

January 13, 2009
Honourable James Flaherty
Minister of Finance
House of Commons
Ottawa, Ontario, K1A 0A6

Re; Expert Panel on Securities Regulation Final Report

Dear Minister;

We would like to thank you for your initiative in establishing the Expert Panel chaired by the Honourable Tom Hockin. We also expressed our thanks directly to the Expert Panel for considering our written submission and for listening to our views during discussions here in Toronto.

We were impressed by their interest and knowledge of the issues particularly with regard to investor protection. As you know our primary concern is investor protection as our name implies, but we fully support the need for a national regulator as previously indicated. We also believe that any approach to revising the regulatory structure must include improved enforcement and investor protection, and were pleased to see that these issues have been addressed.

The Honourable Tom Hockin and all the members of the Expert Panel are to be congratulated for their efforts in preparing this report. We can only hope that Government will act promptly to begin the process to implement the many recommendations made.

We were concerned about the limited mandate of the Expert Panel as it seemed not to address investor protection. However, we are particularly pleased to see the report state:

“Although not a core mandate item, we felt compelled to address a number of investor issues in light of our findings. We focus on the complaint-handling and financial redress mechanisms in Canada as well as the lack of representation of investors in the securities regulatory policy development process.”

The failings of the financial markets this year has greatly exacerbated the issue of investors losing their savings due to fraud and malpractice in the investment industry, and as unfortunate as that may be it may have elevated this issue in the minds of many Canadians.

We indicated to the Panel that the current dispute resolution process is unacceptable because many victims of loss, particularly seniors, do not have the resources (including financial, physical and mental stamina, and time) to pursue a legal resolution and so are forced to settle for pennies on the dollar if indeed they are able to achieve any settlement.

We also indicated that there is no Government Authority with a mandate to protect investors and there is no formal mechanism for investors to participate in the formulation of strategies that impact Canadian investors.

We are pleased that the panel found that Canada's regulatory system is falling short in protecting investors. We find recommendation item 14 (Regulator power to order compensation and a compensation fund so victims do not have to go to court) to be extremely important for small investors.

Also item 19 (to strengthen enforcement as this is the primary weakness of the present system) is an essential element in improving investor protection.

The Panel also recognized the need for an independent investor panel and a dedicated investor issues group to enable investor stakeholders to formally participate. This is a welcome initiative.

In the words of the Panel:

"The steps we are proposing are both overdue and essential."

On behalf of our membership and all Canadian investors we thank you for this initiative and look forward to early implementation.

Sincerely,

Stan Buell, P.Eng.
President