Released: November 5, 2020

NR 20-83

**BCSC panel rejects request to unlock registered retirement accounts**

**Vancouver** – A panel of the British Columbia Securities Commission (BCSC) has dismissed Earle Douglas Pasquill’s effort to remove a preservation order preventing him from withdrawing or transferring funds from his registered retirement accounts.

Pasquill is under orders to pay monetary sanctions for perpetrating one of British Columbia’s largest frauds. If further proceedings are successful, the funds in Pasquill’s retirement accounts may be available for payment to victims of the fraud.

A BCSC panel found in 2014 that Pasquill and Michael Patrick Lathigee, who jointly directed and controlled the Freedom Investment Club, fraudulently raised a total of $21.7 million in 2008 through the sale of securities to nearly 700 investors without telling the investors about severe cash flow problems.

Pasquill owes the BCSC an administrative penalty of $15 million. He is also liable for another $21.7 million, representing the ill-gotten gains that he and Lathigee received from the misconduct.

Pasquill contended that the preservation order imposed on his two life income accounts (LIFs), which held $644,951 as of April 30, violated B.C.’s *Pension Benefits Standards Act (PBSA)* and B.C.’s *Court Order Enforcement Act (COEA).* He argued that those laws exempt registered accounts, like the two LIF accounts, from enforcement actions.

The panel, in rejecting his request, said that a preservation order does not amount to an enforcement action, “but rather merely maintains the status quo.” The PBSA exempts registered accounts from seizure, but the panel said a preservation order is not a seizure.

In addition, the panel noted that the *COEA* was amended this year, in concordance with amendments to B.C.’s *Securities Act*, to allow the BCSC to pursue – or to impose preservations orders on – registered accounts in the course of fulfilling its enforcement duties.

Pasquill, in an affidavit filed with the panel, said his gross income – derived from his LIF accounts and payments from the Canada Pension Plan and Old Age Security – is around $95,000 a year. He said his basic living expenses were around $4,430 a month, plus legal expenses. The panel, however, raised questions about the necessity or validity of some of those expenses, which included entertainment and gardening.

“We find that the Applicant has not provided sufficient evidence regarding his living expenses to establish that he would suffer hardship if the Preservation Order were not revoked or varied,” the panel wrote.

In addition, the panel noted that Pasquill has not presented a plan for paying the financial sanctions.

**About the British Columbia Securities Commission (**[**www.bcsc.bc.ca**](http://www.bcsc.bc.ca)**)**

The British Columbia Securities Commission is the independent provincial government agency responsible for regulating capital markets in British Columbia through the administration of the *Securities Act*. Our mission is to protect and promote the public interest by fostering:

* A securities market that is fair and warrants public confidence
* A dynamic and competitive securities industry that provides investment opportunities and access to capital

Media Contact:
Brian Kladko

604-899-6713

Public inquiries:
604-899-6854 or 1-800-373-6393 (toll free)
inquiries@bcsc.bc.ca

Learn how to protect yourself and become a more informed investor at [www.investright.org](http://www.investright.org/)