

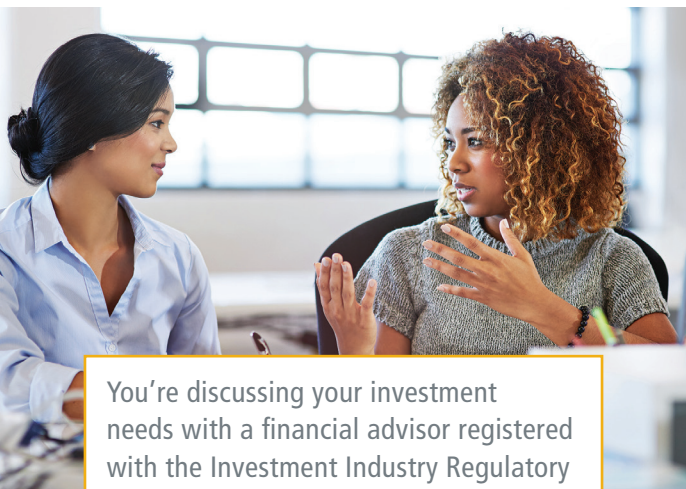
How IIROC protects investors

Protecting Investors and Supporting
Healthy Capital Markets Across Canada



IIROC
Investment Industry
Regulatory Organization
of Canada

OCRCVM
Organisme canadien de
réglementation du commerce
des valeurs mobilières



You're discussing your investment needs with a financial advisor registered with the Investment Industry Regulatory Organization of Canada (IIROC).

Smart move. Here's why:

IIROC Works to Protect Investors throughout your experience with a Registered Investment Advisor

Your advisor is providing you with this brochure so that you understand the advantages and protections offered by investing through an IIROC-regulated advisor and firm.

IIROC regulates the activities of all Canadian investment dealer firms and the advisors they employ.

These companies and their investment advisors must meet IIROC's high ethical and professional standards.

We conduct regular reviews of all firms to make sure they comply with our rules and we take disciplinary action if our rules and standards are broken by firms or their advisors.

IIROC Registration Means **Your Advisor Meets Our High Standards**



To become registered with IIROC, your investment advisor passed a series of background checks and tests to ensure he or she meets our experience requirements and professional standards.

IIROC-registered advisors must also complete mandatory continuing education courses to stay up to date on our rules, financial products and industry trends.

You can make sure your investment advisor is registered with IIROC and find out if he or she has ever been disciplined for breaking our rules by searching the **AdvisorReport** on our website.

Your IIROC-Registered Advisor **Must Understand and Address Your Financial Needs**



Before your advisor can open an account and provide you with financial services, he or she will ask you a series of questions to understand how to best meet your particular needs.

This “Know Your Client” process is an IIROC requirement that ensures your advisor is familiar with your financial situation, investment knowledge and objectives, tolerance for risk and the time horizon for your investment objectives, before making investment recommendations.

This may take more than one meeting, but please provide the information your advisor requests. This will help ensure that your advisor offers you investment account types, strategies and products that are suitable for your individual financial needs and circumstances.

Your Advisor
**Must Keep You
Informed** about
Your Investments



IIROC requires your advisor to share information with you about the products, services and account types you are offered and any associated fees and charges.

Most of this information will be included in a Relationship Disclosure Document, which you should read carefully.

Your advisor must also keep you updated with regular account statements and periodic reports on the fees and charges you pay and on the performance of your investments.

As an investor, you can protect yourself by reading and understanding the information IIROC requires your advisor to provide.

Ask your advisor about any information you do not understand.

You also Benefit
from **other**
Protections



All IIROC member firms must maintain an adequate cushion of capital, which reduces the risk of them becoming insolvent.

Firms must also keep your investments separate from their own assets.

Your account is also eligible for protection by the Canadian Investor Protection Fund, which covers up to

\$1,000,000

per account if an IIROC-regulated firm becomes insolvent. You can learn more at www.cipf.ca.

Your Complaints Must be Addressed



If you have a concern about your advisor or investment firm, you can complain directly to them and they must address your complaint in accordance with IIROC standards. The firm must also report your complaint to IIROC so we can ensure it has been dealt with appropriately.

IIROC can also investigate your complaint and, if necessary, take disciplinary action.

You can contact IIROC directly at 1-877-442-4322 or email us at InvestorInquiries@iiroc.ca.

Need More Information?



Please visit www.iiroc.ca to:

Make sure your investment advisor is registered and the firm that employs your advisor is regulated

Find out if your advisor has ever been disciplined by IIROC for breaking our rules

Get more information about opening an account and understand the importance of providing complete information to your advisor

Learn more about how IIROC protects investors and supports healthy capital markets

CALGARY

**Bow Valley Square 3
255-5th Avenue S.W.
Suite 800
Calgary, Alberta
T2P 3G6**

MONTRÉAL

**5 Place Ville Marie
Suite 1550
Montréal, Québec
H3B 2G2**

TORONTO (HEAD OFFICE)

**121 King Street West
Suite 2000
Toronto, Ontario
M5H 3T9**

VANCOUVER

**Royal Centre
1055 West Georgia Street
Suite 2800
P.O. Box 11164
Vancouver, British Columbia
V6E 3R5**

1-877-442-4322

www.iiroc.ca

Making a Complaint

A Guide for Investors

PART 1 OF 2

Investment Industry Regulatory
Organization of Canada

Protecting Investors and Supporting
Healthy Capital Markets Across Canada

The Investment Industry Regulatory Organization of Canada (IIROC) **Protects Investors and Supports Healthy Capital Markets**



- **All** Canadian investment firms and individual investment advisors dealing in Canada's stock and bond markets **must** be registered with IIROC
- IIROC-regulated companies and their investment advisors **must** meet our high ethical and professional standards
- IIROC conducts regular reviews of registered investment firms to make sure they comply with our rules
- IIROC takes action if our rules are broken or our standards are not met

Do you have concerns about the conduct or behaviour of your **IIROC-regulated investment firm or advisor?**



You can make a complaint to any and/or all of the following:

- Your investment advisor
- The supervisor/branch manager who oversees your investment advisor
- The firm where your advisor works
- Directly to IIROC

Account losses are not necessarily an indication that your advisor has engaged in misconduct, as most investments carry a degree of risk, with no guarantee of profitability. When you complain to IIROC, we will review your complaint to determine whether our rules have been broken.

First – check to ensure
**your investment advisor
is regulated by IIROC**



Make sure you are dealing with an IIROC-regulated investment firm and that your advisor is registered with us.

www.iiroc.ca provides a list of all the firms we regulate and a database of the advisors they employ.

Our online database can help you find out more about

- the background, qualifications and employment history of your advisor
- any record of IIROC disciplinary action.



Do you believe
**your investment firm or
advisor may have acted
improperly or unethically?**

For example by:

- Buying or selling investments without your approval
- Making excessive trades in your investment account
- Recommending investments that are not suitable for you (such as too risky)

If you believe your investment firm or advisor may have broken IIROC's rules or failed to meet our professional standards, **we want to hear from you.**

If our investigation concludes that an investment firm and/or individuals working for the firm have broken our rules, we may take disciplinary action to hold them accountable. This could result in warnings, reprimands, fines, suspensions and/or permanent bans for advisors and firms.

Please note that IIROC discipline **cannot provide compensation** to investors or force firms or individual advisors to do so.

Don't Delay!



Please make your complaint as quickly as possible. If too much time passes between the issue arising and your complaint, it might not be possible to investigate properly. As well, if you are seeking compensation through other channels (see page 9), there are time limits for taking action.

How to file a complaint with IIROC

IIROC has a dedicated Complaints & Inquiries department, which you can contact in four ways:

Use our secure downloadable form:

www.iiroc.ca/investors/makingacomplaint/Documents/ComplaintForm_en.pdf

Send us an email:

investorinquiries@iiroc.ca

Call us toll free:

1-877-442-4322

Fax us at:

1-888-497-6172

What we need to follow up on your complaint



- **Please provide IIROC with as much information as possible**, including your name and contact information, as well as the name and contact information for any individual or firm mentioned in your complaint.
- **Keep a file of all documents that relate to your account and your specific issue.** Include copies of letters and email messages. Keep records of conversations – dates, times and details of what was said, as well as any other information you feel is important.
- **You don't need to "prove" your case.** Just provide IIROC with the facts and your supporting documents. You can talk to IIROC staff to help you determine what information is important for our review.
- **Please be prepared to cooperate.** If we decide to take disciplinary action, you may be asked to participate as a witness.

What happens when you file a complaint?



When you file a complaint with IIROC:

1. We will let you know we have received it.
2. We will update you after we have reviewed your complaint and decided whether we will proceed with an investigation.

We carefully review all the information we receive to see if IIROC's rules have been broken and if we need to take further action.

IIROC helps protect you by ensuring **your complaints are investigated appropriately**



If you complain to the investment firm directly, IIROC requires that the firm abide by our rules for handling client complaints. IIROC-regulated firms must report all written client complaints about possible breaches of our rules so we can determine **whether to conduct our own investigation**.

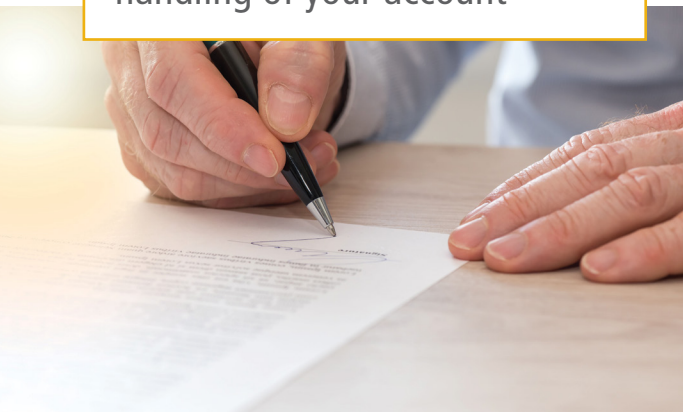
While IIROC does not review customer service issues, we ensure that the firms we regulate respond to such complaints.

If you have a **customer service** complaint, for example:

- Difficulty getting in touch with your advisor
- Being asked to move your account to another firm

and you put your complaint in writing, the firm must provide you with a written response.

If you complain to the firm or someone at the firm about their handling of your account



The firm is required to:

1. Acknowledge your complaint within five business days
2. Provide you with their final response within 90 calendar days, including:
 - a summary of your complaint
 - results of their investigation
 - an explanation of their final decision and
 - options available to you for seeking compensation if you are not satisfied with the firm's response.

What if I'm not satisfied with the investment firm's response?

If your complaint is not resolved with the firm, you have several options:

- The **Ombudsman for Banking Services and Investments** resolves disputes between participating investment firms and investors. Visit www.obsi.ca or call 1-888-451-4519.
- Québec residents can contact the **Autorité des marchés financiers**. Visit <http://lautorite.qc.ca/en/general-public/> or call 1-877-525-0337.
- Arbitration is available through **ADR Chambers** (adrchambers.com/ca or 1-800-856-5154) and in Québec through the **Canadian Commercial Arbitration Centre** (www.ccac-adr.org/en/ or 1-800-207-0685).
- You also have the option of going to court, but you should first get advice from a lawyer.

How can I get money back?

See our brochure online **How Can I Get My Money Back?** for more information.

Questions?

CONTACT US:

Tel: 1-877-442-4322

Fax: 1-888-497-6172

Email: investorinquiries@iiroc.ca

TORONTO (HEAD OFFICE)

121 King Street West

Suite 2000

Toronto, Ontario

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525 Viger Avenue West

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T2P 3G6

VANCOUVER

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P.O. Box 11164

Vancouver, British Columbia

V6E 3R5

www.iiroc.ca

How Can I Get My Money Back? A Guide for Investors

PART 2 OF 2

Investment Industry Regulatory
Organization of Canada

Protecting Investors and Supporting
Healthy Capital Markets Across Canada

The Ombudsman for Banking Services and Investments (OBSI)

Seeking Financial Compensation



If you've suffered a financial loss because your investment advisor or firm acted improperly, you will likely ask, "How can I get my money back?"

First of all, it's important you act promptly. There are **time limits** attached to all of the options available to you.

The first step in seeking compensation is to make a **written complaint** directly to your investment advisor and his/her firm. They must provide you with a substantive response to your claim **within 90 days**.

Still not satisfied?

Please go directly to OBSI or consider the other options outlined in this brochure.

You can contact OBSI at:
1-888-451-4519
ombudsman@obsi.ca
www.obsi.ca

OBSI is Canada's free, independent service for resolving investment and banking disputes with participating firms.

IIROC requires all the investment firms it regulates to take part in the OBSI process.

Some firms may suggest you use their own internal ombudsman first, but it is your choice whether or not to participate in that process. It is voluntary.

If you've already formally complained to your investment firm and feel your complaint wasn't resolved to your satisfaction, you have **up to 180 days** from the time you receive the firm's written response to submit a complaint to OBSI.

It is important to know that if you choose to use a firm's internal ombudsman, you will have less than 180 days to complain to OBSI as the 180 time limit begins to apply **after** the firm's written response to you. **You do not need to appeal the firm's decision to the internal ombudsman before going to OBSI.**

OBSI can recommend compensation up to \$350,000 but its decisions are not legally binding. Many firms will compensate the complainant but some choose not to.

Going to Court



There is no limit to the amount of compensation you can claim. It is a good idea to get advice from a lawyer before pursuing legal action, as this can be an expensive option.

There is also a statute of limitations on legal action. This means there are legal time limits and you could run out of time to pursue some of your claims in court.

If you choose legal action, your provincial law society can help you find a lawyer. For a list of provincial law societies, go to www.flsc.ca.

Arbitration

Arbitration is a process where a qualified arbitrator – chosen in consultation with both you and the investment firm – hears both sides and makes a final, **legally binding decision** about your complaint.

IIROC requires all the investment firms it regulates to take part in this option if you choose to go to arbitration.

The arbitrator acts as the judge in the proceedings and reviews facts presented by each side of the dispute. Either side can choose to be represented by a lawyer, though this is not required. Arbitrators can award up to \$500,000.

There are **costs** to using arbitration, often less than the cost of going to court. The arbitration fees themselves are usually divided between the two parties. When you file your case, you can decide whether to give the arbitrator the added power to award legal costs on top of any other award, in which case the unsuccessful party would pay the other party's legal costs.

IIROC has designated two independent arbitration organizations:

ADR Chambers
1-800-865-5154
www.adrchambers.com

In Québec: Canadian Commercial
Arbitration Centre
1-800-207-0685
www.ccac-adr.org/en/

Compensation Options



CHANNEL	TIME LIMIT* TO COMPLAIN	AWARD LIMIT	COST	DECISION BINDING
OBSI	Yes	Up to \$350,000	No	No
Court	Yes	None	Yes	Yes
Arbitration	Yes	Up to \$500,000	Yes	Yes
Québec / AMF	Yes	Up to \$200,000	No	No

*It is important to understand the time limits of each option.

In Québec: AMF Mediation Services

If you live in Québec you can use the free services of the **Autorité des marchés financiers** (AMF). You must first make a formal complaint to your investment firm. If you are not satisfied with its response, you can ask the firm to transfer your complaint to the AMF.

The AMF will assess the complaint and may offer mediation services, though firms are not required to participate.

For more information on the AMF:

1-877-525-0337

renseignementsconsommateur@lautorite.qc.ca

www.lautorite.qc.ca/en/

Other options if you live in Manitoba, New Brunswick or Saskatchewan

Securities regulators in these provinces can order a person or company that has broken provincial securities law to pay compensation. These orders are enforced similar to court judgements.

For more information, contact:

Manitoba Securities Commission:

www.msc.gov.mb.ca

New Brunswick Financial and Consumer Services Commission: FCNB.ca

Financial and Consumer Affairs Authority of Saskatchewan: www.fcaa.gov.sk.ca

Understanding IIROC's Role



As an investor you can complain to IIROC and we will review your complaint to determine whether or not your advisor and/or firm has broken our rules. If we find that our rules have been broken, we may take disciplinary action including fines, suspensions or permanent bans. However, IIROC cannot provide compensation to you or force an investment firm or individual advisor to reimburse you.

**If you have questions, please contact
IIROC at:**

Tel: 1-877-442-4322

Fax: 1-888-497-6172

Email: investorinquiries@iroc.ca

Questions?

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