



SIPA

SMALL INVESTOR PROTECTION ASSOCIATION

**A Voice for Small Investors
Seeking Truth and Justice**

April 10, 2015

Mr. Howard Wetston, Chair & CEO
Ontario Securities Commission

Dear Mr. Wetston,

First I would say that I believe there are many within the OSC that are trying to do good work and I have had the opportunity to meet many of them prior to and during my participation in the Investor Advisory Panel.

Our association was founded in 1998 with a mission to raise investor awareness and to provide guidance to investors with an issue. In the fifteen years of our existence I have seen little significant improvement in the investment environment for small investors.

Canadians are still losing vast sums of their life savings when they place their trust in an industry they believe is well regulated and that a "Financial Advisor" will look after their best interests. That is the trusting nature of Canadians, particularly the older generations.

Most Canadians, including financial journalists and news editors believe Adviser and Advisor are the same word. Dictionaries indicate this is true. Investors are generally not aware that "Financial Advisor" is considered by the industry and its regulators as an unregulated business title, but regulators allow sales people to use the title.

This practice along with deceptive advertising misleads Canadians into placing their trust and their life savings with a commission driven (commission grid) sales person. Many Canadians later find that they have been sold products paying the highest commissions and have been leveraged resulting in extreme loss. But they find out too late when their savings are decimated.

We feel that if the regulators truly intend to protect investors they should ensure that registered representatives be required to disclose whether they are in fact a sales representative, an advising representative, or a portfolio manager and to use their registration in all advertising. Alternatively the Securities Act should be revised to include Adviser spelled as either Adviser or Advisor. A fiduciary duty needs to be required of all firms and their representatives offering financial products or advice.

If the present deceptive practices are allowed to continue, many Canadians will continue to lose their savings every year. Your remedial action can prevent this from happening.

Yours truly

Stan Buell

Encl: Fiduciary article by Joseph C. Peiffer