

# PACE Savings & Credit Union names Barbara Dirks as new CEO

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PACE Savings & Credit Union Ltd. has hired banker Barbara Dirks as its new chief executive officer, marking a milestone in its recovery from a scandal that prompted a regulator to seize control of the credit union.

Ms. Dirks was formerly an executive at Royal Bank of Canada and Bank of Montreal, and most recently served as head of Canada for Silicon Valley Bank, the California-based lender that caters to technology companies and startups. She left SVB last June, citing personal reasons.

PACE is based in Vaughan, Ont., and has more than 39,000 members. But it has been under a regulator's control since the fall of 2018, when the credit union's top executives were fired over alleged misconduct. The Finance Services Regulatory Authority of

Ontario (FSRA) alleges that PACE's former president, Larry Smith, and his son Phillip Smith, who was CEO, engaged in fraud by and self-dealing by collecting secret commissions on a number of the credit union's loans and investments.

Both Larry and Phillip Smith have denied any wrongdoing and none of the allegations has been proved in court.

Since 2019, PACE has been run by interim CEO Rubina Havlin, with close oversight from regulators. The credit union's operating income fell in 2019, as new leadership worked to put PACE on more stable footing. And its loan portfolio is diminished after new leadership offloaded loans they considered too risky. But in late January, PACE's members elected a new nine-member board, and the regulator started a transition plan to return control to members.

"I like a challenge, and this has got its fair share of challenges," Ms. Dirks said in an interview. "It seems like a pretty unique opportunity to strengthen the ship and build a great brand and a great offering for this group of members."