

written 18<sup>th</sup>**J. Edward DeToro**

**364 Fern Ave  
Richmond Hill, Ontario  
L4C 8P6  
Phone 905 770 4555  
Fax 905 770 8834**

**"E" mail jedetoro@rogers.com**

**Mr. Trevor Day Clerk  
Five Year Review Committee  
Room 1405 Whitney Block  
Queens Park, Toronto, Ontario.  
M7A 1A2**

**Dear Mr. Day**

I write you to voice my displeasure in the Government policy regarding the Investing Industry and the existing present regulatory bodies eg. Bank Ombudsman, the I.D.A. the O.S.C. and the O.B.S.I. They are nothing more than paper tigers pandering to the Banks, Brokerage houses and their Advisors. It is a fractured regulatory system antiquated, biased and out of touch. They have failed to protect investors and many of our Seniors have been deprived of their life savings due to our leaders failing to act responsibly. Seniors who work and save all their lives so that they can retire in relative comfort and not depend on the Government for support only to find their savings eroded by a commission driven advisor or Brokerage house who fails to inform them of the risk potential or risk disclosure by selling inappropriate and misleading investment products.

It's time for Canada to have a single securities regulator, a *National Investor Protection Authority* with no affiliation to Banks or brokerage houses or investment advisors. This means they are not funded in any way by these firms or have anyone connected to them on the regulatory board. Unless this is rigidly adhered to the system will not work. You cannot expect regulators to make a fair or honest decision to rule against the very people who pay their wages. Investor protection must be provided by an authority that is not industry sponsored. If and when a new regulating body be formed it should not be hiring any of the personnel from the present regulating systems, otherwise we are back to the existing problem with personnel who have I.O.U's to pay off. If the truth be known as to how many unfair decisions in favor of the Brokers and advisors were made against investors, especially seniors, there would be a coast to coast shock wave. How these people sleep at night is beyond belief.

Advisors must be more specific in risk disclosure and risk potential. A standard form should be adopted by all Brokerage houses and advisors that explains the risks and terms prior to the placing of funds and not after. This practice of supplying a Prospectus after investing must cease, as Brokers and advisors hide behind this when their recommended investments go not as stated, in other words go down the drain.

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This is a Billion dollar a year industry, fueled by the small investor who supports the wages and commissions of the very Brokers and advisors who dish out false and bad advice on investments and then assume no responsibility for their actions. What is needed immediately which the Brokers and advisors must be bound to, is not just Provincial enforcement, but **Federal legislation** with one body in charge not three as is in existence to day, but with the power to implement a decision to correct the Brokers or advisors bad advice and actions. Let me bring to your attention an article which appeared in the Toronto Star Business section March 11<sup>th</sup> 2004 section D3 by Michael Lauber who openly admits only 17% of claims are made in favor of the investor. Are we expected to believe that 83% of claims are wrong and unwarranted. This is an insult to ones intelligence.

Yours truly

J.E.DeToro