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LENGTH: APPROXIMATELY 63 MINUTES  
DATE: OCTOBER 24, 2007

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MODERATOR: So, welcome back to the plenary session. I hope you found the breakouts interesting and informative. Now, the plenary session will give you the opportunity to ask questions of the regulators and the ombudsman.

It gives these four organizations a better sense of investor concerns, so now is your chance to speak up. There are people here whose jobs it is to, to help make that happen; you met some of them in the breakout sessions. Staff members of the organizations are stationed around the room. They have mikes in hand. If you want to ask a question, please raise your hand and they will come your way. Those of you who are listening in through the audio cast can submit questions by e-mail and I will be given those questions and I'll pose them to the, to the representatives of the organizations.

We want to get in as many questions as possible from as many, many of you, so please make them as brief as you can and please limit yourself to one comment or one question, that way more people can be heard.

If you have questions that we don't have time for during this panel session you still have another opportunity. After we're done here experts

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from the four sponsoring organizations will be around the information booths that are just outside to try and help you out.

So, let me reintroduce the Heads of the four sponsoring organizations; they are Susan Wolburgh Jenah, of the IDA, whom you already met earlier; Larry Waite, President and CEO of the Mutual Fund Dealers Association; the Ombudsman for Banking Services and Investment, David Agnew; and David Wilson, the Chairman of the Ontario Securities Commission.

Before I start taking your questions let me just restate the ground rules. This is a place to discuss the issues you are concerned about as investors, but it's not a place to raise personal complaints against a specific individual or a specific company. As I mentioned, for legal reasons the panellists cannot comment on individuals or firms or on, ongoing investigations.

Other questions about issues facing investors are welcome, and that's what we're all here for. So, if you have a comment or question, please raise your hand now, staff members will come your way with a microphone, and please state your name before answering a question. It's a little bit hard up here to see, with the way the lights are deployed, to see

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all of you, so please, if I, if I don't acknowledge you, please create a ruckus or something, but don't throw anything.

We have a question out here. Yes, ma'am?

QUESTION: Good evening. My name is Diane Urquhart and I'm a spokesman for the National Pensioners and Senior Citizens Federation and the United Senior Citizens of Ontario. We represent one million seniors across Canada and the United Seniors represents 300,000 seniors in 450 clubs and chapters in the Province of Ontario.

I have a question for David Wilson and for Susan Jenah Wolburgh.

MODERATOR: Um-hmm.

QUESTION: In 2002, Paul Hayward, a Senior Legal Counsel of Corporate Finance at the Ontario Securities Commission wrote in the Canadian Tax Journal that Canadian Income Trusts were being marketed to seniors on the basis of a deceptive cash yield. He went so far as to say that the Income Tax Act was complicit to the deception.

The Ontario Securities Commission continued to give receipts for the prospectuses of hundreds of Income Trusts after 2002 despite the knowledge of senior staff that these investments were marketed on inaccurate and deceptive cash yields. Now, one-third of Income Trusts have suspended or have slashed their distributions. We have 66 Income

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Trusts, down more than 20 per cent, with losses throughout the country of \$11.5 billion. I'm coming to the question, just one last point. The National Pensioners and Senior Citizens Federation and the United Senior Citizens of Ontario have asked the Royal Canadian Mounted Police and the Ontario Provincial Police to conduct a criminal investigation on the deceptive yields in the marketing materials for Income Trusts.

Now, the question. Who at the OSC does not permit Paul Hayward or other senior experts to protect seniors by refusing to approve prospectuses for products that are sold to seniors on deceptive cash yields? And then the question for Susan Jenah Wolburgh, the IDA, will it ever intervene in an investment product that is defective and sold to pension funds and seniors?

MODERATOR: Thank you for your question Ms. Urquhart. David.

MR. DAVID WILSON: I think that the first one is addressed to me and, and I'm sorry, your question was, who at the OSC, would you mind repeating the, the question

QUESTION: Yes.

MR. DAVID WILSON: ... at the end, please?

QUESTION: Who, who at the OSC...

MODERATOR: Hang on; we'll get you a microphone.

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QUESTION: Who in senior management at the Ontario Securities Commission would have stopped Paul Hayward and his colleagues from providing receipts for prospectuses of Income Trusts that were sold to seniors on deceptive cash yields?

MR. DAVID WILSON: I don't have any specifics of Paul Hayward and the article you've referred to, I really don't know anything about them. The approval of prospectus receipts is, is approved in the Corporate Finance Branch; that, that Branch reports to, excuse me, to me and to the Executive Director of the OSC.

So, ultimately, the people who approve the activities in the Corporate Finance Branch are myself and the Executive Director and we issue prospectus receipts all the time for prospectuses that have been reviewed and cleared properly, so it's, ultimately, the accountability for what happens in the OSC works its way up to the, to my office and I don't know if that's the kind of question, the, the answer to your question, Diane, but that's the, the, the most generic answer I can give you that covers it I believe.

MS. SUSAN WOLBURGH JENAH: Would you mind repeating your question to me?

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QUESTION: Yeah. My question is the Investment Dealers Association has an, an order from the Ontario Securities Commission to conduct activities in the public interest to protect investors. We now have a frozen third party asset; that commercial paper market. We have a tumbling Income Trust market based on deceptive yields that were not sustainable.

Would the Investment Dealers Association ever intervene when investment banks knowingly or negligently sell defective income products to the seniors and pension fund market of Canada?

MS. SUSAN WOLBURGH JENAH: Well, thank you for the question, Diane. I, as you know, I'm new to the IDA. I joined, I don't know if everybody in the crowd knows, but I came to the IDA after 23 years of experience as a regulator at the Ontario Securities Commission and, I certainly can't speak to the history in terms of what you may be referring to, but our mandate, as you referred to under the recognition order is to, is to oversee the sales compliance, financial compliance and business conduct of those who are subject to our jurisdiction.

So, we have over 200 member firms, and I think it's about 30,000 approved persons who work for them, and our staff on a day-to-day basis conduct oversight compliance activities, they go out and do reviews of the

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member firms, and quite apart from and not limited to seniors, but I, I would say to you that to the extent that there are fraudulent, misleading practices taking place with respect to marketing materials, in terms of what's being provided, that is definitely something that we would, obviously, take an active interest in and we look for that sort of thing.

I have had, you know, been learning the ropes over the last few months and certainly, when staff go out to do these reviews they are, obviously, not looking at every single member firm every year. We do them on a periodic basis. But it's those kinds of high-risk activities that we're trying to focus on. We're trying to, you know, apply our resources in the most value-added way that we can. So, absolutely, you'd be looking for issues like that, and not only, I might add, to protect seniors and pension funds, but to protect everybody that our approved people are dealing with and that our member firms are dealing with.

MODERATOR: Okay, we have a question over here. Yes, sir.

QUESTION: No matter how good our regulation and laws are fraudulent fraudsters, who are good at what they're doing will defraud people and senior citizens of their life savings. Now, I would like to say that it is almost impossible to stop these people, but I would like to rec..., make a recommendation. We have fire insurance to protect our homes.

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We have auto insurance to protect us from accidents. Why is no, there no fraud insurance that we can buy that would protect us from these types of people? Thank you.

MODERATOR: Who wants to take a run at that question up here? It came up in one of the breakout sessions and acknowledged that this is a great idea, how would it work?

MS. SUSAN WOLBURGH JENAH: Well, I mean, I'll start. I, I don't...

MR. DAVID WILSON: Thank you.

MS. SUSAN WOLBURGH JENAH: I don't have a good answer to this, but I can tell you I've asked the question myself and, over the years and we, we do have, just to back up a step, we do have plans in place that actually provide protection for investors if a, if a member firm goes bankrupt.

So, we have CIPF in the case of the IDA, the Canadian Investor Protection Fund, and the MFDA has its own protection fund and I think the OSC or the CSA basically have protection funds for any reg distress that fall within their jurisdiction I believe, but I'll defer to David on that answer.

But, the question you're asking is a really good one; it's why not have protection or at least fraud protection in the event of, where people

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are victims of fraud, not just situations where people, where firms have gone bankrupt? And, you know, the answer that I've had, and we've debated this sort of at a policy level amongst people that kind of are interested in debating these sorts of issues, is that it, it would be very expensive protection to expect the industry to provide.

And frankly, there is a strong feeling within the industry that those who act responsibly and who try to do the right thing in terms of dealing with their investor clients should not be subsidizing those who would perpetrate a fraud on clients.

So, it's an issue of, of, you know, sort of how you spread the, the cost of that and do it in an effective way. I must say, it, it certainly has some appeal if, if it could be done in a way that makes sense and balances all the interests, you know, it's something that I think people should be thinking about and at least discussing. I don't know what other people think.

MR. DAVID WILSON: Yeah. I don't have a good, a better answer than Susan's on the question of a, a fraud insurance facility. But the questioner did, at the beginning of his question, I believe, comment how fraud would always happen and it would be impossible to protect people from fraud. I'd like to just respond to that a little bit.

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One of the ways to protect people from fraud is to educate investors about what to watch out for before they get involved and get trapped in a fraudulent activity. One of the breakout sessions had some very good comments and advice as to what to look for, the red flags for fraud. So, investors need to be educated and cautioned as to how to avoid fraud. That's one step in, in eliminating the opportunity for fraud for some investors.

Another step is, is to try and capture some of these fraud artists. Now, in a free society you'll never eliminate it entirely, but what our Enforcement Branch does with our new scam unit is to look to try and stop the frauds before they get rolling. So, it's not impossible for regulators to reduce the frauds and it's not impossible for investors through education to avoid them, but it, it, they are, they are out there and we're doing everything we can to curtail their activity.

MODERATOR: Do we have other questions? I see a hand here. Yes sir.

QUESTION: I'd like to pose this question to Mr. Wilson to start with and then MFDA and the IDA in that order if I may. When findings are made in a civil proceeding stating that an SRO member and an employee of that SRO member are complicit in and responsible for fraud what action

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is incumbent upon the SRO or the OSC to take against both the member and the employee of that member? In fact, I'm not going to mention the names in this particular case, because we've been asked not to, but this case involves a bank-owned dealer and the President of that bank-owned dealer.

MR. LARRY WAITE: Well, I, I, I could, I, I, I can start with that. I mean, we have, one of our rules are that, that our members must report cases of fraud and, and, that you just mentioned and, and, and those cases, and, and they're reported electronically, the same as they are with, with the IDA, and in those cases they would go direct, they go to our Enforcement Branch where they're investigated like any other complaint, and, and, and if the evidence is there then they would, would take an enforcement proceeding, go to a hearing, and, and impose whatever sanctions are appropriate in the circumstances.

We are aware of that. We, when we go in and do compliance reviews we check to make sure the member is reporting those kinds of events and we would take them seriously and look at them and I, and I believe the IDA system's the same as ours. In fact, we copied the IDA system with respect to the electronic reporting, so it, it...

QUESTION: But this is from a civil proceeding, not from (inaudible).

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MR. LARRY WAITE: They have to be reported as well.

MODERATOR: Mr. Wilson, do you want to take a run at that? You were...

MR. LARRY WAITE: Well I, as I, sorry, as I said, the action we would take is, is we would treat it like any other investigation. We would investigate the matter, they would, they would gather evidence, look at whatever happened in the civil proceeding and, and then make a, a decision of what the appropriate action to take, whether it's a full-blown hearing with sanctions at the end of that, whether it's a settlement agreement, whatever, whatever the, the facts would dictate.

MODERATOR: David, did you want to take a run at it?

MR. DAVID WILSON: Well, I think it's really an SRO-focused questions, and, and Larry's handled it.

MODERATOR: A question here, yes sir.

QUESTION: Thanks for having this forum. I've drove down from Russell, Ontario just outside of Ottawa just to be here. I figured I'd come face-to-face rather than do the online version. The breakout session that I attended was actually excellent. Following up on the gentleman's request about insurance; I understand each dealership and agent must carry E&O for Errors and Omissions insurance, how does that affect us as investors?

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MS. SUSAN WOLBURGH JENAH: Doesn't it usually exclude fraud?

MR. DAVID WILSON: These are your members. (Inaudible).

MR. LARRY WAITE: It's not man..., most, you're right, most of the members in MFDA would carry that; it's not mandatory with respect to our rules. It doesn't go as far as the gentleman had suggested about covering fraud with respect to the owners of the firms. It, it, it's much, my understanding, and my understanding isn't that great, it's much narrower than overall type of, of fraud insurance.

MR. DAVID AGNEW: If I could jump in, it's not, it's not so much my area, but I think it's important to, to divide it, particularly given the people you have here on the stage into, into two big bundles, and there's lots of kinds of fraud, but there's obviously the kind that involves a, potentially a member of, of one of the SROs and then, and I just only was there for a while in the breakout on, on investment products.

But they're the kind that have nothing to do with any of us up on the stage and those, of course, are the really toxic ones because they're people who are, are pretending to be in the investment business, who are selling people stuff that are, is completely outrageous and, and illegal and that's not something that, that we would even get a look at, or, or these folks would be getting a look at through an, through an investigation and

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through an enforcement proceeding, and that's the most frustrating part and I can understand the frustration of the gentleman because that's, that's right outside the industry as it were, but using the name of, of investments to, to, to, to suck people in.

MR. DAVID WILSON: Although David, in the Enforcement Branch at the OSC one of the important aspects of what the Enforcement Branch does is look for distribution of securities by non-registrants, which is what you're talking about. We rely on client complaints, with the people that sense that there's something being offered that is not fully registered, and we follow them up. So, there are, the un..., unlicensed, unregistered activity, people who aren't registered with Susan's organization or Larry often do attempt to perpetrate terrible frauds and we do look for unregistered activity and apprehend the people when we, when we get a lead.

MR. LARRY WAITE: And, and probably the most, one of the most important things that was said in that session was even the people who just call and then hang up the phone, you should report it...

MR. DAVID WILSON: Right.

MR. LARRY WAITE: ... because that's the way of, of, of...

MR. DAVID WILSON: Right.

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MR. LARRY WAITE: ... at least starting to track them down.

MS. SUSAN WOLBURGH JENAH: I think one of the, one of the things that was said in the breakout session that I attended that was very, very interesting and informative, I don't know if it's the same one you were at, but I was listening at the "Working with an Advisor" session and Jim Rogers was talking about, you know, sharing some of his experiences as a financial advisor with the group that was there.

And, you know, one of the points that he made at the very beginning was, and it's along the lines of what David Agnew was just saying, that people can call themselves a financial planner or whatever and, you know, that might resonate with the investor, I mean, they may think that that means that they are subject to a certain type of regulation or oversight, whereas that may not be the case at all. And so, there is a lot of titles out there and it's very confusing for investors and, I have to say, it's confusing to me too.

But, you know, we, we regulate 214 some member firms and the firms that we regulate are listed on our website and all of the approved persons who work for those member firms are subject to our rules, our requirements, our standards, our compliance reviews, our investor protection funds, the, you know, all of the, the panoply of things we try to

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do to help protect investors. I mean, I always say that, you know, enforcement in, in a way is what happens when everything else fails. Despite the best of intentions things can go awry.

One thing I found very interesting, I don't know if people in the, in, in the group here read or saw that the CSA had sponsored a survey that they did of, of investors. I forget the number exactly, but out of the number of Canadians that they surveyed coast-to-coast, and they were trying to find out a little bit about sort of who was more, you know, who was more likely to be victims of fraud and were there certain attitudes that were associated with those who were victims of fraud; they found that 1 out of 20 that they approached said that they had been the victim of a fraud at some point, an investment fraud at some point, or financial fraud at some point in their, in their life. But over half of the ones who said that that had been the case, and this was the part that I found very interesting, said that they had been approached about the fraud by a family member, a close friend or a business colleague.

Now, I'm not for a minute saying you shouldn't trust your family, but, but I, I found that that was a very interesting statistic. They went on to say that those who had, who were victims of fraud also had certain attitudes that they concluded, at least the CSA survey concluded tended to make

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them more likely to be victims of fraud if I can put it that way. I think that was the way the survey described the result. And, it was this, this sense of, I have to cut a corner in order to do, you know, well financially, or I need to sort of make a bet or a take a gamble. And, the other thing was, was a deep distrust of investment professionals, which I, I found quite interesting.

Anyway, we, we had nothing to do with the survey per se, but, but I, you know, I thought it was interesting reading and I, and I think in a way a lot of these things that we read help us all collectively to become more aware of what, you know, what, where the red flags are, what we should be concerned about, and, and certainly I hope that for those of you who, who happened to attend any of the workout sessions you came away with a better sense of that. I, I know I did.

MR. DAVID WILSON: I'd just like to...

MODERATOR: The thing that caught...

MR. DAVID WILSON: ... just...

MODERATOR: ... my eye on that was that...

MR. DAVID WILSON: Sorry.

MODERATOR: ... 81 per cent of those defrauded are male.

MS. SUSAN WOLBURGH JENAH: I wasn't going to mention that.

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MODERATOR: I, I can't see which of the two questions were up here first, so I'm arbitrarily going to go over here.

QUESTION: Okay. Are any of the investors' complaints documented anywhere?

MS. SUSAN WOLBURGH JENAH: Yes.

MR. LARRY WAITE: Yeah, (inaudible).

MS. SUSAN WOLBURGH JENAH: Are any of the investors; I think the question was, are the investors' complaints documented anywhere, was that...

QUESTION: (Inaudible).

MS. SUSAN WOLBURGH JENAH: Well, I'll start off and speak for what happens at the IDA and then turn it over to...

MR. DAVID WILSON: Sure.

MS. SUSAN WOLBURGH JENAH: ... to others to, to jump in. We have, at the IDA, a system, which is called the ComSet system, and it's just a, a fancy name for an electronic database. We require all of our member firms to participate in a ComSet system and it was adopted in 2002 and the ComSet system requires our member firms to file with us a record of every complaint that they receive from a client of the firm, and this has to be done on a daily basis, so that if there's any new complaint it

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comes in. It's also, it covers civil actions, it covers internal investigations that the, that the firm is doing.

And, the ComSet system becomes a really important source of intelligence for IDA staff, because they go in, and I'm talking about staff across the organization, it can be financial compliance staff, sales compliance staff or enforcement staff, but they're reviewing it on a daily basis. So, we do have that record of those complaints.

Now, we know that they're being handled within the member firm to a point, but we are aware of them, we track them, we monitor them, and, I mean, I can tell you that 97 per cent of the approved persons that are subject to, or that, that work for member firms don't have a single, there are no, there, there's not one complaint against them. 2 point, I think it's .38 per, .38 per cent have one complaint and less than, I think it's 0.38 percent have more than one complaint.

So, it's an interesting database. It gives us information. Now, certainly, if you are somebody who's dealing with that tiny percentage it matters to you, but this is something that feeds into the complaint handling standards policy that we're trying to develop to ensure that there's consistency of complaint handling, communications with clients at the firm level, and that investors are able to escalate their complaint to OBSI as

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soon in the process as possible so they don't get frustrated by having to deal for a long time within the firm.

And, we're proposing standards that say, for comment, that say that we would like our member firms to resolve the complaint one way or the other, give the investor an answer within three months, and at that point people can escalate to, to the OBS, the Ombudsman. If they're not happy with the answer they've received then go straight to David's office and he can adjudicate the matter. So, I'll turn it over to Dave or Larry.

MR. LARRY WAITE: And, and the MFDA has exactly the same system, in fact, as I said earlier, we tailored it after the IDA.

MS. SUSAN WOLBURGH JENAH: We gave it to you.

MR. LARRY WAITE: I, I think we paid a little bit, I'm not sure, but it's called METS, Member Electronic Tracking System. It does exactly what Susan said. We use it to, to do risk profiles, etc. It, it's only, it only became, we tested it and started it in July; it became mandatory, I believe, in September. So, we're new to that.

But I, I think what the, the person in the audience may have been asking, and I don't want to put words in your mouth is, do investors have access to that information? And, the answer is, is no, they don't. The SROs, the OSC, regulators in Canada don't make public complaints, and

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it's an, it's really an issue of fairness. 40 per cent of the complaints we get go nowhere. They're not substantiated. There's, there's no evidence.

We, we, if you take 100 complaints that come into our case assessment, which is our first stage in the complaint process, 80 per cent of those are resolved at that stage, 20 per cent go to investigations. So, if you get 100, you've got 20 that have gone to investigations. And, of that 100, or the 20 that go to investigations only 20 per cent go into litigation hearing. They resolve some of, in, in other ways, less formal remedies other than a, than a formal hearing or proceeding. But as far as making complaints public, we don't do that. Well, I don't, well, I personally don't believe it's the right thing to do and it's an issue of fairness.

MODERATOR: David.

MR. DAVID WILSON: I'll just round out the answer on the complaint handling. Unlike the IDA and the MFDA, the OSC doesn't have a ComSet system. Our complaints are a little different in nature. Often complaints come on many different subjects to our contact centre, and in many cases we redirect those complaints to either the IDA or the MFDA, because those are the organizations that have direct oversight of individual firms and the individual investment advisors that deal with retail clients.

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We, of course, keep very close track of them, of all the complaints we receive and we follow up as to where they have ended up, whether it's in our Enforcement Branch, passed on to the MFDA or the IDA, so there's a rigorous tracking of complaints, but we don't have a ComSet system. And, like the IDA and the MFDA, we do not post for public scrutiny complaints received; that's out of respect for the, for the complainant until there's evidence that the complaint has merit we don't post it for public consumption.

MR. DAVID AGNEW: Just a, a slightly different angle on the question, 'cause it's a really good one, and it's partly coming from someone who's not a regulator, so, you know, we don't have the authority or the powers to, to licence or to suspend or fine, what we're focusing on is, is compensation, restitution and looking at people's complaints from that point of view.

But what we do do on our website and in our annual reports is do case studies. And so, at least, and it's sort of back to the earlier topic of education, it's, it's meant to illustrate some of the kinds of issues that we do see and, and how we, how, in fact, we, we view them, but I think they're also useful for people to see what, what kind of some of the pitfalls are and some of the issues are out there.

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MODERATOR: Okay. Sir, I see you, but I think the person just in back of you was, was up beforehand. Yes ma'am?

QUESTION: Just one more question regarding insurance. Why is not mandatory for individual advisors to carry Errors and Omissions insurance, for example, like real estate agents, doctors, accountants, why is not mandatory?

MR. DAVID WILSON: Well, I can start by answering that.

MODERATOR: (Inaudible).

MR. LARRY WAITE: We looked at that issue very, very hardly when we set up the MFDA, we, we looked at it in detail. What we found was it, it, first of all, it was very hard to get, it was very expensive at that time. Things have changed, I think, for the better now. But the, the decision at that time was not to let insurance companies be the gatekeeper for registrants coming into the, to the industry.

We are re-looking at that issue and may or may not make it mandatory, but as of now the MFDA does not have a rule that makes Errors and Omission insurance mandatory.

QUESTION: Would that not, sorry, making it mandatory, would that not weed out these so-called shysters in the industry?

MR. LARRY WAITE: Well, I, I'm told no.

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QUESTION: 'Cause they're individually, they're responsible. They're going to be responsible. They have to pay the insurance just like anybody else (inaudible)...

MR. LARRY WAITE: But it...

QUESTION: ... professional misconduct?

MR. LARRY WAITE: In, in a, in a large number of circumstances the insurer wouldn't payout; that's what I'm told, as I said earlier, I'm not an expert in Errors and Omission insurance, but we are, we are looking at the issue again.

QUESTION: Thank you.

MS. SUSAN WOLBURGH JENAH: Can, can I ask you, the, the person who asked the question, I, I have to be honest, I'm not sure exactly what the IDA's requirements are with respect to insurance, but now that you've asked the question, I'd like to know the answer too.

I will tell you we have a lot of staff here who are expert in the particular requirements and I would invite you to please speak to one of them at the end of the session if you'd like and, to find out the answer to your question, the precise answer to it.

QUESTION: I just, I work...

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MS. SUSAN WOLBURGH JENAH: I'd rather do that than guess, so.

QUESTION: I have worked in the insurance industry for many years, liability and specifically Errors and Omissions insurance, so that's why I'm very curious to that, because there are, you know, requirements for that, and just pay it and if you're a bad advisor then your insurance company pays, and if you're a bad advisor you'd pay more insurance than somebody who's a good advisor, that's all.

MS. SUSAN WOLBURGH JENAH: Yeah.

QUESTION: Thank you.

MR. LARRY WAITE: Thank you.

MS. SUSAN WOLBURGH JENAH: Thank you.

MODERATOR: Sir.

QUESTION: I'd like to follow on that comment for the, and on the tail of the two gentlemen who did talk about insurance, and to be sure we're talking about two different regulatory silos here if you will, one is the investments and the other one is the insurance side. But many advisors out there are duly licensed.

In the Province of Ontario if you have an insurance licence you are obligated by law to carry Errors and Omissions insurance, which does have a fraud rider attached to it. That's an edict by the, by the Financial

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Services Commission of Ontario. The product is out there, it's reasonably priced, and I honestly don't understand why this young lady's point of view isn't more seriously looked at, because there's a triage availability, the companies do payout, and it, perhaps, back when the MFDA looked at it, it was a very hard market, no question, but now its time has come and I think that will go a long way to protect Ontario consumers, and that wasn't a question. I apologize.

MR. LARRY WAITE: Thank you, I agree with you.

MODERATOR: Well, it is open to comments too. Yes sir.

QUESTION: Hi. My question is for you, Susan. What percentage of the fines do you collect when someone leaves the industry and what legislative or judicial authority do you have to collect them and are you aware and can you name the judges that said that you didn't have that authority?

MODERATOR: Who are you directing that to, sir?

MS. SUSAN WOLBURGH JENAH: It was me. The, the first part of the question was what percentage of the fines that we, that are imposed by a disciplinary panel of the IDA are actually collected?

QUESTION: After someone leaves your industry. After...

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MS. SUSAN WOLBURGH JENAH: After someone leaves the industry. That's a very good distinction. There, there is, as you would appreciate, there's a, there is a fairly high level of collection if someone wants to stay in the industry, because obviously, we won't let them stay as a registrant or we would suspend their registration or deal appropriately with them if they didn't comply with an outstanding disciplinary or sanctioned order that required them to pay a fine. The difficulty that arises is where somebody has left the industry, they no longer care, or they've been, you know, permanently banned, whatever. It is more difficult to collect those fines and the percentage of, of outstanding fines that have been collected in those circumstances is very low. I don't know the exact percentage, but I do know that it's low, because I've asked the question. I think that is true of regulators...

MR. DAVID WILSON: Yes.

MS. SUSAN WOLBURGH JENAH: ... pretty much across the board. I don't know, David, what your experience is at, at the OSC, or yours Larry, but it is a problem, and it's, it's one of the reasons I think we've been looking at other sort of remedies. Now, I should pause for a second and say this, when staff take a proceeding they make recommendations for sanctions.

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We have panels that are Chaired by independent, usually retired judges, or lawyers, but generally retired judges. They are not part of the industry, and so, you know, our staff go before them, but they are separate from the IDA. Staff will make a submission. Those submissions may or not be accepted by the, by the particular panellist who's, who's, who's adjudicating. But I did want to make it clear there is that separation. There was a second part of your question.

QUESTION: Well, what, what judges have ruled that you actually don't have the judicial authority to collect those fines after they leave the industries? There are two judges that have made that ruling.

MS. SUSAN WOLBURGH JENAH: You, and you asked just, there was a second part of your question, which is what judicial or legislative authority...

QUESTION: Yeah.

MS. SUSAN WOLBURGH JENAH: ... do we have? And, the IDA...

QUESTION: When they leave the industry.

MR. DAVID WILSON: No.

QUESTION: When they leave.

MS. SUSAN WOLBURGH JENAH: Yes. The IDA's authority currently comes from their recognition order basically, and if you looked in

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the statute of the Ontario Securities Act pretty much or any of the other Securities Commissions, with the exception of Alberta I would say...

MR. DAVID WILSON: Yes.

MS. SUSAN WOLBURGH JENAH: ... where we have some additional powers that have been statutorily embedded, there is, there isn't that statutory protection. It tends to be; it's a contractual relationship. Our members are required, in order to be full service investment dealers they must be, they must be a member of a recognized SRO. That is a statutory obligation that the Commissions have laid down. So, if they want to be in business in Canada they must be a member of the IDA in effect. Beyond that, there is not the kind of protection that you've asked about.

The IDA, in fact, has made public submissions on this issue to the five-year review committee that was, that was assembled in order to look at making changes to Securities legislation. They've asked for those protections. We continue to believe that it would be a step in the right direction to give the IDA that kind of statutory authority, and we will continue to push for those remedies.

I'm sorry, but I do not know the names of the two judges, although I do know the case you're talking about, and it's, one of them is the McBain case in Saskatchewan, but I forget the name of the other one.

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QUESTION: (Inaudible) talking about Mr. Cory. It wasn't Mr., former Ontario Supreme Court Just..., no, not Ontario, the Federal Supreme Court Justice Cory, now Chancellor of York University has indicated in a recent report prepared for the Investment Dealers Association that the IDA does not have the statutory authority to subpoena witnesses, to collect fines, nor do the wrongfully accused have any rights within the Human Rights Charter and Former Justice Cory has indicated that that matter needs to be addressed in the restructuring of Securities enforcement in Canada.

MS. SUSAN WOLBURGH JENAH: The, the paper that, that Diane's referring to is actually a paper that was sponsored by the IDA. There was, in, obviously it was independently written, but the IDA put together a, a committee essentially, and this committee sponsored a lot of research on a number of topics, including enforcement.

One of the papers was co-authored by Former Justice Cory and Marilyn Pilkington and, you're absolutely right, they did make the recommendation that there, that something should be done to address the fact that the M, that the SROs, the MFDA and the IDA should have those powers embedded in legislation, because it would make it easier for us to do our job as recognized SROs.

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MR. LARRY WAITE: And, Susan, Susan's, our history with, with enforcement proceeding is much shorter than the IDA's. Our first enforcement proceeding took place in December of '04 and it was a settlement agreement with respect to the market timing and the dealer paid the fine. So, for a very short period of time we could say we have a 100 per cent collection rate. Well, it's gone, obviously, down from there, and I would guess that our, our collection rate, most of the people that we take a proceeding against are currently out of the industry, and as Susan again said, we don't have the power to collect, but we've made submissions to the Senate Banking Committee as well and, and to other regulators to get those powers, but we're in the same boat...

MS. SUSAN WOLBURGH JENAH: I agree with you.

MR. LARRY WAITE: ... Susan described.

MODERATOR: Do we have other questions? I don't see anybody with microphones. Right, right back here.

QUESTION: Oh, hello. Oh, hi.

MODERATOR: Right here. Yes, sir.

QUESTION: This is, my question is for David Wilson. How does the OSC expect investors to be compensated for losses and, and damages

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they suffered by a fraudulent fund that's sanctioned by the OSC? To me, it just seems like more work for the many lawyers and staff?

MR. DAVID WILSON: I'll start that, answer the question and, and pass it over to, to David Agnew, which is one of the, the principal sources of investors getting restitution.

The OSC per se doesn't sanction investments. Ours is really a disclosure-based regime where we make sure that investors have full information on the investments that are available to them, but we don't sanction certain investments and say you should buy this; I just want to make that, that clear in your, in your question that the people didn't misunderstand the question.

In terms of getting restitution for, for fraud, there are a number of avenues and the brochure that was mentioned earlier that's available in all of your kits is our attempt to layout in pretty simple terms the various avenues for people that have a, have a complaint about an investment they've made.

One of the avenues is to go to the firm, that's the first, the firm that, through, through whom which they bought the investment and that's the first avenue that is recommended in the brochure and by us. If they don't get satisfaction within a certain time period from the firm they then have

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the option of going to the IDA, the MFDA or to the Ombudsman, David Agnew's organization to seek, seek right or duress, or redress for their wrong. So, with that one I pass it over to these people where the people who have a problem go.

QUESTION: Okay, if I can just...

MR. DAVID AGNEW: I don't have a lot to add to, to what David said. Obviously, the, the, the firms that are, are involved in OBSI are the ones that are members of, of the IDA, the MFDA and IFIC, so if it's, if it's a, if it's an investment that's outside those parameters, unfortunately that's not, you know, we can't be that much help, but, and, and clearly the, the object is to try to solve it with the firm first. As Susan has said, there are new and, frankly, tougher rules coming in to talk about how the complaints are handled within the firm, and at a certain point then it can come to us. The, sorry.

QUESTION: But to clarify, I'm talking about cases like Portis and Norshield, where this has nothing to do with the firm, that this is a fund that has presumably passed through many hoops and loops at the OSC, talk about fraud, but we're talking about something that would obviously have some kind of, you know, checks and balances in place with the OSC and yet the fraud occurred anyhow.

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MR. DAVID WILSON:

QUESTION: And, there's no recovery.

MR. DAVID WILSON: I, I know that Mike Hornburg said we, we're not going to talk about specific cases tonight, but...

QUESTION: No, I know.

MR. DAVID WILSON: ... I'll, I'll briefly comment about Portis because what I'm about to say is in the public domain, it's well known, that, that case is still in process, parts of it are. But so far Portis has, the Portis Receiver has announced that, that monies will be going back to the Portis investors with more monies to come on the resolution of the, of the receivership. So, that whole process of putting in a Receiver and freezing assets was put in place by the OSC very early on after we had identified a problem with Portis and the management of the funds that were entrusted to it by investors.

MR. LARRY WAITE: And, and just to add to what David said, the OSC also led an investigation in conjunction with the MFDA and others that resulted in all of the commissions that were paid in, in the Portis going back to the Receiver and, and to the, and will be part of the, of the monies that go back to the individual investors.

MODERATOR: Right here, yes sir.

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QUESTION: Hi. Hi. My name is Zahed Jaffrey. Thanks guys and madam for being here tonight. My questions deal, well, a group of fee-based providers, including Warren McKenzie at secondopinions.ca, they've begun an online petition that would require investment and mutual fund dealers to post their clients' returns.

This would be incredibly helpful to the layman client who regard their statements as cumbersome to say the least. This will be, this will give a great deal more transparency to clients and it doesn't appear that complicated to do. What will it take to make this a course of requirement for members firms, as opposed to an effective recommendation, which it is right now, under the fair dealing model? Thank you.

MR. DAVID WILSON: I'll start and then pass it to, to Susan and Larry. There's a reference to what's called the fair dealing model in the questioner's question if I heard it correctly and that's an initiative that started at the OSC back around the year 2000. One of the elements that's in the work that's been, was done in the early days of the fair dealing model was the advocacy of the disclosure to investors of their return on their investments on a periodic basis. There's been a lot of work done on that project. Regrettably, it, it hasn't been concluded yet, but, but the IDA, MFDA and the OSC met not that long ago to talk about getting to the finish

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line on certain elements of the fair dealing model and, Susan and Larry, maybe you can...

MR. LARRY WAITE: Sure, I'll...

MR. DAVID WILSON: ... elaborate.

MR. LARRY WAITE: I'll, I'll start, Susan, if that's okay.

MS. SUSAN WOLBURGH JENAH: Sure.

MR. LARRY WAITE: The issue that held up this, this project, there's, there's a lot of very good, good stuff in what is now called the client relationship model, and, and, and a lot of that was being held up because of, of the, the issue with respect to return on investment.

People were telling us when we verified it that this was a huge expense, it was going to be very costly, it was going to delay, you'd, you'd, you'd need long transition periods. So, what we, we decided and, and, and hopefully we've convinced David is, is ROI, I agree with you totally, is important, let's get the 80 per cent of the, of what we can get done, let's get it done now and quickly, and then try and get the ROI down the road.

But what, what we will be mandating as part of that is, is the total amount of monies you, you put in at the beginning of the year, additions, withdrawals and, and the, the balance at the end of a period. But I, I totally agree with you, ROI is an important number.

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QUESTION: Yeah, it's showmethereturn.com if you want to sign the petition. Thanks.

MR. DAVID WILSON: Not tonight, maybe later.

MS. SUSAN WOLBURGH JENAH: I just, I just wanted to add one thing to, to what, what's been said already, which is that, you know, you're absolutely right, it, it sounds like such a commonsense thing and, and something that investors should be entitled to.

Yes, I, and I've heard the arguments that it's very expensive to do it, it's difficult to proscribe it, there's all kinds of systems changes that would have to take place for it to happen, you know, we have a, a big spectrum of member firms, some of them very large, some of them much smaller. The MFDA has, has an even larger number of, of probably smaller firms.

And so, what we're trying to do is to work to get there in stages and, you know, we believe that one way to try to move in that direction is to signal an across the board, and I would say this is unanimous, belief that that's where we ought to be and to set ourselves a target for how we get there. Work with the firms that we have oversight over in the meantime and say, what will it take in order for you to be able to produce this information across the board?

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We know that some of them do it today for their more sophisticated clients, they can produce it when asked, many of them are doing it regardless of the fact that they're required to.

I, personally, think it's fantastic that this petition's been put out by an industry participant who's saying, this is the right thing to do, let's get there. I think that kind of, you know, market sort of driven change and behavioural change is really what we'd like to see happen. We set the goal, we say, this is where we need to be, we say as, as part of our proposal for the client relationship model that we want to require all firms to say whether or not they provide it, and that way, at a minimum, investors will know, I'm dealing with somebody who will give me this information or I'm dealing with somebody that won't.

That will start to, I, I believe, make sort of some, you know, behavioural changes in, in the industry that will get us closer to where we all want to be, but we really wanted to make, you know, as, as Larry said, immediate improvements, and so we're going to be going out fairly shortly with some proposals.

MODERATOR: Can I get you just to restate that, the website again?

QUESTION: [showmethereturn.com](http://showmethereturn.com).

MS. SUSAN WOLBURGH JENAH: [showmethe...](http://showmethe...)

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MODERATOR: showmethereturn.com, all one word, right.

MS. SUSAN WOLBURGH JENAH: That's cute; it's like, show me the money.

MODERATOR: We've got about ten minutes left for questions, so if you have any please come forward, put your hands up and the people with the microphones will, will come to you. Over here, yes sir?

QUESTION: How was the magic of the two-year limit on pointing out sin? It seems amazing, we look at investments on a five-year and a ten-year and so on, but within two years whatever sin is going on has to be recognized, fully documented and dealt with, as I understand it in the rules that you've setup. It doesn't make any sense to me at all.

MR. DAVID WILSON: Limitation?

MS. SUSAN WOLBURGH JENAH: Yeah.

QUESTION: But I've been investing for three-quarters of a century.

MS. SUSAN WOLBURGH JENAH: I, I...

MR. DAVID WILSON: I'll, do you want to start, Susan?

MODERATOR: Who, David...

MS. SUSAN WOLBURGH JENAH: No, you go.

MODERATOR: Who's going to take it?

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MR. DAVID WILSON: I believe the, the questioner is, is asking about the Statute of Limitation period on an investor complaint. It's in, in Ontario law, and it varies by province across Canada, but we're, we're in Ontario tonight and Ontario law the Statute of Limitations is, runs out after two years, and this was a, an issue that was raised at the Town Hall Meeting two and a half years ago.

One of the things that this group in front of you did after the Town Hall last time was went to the Ontario Government and told them that this was a big issue for investors, that two years wasn't long enough for complex complaints to be resolved. And so, what the Ontario Government did do, they did not extend the two year period for a host of reasons of their own, but what they did do is make it clear that if an investor has a complaint, it goes to a recognized complaint resolution body, like OBSI and, like a firm OBSI qualifies, then the clock stops, and with that I'll turn it over to you, David.

MR. DAVID AGNEW: No, absolutely, and, and it's, I mean, we are in Ontario, but just so you know the origin of it, it's actually something that's been spreading through a lot of provinces and, and so about half the provinces in Canada have now changed their Limitations Act to scope it

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down to two years. Of course, it covers far more than just investments; it covers basically a very wide range of civil actions.

And, the gentleman is, is, is right, I mean, two years is a short time and, and basically what the law says is that you've got two years from when you knew or ought to have known, which of course is problematic for people who are not sophisticated investors, to, to start a legal action or you lose your right, and that used to be six years and now it's two. So, it does speak and, and I know this came up in, in some of the breakouts, it speaks, particularly when you've got a problem, to moving very quickly, to moving it.

The new rules from, that will be coming from both the MFDA and the IDA will help that process, 'cause it'll make the, it'll put time limits for the first time on firms in terms of how long they have to deal with a complaint, and if it does come to us, and not all complaints will come to us, and, and, you know, there's a legal system there for a good reason, there are, certainly, complaints that are, are beyond our limit and so on, but it does stop the clock as it's called.

In other words that, that, that limitations period is suspended for the period, which, in, in which we are looking at it. So, that's of some

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assistance, but, but I, I appreciate what the gentleman's saying about, even that two-year period to discover the problem...

MS. SUSAN WOLBURGH JENAH: Yeah.

MR. DAVID AGNEW: ... can, can, can feel very short and, and it really just speaks to, and I don't like doing this, but it means we're, you have to really do, there is some responsibility to be vigilant and, and to move quickly on the complaint, to get that complaint going and then, then we hope with new rules that it can move through the system quicker.

MODERATOR: Other questions?

QUESTION: My question...

MODERATOR: Yes, ma'am. Right here.

QUESTION: Sorry.

QUESTION: In 2005 and 2006 about 50 per cent of investment complaints in OBSI investigations were overturned and these statistics raise concerns about the reliability of decisions by investment firms and the internal complaint process.

A 50 per cent overturn rate by the OBSI would seem to indicate the decisions made by firms in the internal complaint process are not reliable. In view of this, why should investors have to go through that process before they can access external dispute resolution?

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MR. DAVID AGNEW: I'll start. Others can, others can chime in. The, the, the reality is that what you're looking at is the unresolved complaint number and that's an absolutely valid number to look at. But what it doesn't speak to is the, the number of complaints that were resolved before they got to us, you know.

There are, are literally, we cover both banking and investments, but let's just focus on investments, there are, according to the systems that, that the MFDA and the IDA have their complaint logging systems, there are many more hundreds of complaints that are, are out there that then get, we hope, resolved by the firm and the client and that's basically why we do say they ought to, you ought to try at least.

But let me be the first to say that one of the things that keeps me awake at night is are there complaints that we're not getting because people have given up or are there settlements that people are taking that aren't good enough but, but they're thinking that that's the best they can do, and I think, again, I know I'm, I'm going to sound like a one-note Johnny here, but part of the, the, the benefit of new rules that'll move stuff through the system faster is that I think it'll put some pressure on the firms to, to, obviously, resolve it if they can earlier, because that saves

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everybody time and grief, and it'll also mean that people will know that at the end of the day there's someplace they can go.

And, it doesn't have to end with us, if clients aren't happy with, with what we do there's always a court option, if it's affordable, but at least they, they can move through the system quicker and get to that, get to that point.

I've got to say, internationally, those figures aren't, aren't, aren't any, aren't to some degree any different, in fact, they're a bit higher than some other, but, but they're in the range of what, what I see in other financial service Ombudsman's on the investment side, it's, it's not entirely unusual to see those.

MS. SUSAN WOLBURGH JENAH: I just wanted to, I, I think, you know, everything you've said is absolutely right, David, I agree 100 per cent. The only thing I would add to that is I, I think there is value in an investor who has a problem with the firm that they've been dealing with going back to that firm, because I think the firm has responsibility and ultimate accountability for dealing with that investor's complaint in the first instance.

And, I think that, you know, by bypassing that, while I appreciate that for that small segment that, you know, may not get satisfaction at the firm

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level or it's frustrating, I think it's important for the firm to be aware of the complaints that they're getting, they need to know.

If there are, you know, sort of registrants that they have in their employ they need to be aware of the fact that people have complaints outstanding. My concern would be that if you bypass that you would, you would limit that source of intelligence and, frankly, that accountability that should rest at the firm level in the first instance and I think it would not create the kind of behavioural incentives that we want to create overall across the board.

And, and I would say that, you know, in order to address the very valid problem that you've identified though, where our focus shifted was to saying, it's fair to say start with the firm, but people should not be forced into a situation where they feel that they're being, you know, stalled, that the system is being sort of, you know, stacked against them. That's the reason why we, you know, engaged in the effort to create consistent complaint handling standards across the board that will be rigorous, that will create more efficiency in the system, and, and certainty for investors, so that they know, they take a shot at the firm, but if they don't get the answer that they wanted there is a certain period of time, they wait, and then they get to escalate immediately.

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So, I think it was a balancing of those, of those interests that led us to, to think that that was the right approach to take and we'll be monitoring the situation to make sure that it works as intended.

MODERATOR: Back here, sorry sir...

QUESTION: Thank you.

MODERATOR: ... that it took a long time to get to you.

QUESTION: My question is to Susan at the IDA. I am asking if the IDA has stopped betraying employees who report alleged wrongdoing to their employers? In my particular case, while I was still in the industry, I left a detailed voicemail, because the officer was not responsible, with the IDA, with my, the nature of the issue, my, the nature of the confidentiality of the issue, my concern, my cell number and how to reach me; that was done at 11:30.

At 2:30, I received an e-mail. It was from my manager saying, Jim, we got a heads-up from the IDA that you called. That's a betrayal and I raised that issue and I was harassed because of that issue and I'm not disclosing the details of this issue at this time, but I have tried to. No one from the IDA until the day I left the industry called me to ask about this issue. I immediately sought counsel from my friends who are lawyers, who

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immediately told me to go into a shutdown denial mode so that I could keep my job. So, I said, oh, I was just calling them about nothing.

The good thing about this is I have it all in e-mail and I shared that e-mail last January with your Vice President of Enforcement. And I asked him, and I told him the story about this in his office and I said, what you need, like the police have, like Revenue Canada has, is you need two things, one, you need a hotline, because there are many incidents of this.

In fact, a member of the Small Investor Protection Agency asked me to raise a question about the MFDA's knowledge about extensive, you know, forgery that takes place in people's accounts in terms of the Know Your Client documentation. Oh, a signature's missing, oh, let's just move them or change them or whatever. So, it's known in the industry. I raised it to try to raise one of the issues, in fact, there were two of them that I wanted to raise, no one from the IDA has called, I was subject to harassment, I asked if a hotline is in place, that was in January.

So, my question to you, to Susan first, is, is a hotline now in place where individuals can be protected? At the earlier session today the representative from the IDA, oh, we have privacy; we monitor privacy. My privacy was protected for three hours.

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My question to the OSC, Mr. Wilson, is you are the only statutory body that's at the table, so you're the one to account to us as taxpayers for the protection of individual investors. I, as an employee was trying to do my part and I was betrayed. I've written to you twice and you have had somebody in your office return letters to me saying, I can't write to you, I should deal with the IDA. You've washed your hands totally of this.

So, why have you washed your hands of major issues that are relevant to everyone in this room, because we're all going to retire, we're all going to be dependent on our RSPs and monies that we've raised, and we're going to need to know that there's some integrity in the system. So, Mr. Wilson, after Susan answers the question, clearly there's a problem, what are you going to do? You are a public servant. You're not of the industry anymore.

MODERATOR: Okay. Can we start with Susan, please?

MS. SUSAN WOLBURGH JENAH: I'm going to try to respond to what I think was the question at the very beginning, but I'm going to restate it, because I, I think the question that you asked at the very beginning is, well, there were really two questions, do we have a hotline at the IDA, but you started off by asking, are we going to stop the practice of, I think you

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said, staff contacting the member firm if we have a complaint from an employee of the member firm? Did I understand it right? Okay.

Let me start with the second question first. I don't, I'm not aware that there is a practice of doing that. If there is a practice of doing it I guess what I would say here, today, is that I'd have thought we treat complaints that we receive the same across the board. If we get a complaint from the public or whether we get a complaint from an individual in a member firm I think that we should be looking into the complaint and talking to the individual.

I mean, the reality is if you investigate these matters, at some point it sometimes becomes necessary to go back and ask the other side so to speak, you know, for some information, but certainly I could appreciate in your case that that might have prompted a call to you to say are you okay with us doing this or what would you like us to do? So, I think we have to be sensitive to the particular circumstances that come before us when we see complaints and I think we have to expect that, that all of us involved in this will exercise judgment to know how to, how to deal with them.

Your sec..., your other question about a hotline is an interesting one. We don't have what you refer to as a hotline. I don't think anybody, I don't think you have a hotline and I don't think the OSC does, although they

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have what they call a Complaints and Inquiries Department. We have an intake function at the IDA where people who have complaints go. It's currently part of our case assessment, which is part of the Enforcement Branch today. The idea of a hotline is an intriguing one; it's a very interesting one. It's one of the things that we're going to be looking at.

As you know, we're working on a merger with RS and as we look at sort of how they deal with complaints versus how we deal with complaints we're obviously going to be trying to create some improvements in the system across the board. We've also looked at how other regulators do it, looked at how the SEC has done it historically, and, and hopefully we'll be able to, you know, sort of move forward with an approach that, that will be state-of-the-art and modern and will work for those who want...

MODERATOR: Okay, I'm just...

MS. SUSAN WOLBURGH JENAH: ... to contact us.

MODERATOR: I'm going to use my tyranny as the moderator...

MS. SUSAN WOLBURGH JENAH: Yes. Sorry.

MODERATOR: ... to ask you to be brief. We're, we're technically out of time right now. David, could we get, we have one more question. David, could you, you deal with the, the question?

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MR. DAVID WILSON: Yes. The, the gentleman also asked me a part of the question and he readily pointed out that the OSC is the statutory regulator on the, on the dais tonight. What, what the OSC has done has delegated certain of our regulatory responsibilities to the IDA and the MFDA and so the, the function that the IDA was performing was one that you got involved in as a registrant working for a registered dealer.

I can't comment or recall your correspondence to me, but if, if, if the letter back to you said deal with the IDA with your complaint and if, if that doesn't resolve the issue for you and you've dealt with the IDA tonight in open session then feel free to come back to the OSC's contact centre or write me directly and tell me what the IDA did, if anything, with your complaint and we will then consider it, because we have the ultimate oversight responsibility for the SROs, the IDA and the MFDA.

MODERATOR: Okay. We're going to move on now to the last question; it's over here. Yes sir.

QUESTION: Yes. This is for Dave Wilson and it has to do with the asset-backed commercial paper. Okay, you had financial institution giving it a certain ratings, okay, I'm just wondering if the Ontario Security Commission is investigating them for the simple reason that this asset-backed commercial paper doesn't have openness, it doesn't have clarity

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and it doesn't have transparency, and you have financial institution that gave these papers certain ratings, okay, and you ended up, the, these papers ended up funnelling into the money markets and things like that and have now developed a crisis in the banking system?

MR. DAVID WILSON: The, the asset-backed commercial paper crisis, and crisis is the correct word that the gentleman used, is not just a Canadian phenomenon; it's a phenomenon in, in the developed capital markets of the world, the United States, Western Europe in, including Canada.

QUESTION: No, no, no, no.

MR. DAVID WILSON: And though Canada has...

QUESTION: It was made in Canada, by the rating it was given it was given only that rating in Canada, no other international rating agency was prepared, was willing to rate the product that was sold in Canada.

MR. DAVID WILSON: So, in, in, it is a global phenomenon, the asset-backed commercial paper crisis.

QUESTION: No.

MR. DAVID WILSON: There was a, a Canadian element to it for \$30, \$30 billion out of a \$120 of this, \$120 billion of the paper sold in Canada had a rating by one rating agency, Dominion Bond Rating Service.

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The international community, including the regulators in Canada, are looking at the, at the oversight of rating agencies and what sort of oversight and regulation rating agencies should have globally, and that would include DBRS in the wake of the asset-backed commercial paper crisis.

MODERATOR: Tonight we've heard a lot of excellent points and I'm sure the Heads of the organizations here and their staffs have learned a lot, I've learned a lot and I hope all of you as well have learned a lot.

UNIDENTIFIED SPEAKER: (Inaudible).

MODERATOR: We've run out of time now as I alluded to not to long ago. We've just about reached the end of it. As I mentioned before, if you still have questions to ask the staff in the four organizations we'll stay behind afterward and they'll be around the information booths outside this room and you can address your questions to them if you didn't hear an answer here.

We'd like to hear what you thought of tonight's events, the sponsoring organizations would. You have a survey in your registration kit, please fill it out and hand it in to one of the staff members as you leave. And, on behalf of the sponsoring organizations here, the IDA, the MFDA, OBSI, the Ontario Securities Commission, I want to thank you for attending

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and for engaging in a sometimes spirited discussion, but very civil, and with that, we'll say goodnight. Thank you.

MR. DAVID WILSON: Goodnight. Well done, Susan.

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