

January 9, 2006 – Concerned Canadian Seniors and Investors Press Release

CCSI issues An Open Letter to Political Parties

A group of Canadian seniors and investor organizations representing more than 300,000 members and an estimated 10 million Canadian voters today published An Open Letter to the Political Parties, demanding that financial advisers who defraud investors be sent to jail. The letter warns that the votes of seniors and investors could be influenced by the political parties' policy on the issue and calls for immediate and concrete political commitments to respond to the growing crisis endangering the financial future of Canadian seniors and investors.

The group, Concerned Canadian Seniors and Investors (CCSI), represents the Small Investor Protection Association and United Senior Citizens of Ontario, among others. CCSI says that "widespread and well-documented corruption in the financial services industry is only the tip of the iceberg: the larger problem is wholly inadequate enforcement by governments and regulators of laws already on the books. The situation will get worse until perpetrators begin to be sent to jail rather than sent on their way with a friendly reprimand.

"Investors and seniors are concerned enough for this issue to influence the way they vote in the coming General Election. Our first demand is for the federal political parties to commit to the immediate creation of a federal Consumer Council on Financial Affairs. The Consumer Council on Financial Affairs (CCFA) will not be a regulator, but it will have statutory authority and be mandated to represent investors and consumers. It will have its own budget and a mandate to communicate publicly with all Canadians and to ensure the regulators and politicians do their job.

"The Consumer Council and our three other proposals are all completely feasible and within the jurisdiction of the Federal Government. They would immediately improve the situation and buy enough time for the more fundamental financial and accountability reforms, which will take years to achieve."

Concerned Canadian Seniors and Investors called on the political parties to commit to the following actions as a fundamental part of their policy platforms:

1. Create an independent Federal Consumer Council on Financial Affairs (CCFA) with statutory authority -- and its own budget -- to represent the investor and consumer point of view to governments (federal and provincial), regulators, law enforcement bodies, financial institutions and voters as a whole. It should have the power to investigate and independently publish its findings, possibly modeled on the very successful Financial Services Consumer Panel in the UK. It should be compelled by its mandate to report on how adequately regulators and others are performing their functions in protecting investors.

2. Establish a totally independent body for setting accounting and auditing standards, to place Canada on-side with our trading partners. New balanced rules, and enforcement thereof, are required to minimize the extensive financial abuse that is occurring in Canada. Investor and public interests are being ignored by the people setting standards.

3. Pass a comprehensive Whistleblower Protection Act to protect all Canadians. It should be drafted and implemented both to protect those reporting abuses and to aid the regulators in unearthing market and competition irregularities.

4. Create a division within the proposed CCFA to provide a one-stop mediating and remedial service for all consumer redress concerns, whether in investment, banking services, real estate or insurance. Such a body can mediate concerns consumers have with provincial as well as federal bodies, even if it cannot directly impose solutions on non-federal bodies. It should be given full authority to publicize abuses and to draw them to the attention of police and other law enforcement agencies.

CCSI points out that "even David Dodge, the Governor of the Bank of Canada, says Canadian financial services and markets are in serious trouble, and increasingly getting the reputation of being similar to the Wild West. It is therefore clear that we have a crisis that reaches far beyond the thousands of seniors and investors who have had their life savings decimated or destroyed by pitifully inadequate regulation of the financial services industry.

"The time for pious expressions of concern is long past. Investors and seniors are prepared to use their votes to get action from the political parties."

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