

Mr. David Murchison  
Executive Director  
Expert Panel on Securities Regulation  
Finance Canada  
Ottawa, Canada K1A 0G5

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via e-mail: david.murchison@fin.gc.ca

**Re: Consumer/Investor Representation on the  
Expert Panel on Securities Regulation  
("Expert Panel")**

Dear Mr. Murchison,

On April 24th, 2008, after receiving Mr. Hockin's response to my question on whether there would be a Canadian consumer/investor representative position on either the expert panel or the advisory board, you asked me if I would be able to provide you with contacts for the Expert Panel as they were preparing for a series of consultations across Canada. I agreed to assist your panel in this regard. However, as previously stated, although consultation with the public is necessary on a face-to-face basis, it is not a substitute for representation on the Expert Panel.

As an interim measure I have provided you with a list of individuals which I am certain will provide you with the necessary insight into those factors which currently affect consumer/investors in Canada and constructive proposals for the protection of that public interest.

Mr. Hockin wrote in his letter of April 18<sup>th</sup>, 2008,

"As a key stakeholder in Canada's capital markets, I invite you to participate...Your representation should be submitted electronically..."

The retail/consumer investor in Canada is the largest stakeholder and numbers approximately 33,390,141 less those whose interest is derived from paid remuneration from the securities industry.

As was publicly stated by Mr. David Wilson, Chair of the Ontario Securities Commission in an OSC News Release dated 29 November 2005;

*We believe that direct investor input is critical to the health of Ontario's capital markets and we are looking to the IAC [Investor Advisory Committee] to play a key role in our efforts to address issues of importance to retail investors...*

And further on 25 July 2006 in an OSC News Release;

*...creating an investor advisory committee to help identify and address issues affecting investors, and to ensure the views of consumers of financial services are represented...*

In fact, a great number of reasons were advanced by the OSC to establish such a committee and may be viewed at: [http://investorvoice.ca/IAC/IAC\\_index.htm](http://investorvoice.ca/IAC/IAC_index.htm). It should also be noted that the OSC disbanded this committee after a report was drafted resulting in no report being issued.

I would also like to draw your attention to an article which appeared today in Investment Executive Magazine entitled *Listening to retail investors* and how the industry regulators have created their own panel to inform the public of the committee's deliberations – please note there is no consultation with the public. The regulatory bodies have recognized the lacuna that exists when it comes to consulting with the public, and upon probing the response of that public, have internalized the process in order to avoid public participation.

<http://investorvoice.ca/PI/3489.htm>

Our on-going input is critical to ensure that the retail consumer/investors' interests are advanced and duly considered in any policy/law formation which directly affects Canadian consumer/investors. Not only is representation required on the panel but a government funded independent consumer panel should be established. The Financial Services Consumer Panel in the U.K. is a good example of what the Canadian government should facilitate and fund. An organization that would evaluate, monitor and rank the securities regulator in its regulatory and enforcement activities relative to consumer/investors needs and which can publicize its own opinion, whether in support of or against, any proposed legislative or policy changes.

I have appended a short list of names for consultation purposes for the "Expert" panel. I am hopeful that you will provide them all with the opportunity to be heard and will give their proposals and concerns the careful attention they deserve.

Thank you.



Robert Kyle  
Executive Director  
Investorvoice.ca  
Toronto, Ontario  
M4T 1K1