of the Institution, the Institution hereby declares that it is acting hereunder as trustee on behalf of and for the benefit of all Customers for the time being, with the consent and approval of the Creditor and the Member; provided that this paragraph 5 is of no force and effect if the Institution is IIROC-Quebec.

6. The Institution shall be under no obligation or responsibility of any kind or character to any of the Customers or creditors of the Member, and the Institution shall have no obligation, responsibility or duty to see that the covenants herein contained are carried out and fulfilled or to take any action for the enforcement of this agreement unless and until (i) the Institution is so requested in writing by one or more of the Customers, (ii) the Institution is furnished with security or indemnity satisfactory to it in respect of any such proceedings and (iii) the Institution, in its uncontrolled discretion, deems the action requested to be taken to be to the advantage of the Customers; provided that notwithstanding anything in this paragraph 6 that may be construed to the contrary, the Institution shall be required to fulfil its obligations and responsibilities under paragraph 7 upon the Creditor delivering to the Institution a notice of termination. If the Institution is IIROC-Quebec, the Institution shall be under no obligation of any kind or character to take any action to enforce the rights of the Customers.

7. This agreement shall remain in full force and effect until it is terminated in accordance with this paragraph 7. This agreement may be terminated by the Institution in its absolute discretion by notice in writing given to the Creditor and to the Member.

   If the Creditor is a Bank, the Creditor may deliver to the Institution and to the Member notice in writing of the Creditor's intention to terminate (herein called a "notice of termination") whereupon the following provisions apply:

   (a) after the Creditor has delivered notice of termination the postponement and subordination of the Debt provided for in paragraph 2 of this agreement shall continue to be effective with respect to all Claims against the Member which have arisen up to the earlier of the close of business on the day that the Member is suspended, terminated or expelled by the Institution (the close of business on the day of termination, suspension or expulsion, as the case may be, is herein called the "time of suspension") and the close of business on the fortieth day after the day upon which the Creditor has delivered notice of termination (the close of business on such fortieth day is herein called the "effective time");

   (b) the postponement and subordination of the Debt provided for in paragraph 2 of this agreement shall not apply to Claims against the Member which arise subsequent to the time of suspension or the effective time, whichever shall first occur;

   (c) on or before the effective time, the Member shall calculate its risk adjusted capital (as that term is defined by the Institution at the time the calculation is made) as of a day which is within the seven days immediately preceding and the seven days immediately following the day upon which the Creditor has delivered notice of

termination and in making such calculation the Member shall treat the Debt postponed and subordinated by this agreement as if it were not postponed and subordinated and the Institution's designated officer shall check the accuracy of the Member's calculation;

(d) if in the opinion of the Institution's designated officer the Member meets the risk adjusted capital requirement of the Institution and if the designated officer has no reason to believe that the Member would not, on the day he is checking the accuracy of the Member's calculation, meet the risk adjusted capital requirement as a result of material adverse changes in the financial position of the Member since the day as of which risk adjusted capital was calculated, the Institution shall forthwith deliver to the Creditor and to the Member its written consent to the repayment or redelivery of the Debt postponed and subordinated by this agreement and upon receipt of such consent by the Creditor and the Member this agreement shall terminate and be of no further force and effect, and the Member shall forthwith repay or redeliver the Debt to the Creditor, subject to any equities which there may be between the Creditor and the Member;

(e) if in the opinion of the Institution's designated officer the Member does not meet the risk adjusted capital requirement of the Institution or if, as a result of material adverse changes in the financial position of the Member since the day as of which risk adjusted capital was calculated, the designated officer has reason to believe that the Member would not currently meet the risk adjusted capital requirement, the Institution shall forthwith deliver to the Creditor and to the Member notice in writing informing the Creditor and the Member that the Institution will not consent to the repayment or redelivery of the Debt and in this event, subject to the terms and conditions of any agreements between the member and the Creditor relating to the Debt, the Debt postponed and subordinated by this agreement may be declared due and payable by the Creditor; provided that realization by the Creditor of the Debt shall be subject to the terms of this agreement and provided that the Institution may consent to partial repayments or redeliveries of the Debt from time to time in its sole and absolute discretion, notwithstanding that it will not at such time consent to full repayment or redelivery of the Debt;

(f) the Creditor prior to or concurrently with commencing any proceedings against the Member for the recovery of the Debt shall notify the Institution; if the Debt or any part thereof is realized by the Creditor, either pursuant to any proceedings or as a result of a voluntary repayment or redelivery by the Member, and the Institution has not consented to such repayment or redelivery, the Debt or any part thereof so realized shall remain subject to the provisions of this agreement.

8. Any notice or communication hereunder or pursuant hereto which is given in writing may be effectively given by delivering the same or mailing the same by prepaid registered post addressed to the Creditor as follows:

PACE Savings & Credit Union Ltd
8111 Jane Street, Unit 1
Vaughan, ON
L4K 4L7

and to the Member as follows:

PACE Securities Corp.
8111 Jane Street, Unit 1
Vaughan, Ontario
L4K 4L7

and to the Institution as follows:

Investment Industry Regulatory Organization of Canada
121 King Street West, Suite 2000
Toronto, Ontario
M5H 3T9

or to such address as any of these parties shall have previously specified by notice given to the other parties. Any notice or communication that is mailed by prepaid registered post shall be deemed to have been received on the business day following the day upon which it was mailed unless there is a disruption in the regular mail delivery due to postal strikes or other causes of which public notice has been given, in which case any such notice or communication that is mailed by prepaid registered post shall be deemed not to have been given until it has actually come to the attention of the addressee.

9. Any instrument issued or made by the Member evidencing the Debt shall be clearly marked so as to indicate the subordinated nature thereof and shall have marked conspicuously on its face, with the blanks properly completed, the following legend:

"THE INDEBTEDNESS REPRESENTEDHEREBY IS POSTPONED"

The indebtedness herein evidenced is subject to a subordination agreement dated

between PACE Savings & Credit Union Ltd
(name of Creditor)

PACE Securities Corp.
(name of Member) and

Investment Industry Regulatory Organization of Canada
(name of Institution)

copies of which may be inspected at

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

121 King Street West, Suite 2000

(address of Institution)

Toronto, ON, M5H 3T9

10. Any right or remedy hereby granted, conferred upon or reserved to the Institution on behalf of and for the benefit of the Customers is intended to be exclusive of any other right or remedy and each and every right or remedy shall be in addition to every other right or remedy given hereunder or now existing or hereafter existing by law or by statute or under the terms of this agreement and any one or more of such rights or remedies may from time to time be exercised independently or in combination.

11. This agreement shall extend to and enure to the benefit of and be binding upon the heirs, executors, administrators, successors (which term shall include, without limitation, any firm or corporation which succeeds to all or part of the business of the Member) and assigns of the parties hereto and shall enure to the benefit of the Institution in trust for the Customers, except where the Institution is IIROC-Quebec in which case this agreement shall enure to the benefit of the Institution and its successors and assigns.

12. Where the Institution is IIROC-Quebec, this agreement shall be governed by and construed in accordance with the laws of the Province of Quebec.

13. Whenever the singular or the masculine are used in this agreement, they shall be construed as meaning the plural, feminine or neuter, where the context or the parties hereto so require.

14. This agreement has been drawn up in the English language at the request of the parties. Les parties ont requis que la présente convention soit rédigée en anglais

SIGNED, SEALED AND DELIVERED
in the presence of:

PACE Savings & Credit Union Ltd

(name of Creditor)

Per:

(signature of authorized signing officer
of Creditor)

SEAL

Per:

(signature of authorized signing officer
of Creditor)

PACE Securities Corp.

(name of Member)

Per:

(signature of authorized signing officer
of Member)

SEAL

Per:

(signature of authorized signing officer
of Member)

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA / ORGANISME CANADIEN DE RÉGLEMENTATION DU COMMERCE DES VALEURS MOBILIÈRES

Per:

(signature of authorized signing officer
of Institution)

SEAL

Per:

(signature of authorized signing officer
of Institution)

SCHEDULE A

The following are the items referred to as the "Debt" in the foregoing agreement:

1. Amount of indebtedness, details of any security for the Debt, terms or repayment and the payment of interest which shall be permitted:

   Amount of indebtedness $4,400,000

   Term: Perpetual until called by lender

   Interest: 1% simple payable annually

2. If there is more than one class of indebtedness state if the Debt is junior or senior subordinated debt or if the Debt is to a Bank:

   N/A

3. Details of any securities given as part of the Debt and the payment of interest which shall be permitted:

   N/A

4. The Debt or any part of the Debt shall not be transferable or assigned to any person without the prior written consent of the Member and the Institution. Any instrument (whether in writing or in electronic form) evidencing the Debt shall not contain any terms inconsistent with the provisions of this Agreement including this Schedule and, to the extent any such terms are so inconsistent, the provisions of this Agreement including this Schedule shall prevail.

5. In the event of any inconsistency between the terms of this Schedule, the Uniform Subordinated Loan Agreement or any agreements, documents or understandings between the Member and the Creditor relating to or evidencing the Debt, the terms of the Uniform Subordinated Loan Agreement (as construed without reference to this Schedule) shall prevail.

The foregoing is a full and accurate statement of items included in the Debt mentioned in the foregoing agreement dated the 15th day of May, 20 13.

DATED this 15th day of May, 20 13.

PACE Securities Corp.	PACE Savings & Credit Union Ltd
(name of Member)	(name of Creditor)
Per:	Per:
(signature of authorized signing officer of Member)	(signature of authorized signing officer of Creditor)
SEAL	SEAL
Per:	Per:
(signature of authorized signing officer of Member)	(signature of authorized signing officer of Creditor)

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA / ORGANISME CANADIEN DE RÉGLEMENTATION DU COMMERCE DES VALEURS MOBILIÈRES

Per: ____________________ (SEAL)
(signature of authorized signing officer of Institution)

06/08

EXHIBIT "I"

ServiceOntario

Main Menu New Enquiry

Enquiry Result

File Currency: **18OCT 2021**

All Pages

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Type of Search	Business Debtor
Search Conducted On	PACE SECURITIES CORP.
File Currency	18OCT 2021

File Number	Family	of Families	Page	of Pages	Expiry Date	Status
741868857	1	1	1	2	23JUL 2024	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
741868857		001	2		20180723 1148 6005 3488	P PPSA	06

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name			Ontario Corporation Number
	PACE SECURITIES CORP.			
	Address	**City**	**Province**	**Postal Code**
	8111 JANE STREET	VAUGHAN	ON	L4K 4L7

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name			Ontario Corporation Number
	Address	**City**	**Province**	**Postal Code**

Secured Party	Secured Party / Lien Claimant			
	CWB NATIONAL LEASING INC.			
	Address	**City**	**Province**	**Postal Code**
	1525 BUFFALO PLACE (2885615)	WINNIPEG	MB	R3T 1L9

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X						

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	ALL OFFICE FURNITURES OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 2885615, BETWEEN QUESTOR FINANCIAL CORP., AS ORIGINAL SECURED PARTY AND THE DEBTOR, WHICH AGREEMENT WAS ASSIGNED BY THE ORIGINAL

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor
Search Conducted On	PACE SECURITIES CORP.
File Currency	18OCT 2021

	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	741868857	1	1	2	2	23JUL 2024	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
741868857		002	2		20180723 1148 6005 3488		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name			Ontario Corporation Number
	Address	City	Province	Postal Code

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name			Ontario Corporation Number
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	SECURED PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME,
	TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

LAST PAGE

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IN THE MATTER OF A WINDING UP OF PACE SECURITIES CORP., PACE FINANCIAL LIMITED, PACE INSURANCE BROKERS LIMITED AND PACE GENERAL PARTNER LIMITED

Court File No. CV-20-00641059-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at
Toronto, Ontario

AFFIDAVIT OF BENJAMIN CHOI

Harrison Pensa LLP
Barristers and Solicitors
450 Talbot Street, P.O. Box 3237
London, Ontario N6A 4K3

Timothy C. Hogan (LSO #36553S)
Robert Danter (LSO #69806O)

Tel: (519) 679-9660
Fax: (519) 667-3362
Email: thogan@harrisonpensa.com
rdanter@harrisonpensa.com

Solicitors for PACE Savings & Credit Union Limited

IN THE MATTER OF A WINDING UP OF PACE SECURITIES CORP., PACE FINANCIAL LIMITED, PACE INSURANCE BROKERS LIMITED AND PACE GENERAL PARTNER LIMITED

Court File No. CV-20-00641059-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at
Toronto, Ontario

MOTION RECORD OF
PACE SAVINGS & CREDIT UNION LIMITED

Harrison Pensa **LLP**
Barristers and Solicitors
450 Talbot Street, P.O. Box 3237
London, Ontario N6A 4K3

Timothy C. Hogan (LSO #36553S)
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rdanter@harrisonpensa.com

Solicitors for PACE Savings & Credit Union Limited