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BCSC panel finds that B.C. man committed fraud

Vancouver – A British Columbia Securities Commission panel [has found](#) that a B.C. man committed fraud and engaged in unregistered trading.

The panel found that Michael Robert Shantz committed fraud through his company, Canada Pacific Consulting Inc. (CPC), by soliciting German and Swiss residents to open trading accounts with CPC. Shantz and CPC claimed that they would conduct gold futures or foreign exchange trading on behalf of these individuals.

Between June 2009 and September 2010, 11 German and Swiss investors deposited \$1.5 million with CPC for investment in gold futures and foreign exchange. CPC told them that the investments were low risk.

The panel found that CPC lied to investors about the nature of its business and its plans to invest their money. None of the investors' funds were invested as promised. Most of the funds – \$1.2 million – were wired by Shantz to bank accounts in Spain for unknown purposes. Shantz also used \$172,000 for his own personal use.

CPC also attempted to make it appear that it had substantial operations in the lower mainland, telling investors it had 120 employees working in offices in Vancouver and Richmond. In fact, the office in Vancouver was only a façade and there was no office in Richmond.

CPC also sent investors falsified account statements showing profits where none existed. The statements were prepared in Europe and sent to Vancouver for re-mailing to investors to make it appear that they came from CPC's Vancouver office.

The panel directed the parties to make submissions on sanctions according to the schedule set out in the findings.

The B.C. Securities Commission is the independent provincial government agency responsible for regulating trading in securities within the province. You may view the decision on our website, www.bcsbc.ca, by typing Shantz, Canada Pacific Consulting Inc. or 2012 BCSECCOM 86 in the search box. Information regarding disciplinary proceedings can be found in the [Enforcement section](#) of the BCSC website.

Please visit the Canadian Securities Administrators' [Disciplined Persons List](#) for information relating to persons disciplined by provincial securities regulators, the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association (MFDA).

If you have questions, contact Richard Gilhooley, media relations, 604-899-6713. For public inquiries, call 604 899 6854 or 1 800 373 6393 (toll free).

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