

**IN THE MATTER OF THE FINANCIAL INSTITUTIONS ACT
R.S.B.C. 1996, C. 141, AS AMENDED**

- AND -

**IN THE MATTER OF UNICLEAR PAYMENT SYSTEMS INC.,
UNIGO GLOBAL PAYMENT SYSTEMS INC., AND
NORTH YORK COMMUNITY CREDIT UNION LTD.**

ORDER UNDER SECTIONS 244(2) AND 238, AND

**NOTICE OF RIGHT OF HEARING OR APPEAL
UNDER SECTIONS 238(2) AND 242**

UPON REVIEWING THE SUBMISSIONS AND EXHIBITS OF STAFF, it appears to the Superintendent of Financial Institutions (the "Superintendent") that:

1. The records of the Ministry of Finance, Corporate and Personal Property Registries for the Province of British Columbia show for Uniclear Payment Systems Inc. ("Uniclear") that:
 - (a) It was incorporated February 21, 2003, having incorporation #BC0664420.
 - (b) Its mailing address is Robson Court, #1000 – 840 Howe Street, Vancouver, British Columbia, V6Z 2M1.
 - (c) Its directors are:
 - i. Ryan M. Crause - President, [REDACTED], [REDACTED].
 - ii. Norman Philip Charlebois, [REDACTED], [REDACTED].

2. The records of the Ministry of Finance, Corporate and Personal Property Registries for the Province of British Columbia show for Unigo Global Payment Systems Inc. ("Unigo") that:
 - (a) It was incorporated September 7, 2004, having incorporation #BC0703590.

- (b) Its registered and records office is #535 – 645 Fort Street, Victoria, British Columbia, V8W 1G2.
 - (c) Its directors are:
 - i. John Cockburn, [REDACTED]
 - ii. Ryan Michael Crause, [REDACTED]
 - iii. Kenneth Ivan Crause, [REDACTED]
 - iv. Allan Ng, [REDACTED]
 - v. Jeanne M. Ng, [REDACTED]
 - vi. Jonathan White, [REDACTED]
3. The records of the Ministry of Consumer and Business Services, Companies and Personal Property Security Branch for the Province of Ontario, show for North York Community Credit Union Ltd. ("North York") that:
- (a) It was incorporated on September 12, 1955, having Ontario incorporation #149738.
 - (b) Its registered office and mailing address is 5799 Yonge Street, 2nd Floor, North York, Ontario, M2M 3V3.
 - (c) Its directors are: Diane Bird, Mary Brown, Marjorie Demeter, William Dolly, Blair Gagnon, Louise Hourston, Paul Morrison, John Russell, Diane Skinner, Doug Thurston, James Williams.
4. The Financial Services Commission of Ontario confirms that North York is an authorized credit union in the Province of Ontario pursuant to Section 16 of the Credit Union and Caisses Populaires Act of Ontario.
5. On January 16, 2006 an Investigator with the Solicitor General's Office, Gaming and Audit Branch for the Province of British Columbia, advised an investigator with the Financial Institutions Commission of British Columbia ("FICOM") that Uniclear was offering debit cards to individuals who open an account with them. He believed this activity was deposit business. He also believed that Uniclear would not have an authorization to conduct deposit business.

6. Uniclear describes itself as offering "...real-time, global, transaction solutions to businesses and consumers..." In addition to various global payment systems it offers its customers a debit card.
7. A review of the Uniclear web site at www.uniclear.com shows that Uniclear offers its customers a low fee debit card, "Usable on Cirrus, Maestro, and Interac networks globally." In large letters on its home page it solicits customers to "Order your debit card today!"
8. On the face of the debit card displayed on its web site home page is a logo for **Unigo** and the name **North York Community Credit Union**.
9. The Uniclear site states that its customers can use the debit card to access funds, previously deposited into a Uniclear account, from any Automated Teller Machine ("ATM"). Also, customers may be able to use the debit card to purchase goods and services globally from merchants that accept Maestro or Interac transactions. (Goods and services transactions take place at Point-of-Sale terminals where the merchant is connected to the Interac or Maestro networks.)
10. The Interac logo is prominently displayed and referred to on the Uniclear web site. On the bottom of most pages it has the following :

"© 2005 Uniclear Payment Systems Inc. All rights reserved.
Interac logo is a trademark of Interac Inc.
North York Credit Union authorized user of the Interac trademark."
11. The Uniclear web site shows two contact locations:

Suites 2207-2209, 22nd Floor,
Tower Two, Lippo Centre, 89
Queensway
Admiralty, Hong Kong

Unit C, 975 Price Rd.,
Parksville BC
V9P 2C9
12. The schedule of fees for some debit card uses are:

	CAN
Purchase Price	10.00
Load Fee	1.50
Canadian ATM Usage	1.50
Canadian POS Usage	1.50
International/ATM/POS Usage	3.00

Daily Withdrawal Limit	50,000.00
Maximum Card Balance	100,000.00

13. Uniclear's web site shows a User Agreement that describes the allowable uses for a Uniclear debit card. The agreement states, among other things, that:

"You may use your debit card at any ATM's which are part of the Cirrus, Maestro and Interac networks. ATM withdrawals are available up to the daily authorized limits disclosed on our web site provided that funds have already been transferred into your card account from your main account. The debit card is not directly linked to balances in the main account as is sometimes the case with banks. Funds transferred to a Uniclear debit card shall be limited to amounts stated on the web site. You may use your debit card at an ATM to perform the following types of transactions:

- Withdraw cash from your Uniclear debit card account.
- Using your card to pay for purchases. Since this card is strictly a debit card, you may not be able to use it to purchase goods from merchants or over the internet. However, if a merchant accepts Maestro or Interac, then you could use it to purchase goods or services at that merchant.

14. Unigo describes itself as:

"...a strategic partnership between Uniclear and Go Solutions in order to bring simple and convenient payment solutions to consumers worldwide. Combining our services has enabled us to create the first truly multi currency, multi-function debit card. The **Unigo Card** is a revolutionary new method of payment that will replace traditional cards everywhere.

15. A review of the Unigo web site at www.unigo.ca shows that Unigo offers its customers the Unigo debit card that is usable internationally on ATM's and Point-of-Sale Terminals. The Unigo card is offered in conjunction with its Uniclear partner.

16. The Unigo web site shows two contacts:

Allen Ng – Business Development
Tel: (250) 655-5237
ang@gosolutions.ca

Ken Crause – Marketing
Tel: (250) 248-8981
ken@uniclear.com

17. A review of the Unigo home page shows a picture of a card with the Unigo logo on the bottom right-hand corner, and states:

"Unigo cards are available for purchase and reload at thousands of merchants in Canada already, and very soon they'll be in merchants across the world! Unigo cards are also available online through Uniclear.com and Go Solutions.ca. Check out some of the Unigo benefits below:

 - **Unigo cards can be reloaded like a bank account at any Unigo merchant, and used in conjunction with a Uniclear account for full online transaction and payment services. With a Unigo card, there is no need to have a traditional bank account ... every Unigo merchant becomes a bank teller.**
 - **Unigo cards can be used in up to eight major currencies at once! Currency conversions can be performed online prior to spending, or right at the POS pin pad.**
 - **Reward points are given to Unigo card users every time a card is swiped. Rewards include discounts for services, hotels, flights, gold, meals, and much more. Prizes can be won instantly just by using the Unigo card!"**
18. The Interac network describes itself as, "...allowing enterprises that have proprietary networks to communicate for the purpose of exchanging electronic financial transactions".
19. A review of the Interac web site at www.interac.org states that only regulated deposit taking financial institutions can issue debit cards. The site also shows a list of authorized members who can issue debit cards or accept debit card transactions. North York is included as both an issuer and an acceptor.
20. Neither Uniclear nor Unigo are listed as members of the Interac Association.
21. The General Counsel and Secretary for Interac advises that:
 - (a) Only financial institutions that qualify as members under the Canadian Payments Association can issue debit cards. Issuers do so based on approval from a provincial regulatory body.
 - (b) A debit card has to be linked to an account at a financial institution based on the definition of an eligible card.
 - (c) The Interac logo can only be used by members of the Interac Association.

22. A review of certain Interac By-Laws and documentation provided by Interac discloses that for a card to be used, it must be issued by a financial institution and linked to an eligible account. Interac defines a financial institution as:
- i. Incorporated in Canada and carrying on, under the regulatory supervision of federal or provincial law, the business of providing financial services in Canada, including holding funds on account that are transferable by items that are admissible for clearing by members of the Canadian Payments Association.
 - ii. A Central Cooperative Credit Society, a Cooperative Credit Association or a federation of cooperative credit societies (as those terms are defined in the Canadian Payments Act or its successor or replacement legislation).
 - iii. An Authorized Foreign Bank that is operating at least one Full Service Branch in Canada.
 - iv. A Foreign Life Insurance Company.
 - v. A trustee of a qualified trust (as those terms are defined in the Canadian payments Act or its successor or replacement legislation).
23. Interac defines an eligible account as a "chequing, savings, or similar account from which funds may be transferred by items that are admissible for clearing by members of the Canadian Payments Association ...".
24. The Canadian Payments Association web site at www.cdnpay.ca states that eligibility for membership means:
- "The Bank of Canada and all banks operating in Canada are required to be members. In addition, Credit Union Centrals, Federations of Caisses Populaires, trust companies, loan companies, and other deposit taking institutions."
25. Neither Uniclear nor Unigo are members of the Canadian Payments Association, however, North York is a member.
26. On March 20, 2006, an Investigation Order was executed on Uniclear's Parksville office by FICOM investigators. Ken Crause, Uniclear's General Manager advised the investigators that:
- (a) Uniclear has been in business for just over two years. It has a software program used to facilitate international payment processing between

international buyers and sellers.

- (b) Through its Hong Kong head office, prospective Uniclear clients apply for a Uniclear account on-line from its web site. The clients are set up with an account at various foreign banks; no Canadian Financial Institutions are used.
 - (c) Once the client has been approved and given an account, they electronically transfer and deposit into their new account funds from their existing financial institution. The clients have the option of receiving a debit card. The cards are issued from the Parksville office to its clients anywhere in the world including British Columbia.
 - (d) Uniclear is partnered with a Calgary based company, lonxphere, that set up the debit card operation with North York. He believes Uniclear has a sub-account under the lonxphere account at North York. However, he was not clear as to the details of the lonxphere arrangement with North York. Agreements between lonxphere and Uniclear are at the company's corporate head office in Hong Kong.
 - (e) Unigo is simply a brand name used on the debit cards.
 - (f) The salaries of Uniclear's Parksville office are loaded onto their own Unigo/North York debit cards.
27. A search of the records of the Office of the Superintendent failed to show that Uniclear has a business authorization to conduct deposit business in the Province of British Columbia.
28. A search of the records of the Office of the Superintendent failed to show that Unigo has a business authorization to conduct deposit business in the Province of British Columbia.
29. A search of the records of the Office of the Superintendent failed to show that North York has a business authorization to conduct deposit business in the Province of British Columbia, or is an authorized credit union in the Province of British Columbia.
30. A Search of the records of the Ministry of Finance, Corporate and Personal Property Registries for the Province of British Columbia failed to show that North York is incorporated in the Province of British Columbia.
31. In October, 2005, FICOM investigator Colin Parcher conducted an investigation of First Cash Card in Kelowna, British Columbia. First Cash Card was conducting unauthorized deposit business by issuing and soliciting to issue debit cards. The cardholder agreement First Cash Card had with its customers stated
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that North York was the owner of the card. This investigation resulted in the Superintendent issuing a Cease and Desist Order against First Cash Card and North York for conducting unauthorized deposit business in British Columbia.

32. Section 1 of the Financial Institutions Act (the "Act") defines 'deposit business' as:

"Means the business of receiving on deposit or soliciting for deposit money that is payable,

- (a) on demand,
- (b) after notice,
- (c) on expiry of a specific term, or
- (d) at specified intervals for a specified term."

33. Section 81(1) of the Act states:

"A person must not carry on deposit business in British Columbia unless the person is,

- (a) an extra-provincial trust corporation that has a business authorization to carry on deposit business,
- (b) a credit union or extra-provincial credit union that has a business authorization to carry on deposit business,
- (c) a bank, or
- (d) a corporation that is a subsidiary of a bank and is a loan company to which the Trust and Loan Companies Act Canada applies."

AND WHEREAS the Superintendent finds that:

1. Neither Uniclear Payments Systems Inc., Unigo Global Payments Systems Inc., nor North York Community Credit Union Ltd., have been issued with a business authorization or are otherwise permitted to carry on deposit business in the Province of British Columbia pursuant to Section 81(1) of the Act.
2. Uniclear Payments Systems Inc. and Unigo Global Payment Systems Inc. themselves or as agents for North York Community Credit Union Ltd., and North York Community Credit Union are conducting unauthorized deposit business by

soliciting for and/or receiving money that is payable on demand or after notice which does not comply with the Act.

AND WHEREAS the Superintendent is of the opinion that by the above acts or conduct, pursuant to Section 244(2) of the act, Uniclear Payment Systems Inc., Unigo Global Payment Systems Inc., and North York Community Credit Union Ltd. are committing an act or pursuing a course of conduct that does not comply with the Act.

AND WHEREAS the Superintendent considers, pursuant to Section 238(1)(b) of the Act that the length of time that would be required to hold a hearing would be detrimental to the due administration of the Act.


AND WHEREAS the Financial Institutions Commission has delegated to the Superintendent the powers and duties under section 244 of the Act in the Instrument of Delegation executed June 2, 2005.

NOW THEREFORE the Superintendent orders pursuant to Sections 244(2) and 238 of the Act that Uniclear Payment Systems Inc., Unigo Global Payment Systems Inc., and North York Community Credit Union Ltd.:

1. Cease from either directly or indirectly carrying on unauthorized deposit business in British Columbia.

TAKE NOTICE THAT Uniclear Payment Systems Inc., Unigo Global Payment Systems Inc., and North York Community Credit Union Ltd., each, may request a hearing before the Superintendent under section 238(2)(a) of the Act or appeal to the Financial Services Tribunal under section 238(2)(b) of the Act.

Dated at the
City of Surrey,
Province of British Columbia
this 24th day of March, 2006.



W. Alan Clark
Superintendent of Financial Institutions
Province of British Columbia

TO: Uniclear Payment Systems Inc.

Registered and Records Office:
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V6Z 2M1
Fax: (604) 357-1490

Customer Support Mailing Address:
Unit C – 975 Price Road
Parksville, British Columbia
V9P 2C9

Corporate Mailing Address:
#2207-#2209 – 22nd Floor
Tower 2, Lippo Centre, 89
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Admiralty, Hong Kong
Fax: +852 301 57901

Unigo Global Payments Systems Inc.

Registered and Records Office:
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V8W 1G2

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North York Community Credit Union Ltd.

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M2M 3V3
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Financial Services Commission of Ontario

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