

NEWS RELEASE

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Seniors and suitability strategic priorities

IIROC Releases 2012 Enforcement Report

March 27, 2013 (Toronto, ON) – The Investment Industry Regulatory Organization of Canada (IIROC) today released its first comprehensive Enforcement Report for 2012, which highlights its ongoing efforts to deliver fair, effective and timely enforcement of IIROC’s member conduct and market integrity rules.

This inaugural report provides a high level overview of IIROC’s role in domestic securities regulation and enforcement. It outlines IIROC’s strategic enforcement priorities and initiatives and provides summaries of its most noteworthy cases illustrating IIROC’s focus on cases involving seniors and suitability.

“IIROC’s Enforcement Department plays a key role in our mandate to protect investors and foster fair and efficient capital markets across Canada. We will continue to work diligently to strengthen and streamline our enforcement processes to hold wrongdoers accountable, disrupt potential regulatory misconduct and send strong deterrent messages to IIROC registrants,” said Paul Riccardi, Senior Vice President of Enforcement, Member Policy and Registration.

Each year, IIROC receives approximately 1,500 investor complaints. In 2012, complaints of unsuitable investment recommendations were the most common complaint type. In recognition of this fact, nearly one third of IIROC’s prosecutions last year involved these types of cases.

Other 2012 highlights of IIROC’s report include:

- IIROC initiated 256 investigations and 129 prosecutions
- Nearly one-third of disciplinary proceedings in 2012 involved investors that were 60 years of age or older

- IIROC initiated investigations and prosecutions in every region of the country
- IIROC successfully prosecuted 56 individuals and 16 firms
- Fines of nearly \$1.4 million against individuals and almost \$10 million were imposed against IIROC-regulated firms
- 4 firms and 34 individuals were suspended
- 9 individuals were permanently barred from working at an IIROC firm in a registered capacity

The 2012 Enforcement Report can be found online here

<http://docs.iiroc.ca/DisplayDocument.aspx?DocumentID=B3B8C7081CFC4234BA68F31C61D64681&Language=en>.

In keeping with IIROC's commitment to transparency and accountability, updated Enforcement Reports will be published annually. Print copies are also available upon request.

IIROC is the national self-regulatory organization which oversees all investment dealers and trading activity on debt and equity marketplaces in Canada. Created in 2008 through the consolidation of the Investment Dealers Association of Canada and Market Regulation Services Inc., IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while maintaining efficient and competitive capital markets.

IIROC carries out its regulatory responsibilities by creating and enforcing rules regarding the proficiency, business and financial conduct of dealer firms and their registered employees and through the creation and enforcement of market integrity rules regarding trading activity on Canadian marketplaces.

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