



**British Columbia  
Securities Commission**

## Pacific International hearing – BCSC Chair statement

“The Pacific International hearing was a precedent-setting case. Commission staff asked a commission panel to find the directors of an investment firm accountable for allegedly failing to take the proper compliance action for account activity conducted by the firm’s brokers.

“Yes, this matter has taken a long time to be resolved – too long. Today’s decision comes after a hearing that lasted almost three years. But, this was a very complex and difficult case: In all, the hearing panel heard 124 days of evidence and applications. The panel was presented with close to 20,000 pages of evidence, over 15,000 pages of transcripts and 94 exhibits by staff and the lawyers for the respondents.

“The majority of the commission panel did not accept the case presented by staff. They concluded that staff’s obligation was to show that Pacific International and its directors did not act reasonably when faced with information about the reputations of some foreign clients of the firm and that the evidence did not meet that threshold. One panel member took a different view, and wrote dissenting findings that the allegations were essentially proven.

“A split decision, while it is commonly encountered in judicial proceedings, is a first for a BCSC panel. While this highlights how difficult and complex this case was for the panel members to decide, it also shows why we have three-member, independent commission panels conducting hearings. Their independence is key to maintaining public confidence in our commission decisions.

“I would like to thank the three members of the panel for their tireless efforts to hear and understand this case and for their diligence in completing the decision.

“I also recognize that commission staff put considerable time and effort into this case. I am confident that they will learn from the decision and be prepared to bring forward challenging cases in the future with a view to protecting investors and the integrity of our securities markets.”

Doug Hyndman  
BCSC Chair