

## **CONCERNED CANADIAN SENIORS & INVESTORS**

*An assembly of organizations representing seniors and investors wanting change to protect seniors and investors from widespread wrongdoing that causes the loss of their savings.*

N.P.S.C.F. – SIPA – U.S.C.O.



June 2, 2008

Expert Panel on Securities Regulation  
Ottawa, Canada, K1A 0G5

Dear Sir,

The National Pensioners and Senior Citizens Federation (N.P.S.C.F.), the Small Investor Protection Association (SIPA) and the United Senior Citizens of Ontario (U.S.C.O.) have for the last several years been making joint submissions and presentations on issues impacting seniors.

We are pleased that the Minister of Finance has established the Expert Panel to review securities regulation in Canada with a view to the establishment of a national financial services regulator.

Our primary concern is that seniors are losing their savings when they place their trust in the investment industry. Many seniors are not well versed in investments and place their trust in investment advisors. They are influenced by the media and believe their trust is well founded.

When seniors lose their savings it has a tremendous effect on their health and wellbeing. They worry about their very survival as the social security provide by Government is a bare minimum and many do not have workplace pension plans and therefore depend upon their savings.

In the recent past there have been several studies that raise our concerns.

A study by the Innovative Research Group indicates that more than one million Canadians have lost money to some kind of investment fraud but most victims didn't report it. This is particularly true for seniors. The issue of seniors losing their savings is a huge hidden problem that results in many seniors, who have spent their lifetime working and saving for retirement, being unable to enjoy their retirement years. Instead many are left destitute and suffering.

Another study "Losing Ground" by Keith Ambachtsheer states "The measured Canadian mutual fund average return shortfall (before sales charges) of 3.8% per annum relative to similar mandates executed by Canadian pension funds suggests the average Canadian mutual fund has not been producing fair value for its customers." Most Canadians who invest in

Registered Retirement Savings Plans are invested in mutual funds or segregated funds and according to Ambachtsheer may have their retirement savings reduced by up to 50% by this industry skimming from investors.

The result is many seniors are losing their savings even though they were told and believed that mutual funds were a safe way to invest. In many cases seniors have been sold the idea of mortgaging their home to invest. This can result in seniors actually losing their home or struggling to meet mortgage payments on a meager pension.

The Asset-Backed Commercial Paper crisis vividly illustrates the issues Canadian investors face with the failure of regulators to provide investor protection. It impacts institutional investors and pension plans as well as retail investors.

Government must take action to establish a Government Authority to protect investors and seniors' savings. The industry regulators have absolutely failed to protect seniors and the investment industry appears to take advantage of their trust and lack of investment knowledge.

We support the submission made by SIPA and would be pleased to appear before the panel to present our views representing our memberships of seniors and small investors.

Yours truly

Art Field, President National Pensioners and Senior Citizens Federation

Stan Buell, President Small Investor Protection Association

Marie Smith, President United Senior Citizens of Ontario

Appended:

1. CCSI letter to Hon. Marjory LeBreton, January 2007
2. CCSI letter to Standing Committee on Finance, January 2007
3. CCSI letter to Hon. James Flaherty, June 1, 2007
4. CCSI letter to Standing Committee on Finance, October 13, 2007