



NEWS RELEASE

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Provincial amendments send strong deterrent message to wrongdoers

IIROC, CARP and Prosper Canada Applaud Ontario Government for strengthening consumer protection

March 31, 2017 (Toronto, Ontario) – The Investment Industry Regulatory Organization of Canada (IIROC), CARP and Prosper Canada today praised Ontario Finance Minister Charles Sousa who announced that the provincial government will soon introduce legislative amendments that will strengthen investor protection for Ontarians and send a strong deterrent message to those who abuse the trust of their clients.

The three organizations have been advocating for changes to the Ontario Securities Act that will provide IIROC the legal authority to more effectively enforce its rules and discipline those who break them. The Ontario Minister of Finance signalled his intention today to give IIROC the ability to pursue the collection of disciplinary fines directly through the courts while delivering a keynote address at a financial services conference in Toronto.

When passed, the amendments will help IIROC hold wrongdoers accountable for their actions, send a message of deterrence to potential wrongdoers and collect the fines it levies on firms and individuals in Ontario -- fines which IIROC uses to fund investor protection, investor education and financial literacy initiatives.

“We applaud the Ontario Government and the Minister of Finance for their leadership in sending this important message: if you harm investors in this province you will be held accountable for your actions and pay the penalty,” said IIROC President and CEO Andrew J. Kriegler. “As a public interest regulator, this new enforcement tool will enable us to provide stronger protection to the investing public and collect fines from wrongdoers who have previously evaded paying the penalty for their misconduct.”

CARP's VP Advocacy and COO Wanda Morris said: "I have had heartbreaking conversations with members who have lost their life savings. There is more to be done, but today's announcement is a critical first step. CARP applauds the Minister's announcement today as enabling IIROC and others to collect fines will deter rule breakers and better protect investors."

"Effective protection against financial fraud and wrongdoing is critical to Canadians' capacity to build their financial health and security and includes both well-crafted laws and the ability to enforce them," said Prosper Canada's CEO Elizabeth Mulholland. "We are pleased to see the Government of Ontario continue to champion consumer protection by giving IIROC an important tool to protect Ontario investors and ensure a fair and healthy financial marketplace for us all."

There is nearly \$20 million in unpaid fines owing to IIROC in Ontario dating back to 2008 and a total of almost \$32 million outstanding across the country. In 2016, IIROC collected approximately 8 % nationally of the fines owing by individuals who have breached the regulator's rules by, for example, misappropriating funds from clients, falsely endorsing client signatures and/or making unsuitable recommendations to investors, many of them seniors who have suffered significant financial losses.

"We greatly appreciate the support of the Ontario Securities Commission (OSC), which shares our commitment to protecting investors and enhancing our ability to collect from wrongdoers," added Kriegler. "By working together in partnership with the Ontario Government, the OSC and grassroots organizations like Prosper Canada and CARP, we can more effectively protect consumers and the most vulnerable. Investors can be confident that firms and individuals will comply with IIROC's regulatory rules and that any breach will result in real consequences."

A [fact sheet](#) listing the jurisdictions where IIROC has legal authority is available at www.iiroc.ca.

About IIROC

IIROC is the national self-regulatory organization which oversees all investment dealers and their trading activity in Canada's debt and equity markets. IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while supporting healthy Canadian capital markets. IIROC carries out its regulatory responsibilities through setting and enforcing rules regarding the proficiency, business and financial conduct of dealer firms and their registered employees and through setting and enforcing market integrity rules regarding trading activity on Canadian equity marketplaces.

About CARP

CARP (formerly known as the Canadian Association of Retired Persons) is a national, non-partisan, non-profit organization that advocates for financial security and improved health

care for Canadians as we age. With over 300,000 members and nearly 50 chapters across Canada, CARP plays an active role in the creation of policy and legislation that impacts older Canadians. CARP works closely with all levels of government and collaborates with other organizations to advocate on health and financial issues.

About Prosper Canada

Prosper Canada is a national charity dedicated to expanding economic opportunity for Canadians living in poverty through program and policy innovation. As a leading champion of financial empowerment, Prosper Canada works with government, business and community partners to develop and promote financial policies, programs and resources that transform lives and foster the prosperity of all Canadians.