



IN THE MATTER OF THE FINANCIAL INSTITUTIONS ACT

R.S.B.C. 1996, C. 141

– AND –

NORTH YORK COMMUNITY CREDIT UNION LTD. (ONTARIO)

CONSENT ORDER

BY CONSENT AND UPON REVIEWING THE EVIDENCE OF WILLIAM DOLLY, THE SUPERINTENDENT FINDS THE FOLLOWING:

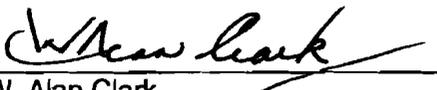
1. North York Community Credit Union Ltd. ("NYCCU") never had an intention to violate any provisions of the *Financial Institutions Act* or contravene any orders issued thereunder.
2. When the Superintendent issued the first order in October 2005, the NYCCU Board of Directors (the "Board") was led to believe by the director in charge of the card program (the "Director") that all activity involving Bux cards would cease immediately. The Board was also given to understand that there existed no card activity in BC other than that associated with Bux. In this regard, the Board relied on this Director's assurances as he was the one person who had full knowledge of the nature and level of the activities involving the card program.
3. The second order issued by the Superintendent in March 2006 took the Board by surprise as it was unaware that the card program had continued to operate in British Columbia. The Director informed the Board that, while the card program had ceased, it was difficult to contain all the card activity in such short order and that the card activity involving the second order had gone undetected. Again, the Board relied on the information provided by this Director.
4. At or about the time the penalty order was issued, the unsanctioned conduct of the Director involving both the card program and the vault cash program was uncovered by

the Board. This led to the litigation respecting the Director and the demise of CU-Connect under the *Companies' Creditors Arrangement Act* (the "CCAA Proceedings").

5. The documents which form a part of the CCAA Proceedings delineate the consequences of the Director's conduct in considerable detail. These include significant financial losses and the eventual insolvency of NYCCU, which in turn resulted in the company's amalgamation with Pace Savings and Credit Union ("PACE").
6. NYCCU took steps to compensate any consumers who may have been negatively affected by these unfortunate events. A claims process was created for consumers who had purchased or otherwise obtained debit cards issued by NYCCU. This is outlined in the January 30, 2007 FICOM Consumer Notice.
7. It is to be also noted that in January 2006, PACE entered into an undertaking agreement and as far as the Superintendent is aware PACE has to date fully complied therewith.
8. NYCCU has at all times been regretful of the card activities which led to the orders issued by the Superintendent. NYCCU also regrets that the Board relied on a sole director to oversee the operations respecting the card program.
9. PACE on behalf of NYCCU is willing to pay to the Superintendent the investigation costs in relation to this matter in the sum of \$1,941.42.

THEREFORE, IN LIGHT OF THE CIRCUMSTANCES OUTLINED ABOVE, THE SUPERINTENDENT OF FINANCIAL INSTITUTIONS makes these findings and orders the payment of costs by PACE on behalf of NYCCU in the amount of \$1,941.42 in full satisfaction of the cease and desist orders made by the Superintendent as well as any contraventions thereof by NYCCU such that no further action by the Superintendent is warranted against NYCCU, PACE, their directors, etc.

Dated this 1st day of October, 2008
at Surrey, British Columbia

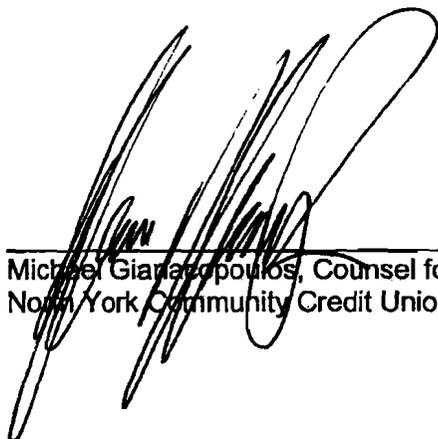

W. Alan Clark
Superintendent of Financial Institutions

APPROVED AS TO FORM AND CONTENT:



Sandra Wilkinson, Counsel for the Staff of
the Superintendent of Financial Institutions

Date: October 1, 2008



Michael Giannopoulos, Counsel for the
North York Community Credit Union Ltd.

Date: October 1, 2008