

May 16th, 2022

Dear Member,

On April 21, 2022, [Ontario's Financial Services Regulatory Authority \(FSRA\)](#) wrote to you to inform you that a transaction would be announced shortly and to provide the rationale for that transaction. As you now know, most of PACE's assets have been purchased by Alterna Savings & Credit Union (*Alterna Savings*) in exchange for Alterna Savings:

- assuming all liabilities related to those assets;
- offering all PACE staff employment; and
- providing all PACE members with fully paid membership in Alterna Savings with full financial services.

This is good news for all members and employees of PACE. It provides a strong and stable place for PACE members to continue to receive credit union membership and financial services while also maintaining familiar places and faces for members to continue to conduct their financial activities.

FSRA went on to address the fact that holdings of PACE investment, profit and member shares will remain in the PACE legal entity and that these shares will be dealt with as part of the eventual wind-up process of that legal entity.

It is important to note that there are assets and potential expected recoveries from the litigation being pursued against former PACE management and the Board which will remain with the PACE legal entity. The wind-up process will involve realizing the value of assets and recoveries and paying out funds to creditors and shareholders in their order of priority as determined by applicable law. Due to the uncertainty in the value of some assets and the outcome of the legal actions being pursued, no value can be placed on these shares at this time.

If you require any other information about your investment, profit, or membership shares, please contact FSRA on 416-250-7250 or 1-800-668-0128. You can also email FSRA at contactcentre@fsrao.ca.

Regards,



David Finnie
CEO