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BCSC Executive Director's Bulletin: Securities regulator alleges B.C. man committed fraud

Vancouver – The executive director of the British Columbia Securities Commission has issued a [notice of hearing](#) alleging that a man purporting to be an independent broker dealer committed fraud and engaged in unregistered trading.

The notice alleges that Michael Robert Shantz, a B.C. resident, through his company, Canada Pacific Consulting Inc. (CPC), solicited 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 investors forwarded \$1.5 million to CPC. Neither Shantz nor CPC were registered in any capacity under the Securities Act.

The notice also states that

- CPC made false claims on its website about the company employing 120 staff members in Vancouver and Richmond
- CPC did not have an office at the Richmond address listed on its website
- CPC did not have a physical office in Vancouver. The Vancouver office was instead occupied by a company offering packaged and virtual office services, which CPC used between April 2009 and December 2010 to maintain the appearance of a business presence in British Columbia

In addition to alleging that Shantz wired \$1.2 million to bank accounts in Spain, the notice states that he also used investors' funds for personal purposes such as cash withdrawals of approximately \$172,000, depositing \$35,000 into his personal bank account, and spending at least \$2,600 on personal expenses.

These allegations have not been proven. Counsel for the executive director will apply to set dates for a hearing into the allegations before a panel of commissioners on Wednesday, August 10 at 2:00pm.

The B.C. Securities Commission is the independent provincial government agency responsible for regulating trading in securities within the province. You may view the notice of hearing on our website www.bsc.bc.ca by typing Shantz, or 2011 BCSECCOM 354 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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