

**IN THE MATTER OF
THE SECURITIES ACT, 1988, S.S. 1988, c. S-42.2 (the "Act")**

AND

PACIFIC INTERNATIONAL SECURITIES INC.

AGREEMENT AND UNDERTAKING

The following agreement and undertaking (the **AAgreement@**) has been reached between Pacific International Securities Inc. ("**Pacific**") and the Director (the **ADirector@**) of the Saskatchewan Securities Commission (the **ACommission@**).

Facts

Pacific acknowledges and agrees as follows:

1. At all material times Pacific carried on business as a dealer and was registered as a dealer in the province of British Columbia;
2. During the years 1994 and 1995 Pacific opened accounts with seven Saskatchewan residents and since 1994 traded in securities with Saskatchewan residents through these accounts;
3. Pacific was not registered as a dealer or an adviser in Saskatchewan as required pursuant to section 27 of the Act to trade in securities or act as an adviser;
4. None of Pacific's salespersons, partners or officers, were registered as required pursuant to section 27 of the Act to trade in securities or act as an adviser;
5. Pacific in carrying out the trades referred to in paragraph 2 above was in breach of the Act;

Pacific's Undertakings

Pacific hereby agrees, undertakes and consents, effective the date of its execution of this Agreement, as follows:

1. To cease trading with Saskatchewan residents until such time as Pacific and its salespersons, partners and officers are registered as a dealer and salespersons, partners or officers respectively, in accordance with section 27 of the Act;

2. To establish internal compliance procedures to ensure that none of its salespersons, partners nor officers trade in securities with Saskatchewan residents until such time as Pacific and its salespersons, partners and officers are registered as a dealer and salespersons, partners or officers respectively, in accordance with section 27 of the Act and to advise the Commission by February 1, 1999 of the details of such procedures;
3. To pay to the Commission costs of the investigation in the amount of \$5000.
4. To hereby waive any right to a hearing and/or appeal with respect to this matter.

Director=s Agreement

The Director of the Commission (the ADirector@) hereby agrees that this Agreement and Undertaking is the only sanction the Director will seek to have the Commission impose upon Pacific pursuant to the Act with respect to the matters set out in this Agreement, provided however that nothing herein shall prohibit the Director from considering and dealing with any matter not set out in this Agreement or any new complaint brought to the Director=s attention in respect of Pacific.

IN WITNESS WHEREOF Pacific has hereunto affixed its corporate seal attested by the hands of its duly authorized officers this 25th day of January , 1999.

Pacific International Securities Inc.

"Lawrence H. McQuid

Per

SIGNED, SEALED AND DELIVERED)

in the presence of:)

"Barbara L. Shourounis"

)

Barbara L. Shourounis

)

Director

"Vic Pankratz")

This 29th day of January, 1999.