SUPERIOR COURT OF JUSTICE

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: **CV-20-00641059-00CL** **DATE:** **21 December 2022**

NO. ON LIST: **4**

TITLE OF PROCEEDING: **PACE SECURITIES CORP. et al**

BEFORE JUSTICE: **MADAM JUSTICE KIMMEL**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
GEORGE BENCHETRIT *(counsel)*	Ernst & Young Inc. in its capacity as Court-appointed Liquidator of the estate and effects of Pace Securities Corp, Pace Financial Limited, Pace Insurance Brokers Limited, and Pace General Partner Limited *(moving party)*	george@chaitons.com
LAURA CULLETON *(counsel)*		laurac@chaitons.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
JEFFREY KERBEL *(liquidator)*	Ernst & Young Inc., court-appointed liquidator of Pace Securities Corp. et al	Jeffrey.d.kerbel@parthenon.ey.com
ALISON HO *(liquidator)*		Alison.ho2@parthenon.ey.com
ANAMIKA GADIA *(liquidator)*	KMPG Inc., court-appointed liquidator of Pace Savings and Credit Union Limited	agadia@kpmg.ca

ENDORSEMENT OF JUSTICE KIMMEL:

1. Ernst & Young Inc. ("EYI") is the court appointed liquidator (in such capacity, the "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"), pursuant to the Order of the Hainey J. dated May 14, 2020 (the "Appointment Order").
2. Since the Appointment Order was made, various other orders and directions have been made or given by this court. Two of the Companies (PSC and PIB) have since been put into bankruptcy, and EYI has been appointed as their trustee in bankruptcy (the “Bankruptcy Trustee”). EYI seeks an order today discharging it as Liquidator of these two Companies for which it has now been appointed Bankruptcy Trustee. That is an appropriate order for the court to make in the circumstances.
3. EYI also seeks the court’s approval of its proposed distribution of the assets of the remaining two Companies (PFL and PGPL) that are subject to the Appointment Order so that they can be dissolved once it has confirmed that the administration of the winding-up of those two entities has been completed, after which EYI would be discharged as Liquidator.
4. This liquidation has been complicated by the regulatory framework within which the Companies operated. A different liquidator, KPMG Inc. (the “Credit Union Liquidator” or “KPMG”), was appointed as liquidator of the remaining assets, undertakings and property of the ultimate parent company, Pace Savings & Credit Union Limited (“Pace Credit Union”), pursuant to an order of this court dated August 24, 2022. Pace Credit Union is a stakeholder in this liquidation proceeding and one of the eventual anticipated beneficiaries of the proposed distributions. KPMG supports the order sought by EYI on this motion.
5. The distributions from PFL (subject to hold-backs and after payment of proven claims and applicable costs and expenses, including income taxes) will flow to its sole shareholder, PGPL. The distributions from PGPL (subject to hold-backs and after payment of proven claims and applicable expenses) will flow to its sole shareholder, PSC. PSC’s Bankruptcy Trustee will then be responsible for what happens to funds that come into the bankrupt company.
6. The service list was served with this motion and no stakeholder has responded or indicated any opposition to the order sought. The Liquidator is not aware of any other actual, potential or contingent stakeholders of the Companies that are not on the service list.
7. The orders sought by this motion are fair and reasonable in the circumstances. They are a means of efficiently and effectively addressing the proven claims of the Companies and all estate expenses and distributing the available assets from the remaining Companies in liquidation. This is part of a larger scheme that the Liquidator has engaged in for the determination and resolution of stakeholder claims. Once the distributions have been made there will be no continuing need or role for the Liquidator, the winding-up can be completed and it will be appropriate, once the Liquidator’s certificate confirming this has been filed, for those Companies to be dissolved and for the Liquidator to be discharged.
8. It is most efficient, cost effective and proportionate for the discharge order to be granted now, conditional upon the signing of a certificate by the Liquidator when its final duties and responsibilities have been completed, so as to avoid the expense of a further court attendance.
9. The approval of the Liquidator’s activities and conduct as described in the Sixth Report has been made subject to the standard qualifying language for such orders that has become the practice of the Commercial Court to include. Approval of the Liquidator’s activities and conduct and its statement of receipts and disbursements is appropriate in the circumstances.
10. The fees claimed for the Liquidator its counsel are supported by affidavits and reflect the challenges of this liquidation, which were met with proportionate responses. The professional fees for which approval is sought are commensurate with the tasks performed during the applicable time period and I find them

to be fair, reasonable and justified in the circumstances. See *Bank of Nova Scotia v. Diemer*, 2014 ONCA 851, at paras. 33 and 45.

11. Order to go in the revised form signed by me today with immediate effect and shall be enforceable without the need for entry and filing, although any party may take out a formal order by following the procedure under Rule 59.

Kimmel J.

KIMMEL J.