

May 5, 2010

The Honourable Robert Nicholson, P.C., Q.C.  
Minister of Justice and Attorney General of Canada  
284 Wellington Street  
Ottawa, Ontario, K1A 0H8

[Nicholson.R@parl.gc.ca](mailto:Nicholson.R@parl.gc.ca)

Re: White Collar Crime

Dear Minister,

The justice system is failing to protect vulnerable Canadians. Rather it appears to protect the crooks. Financial predators regularly escape unscathed while millions of Canadians lose their savings due to predatory practices of white collar criminals.

It is incredible that no one was convicted of crime in the Bre-X fiasco, labeled the Scam of the Century. It is not believable that the Chief Geologist would not be aware of the fact there was no gold, particularly when he was alleged to have been involved in a similar scam on a much smaller scale in prior years.

Canadians are losing their savings at a rate estimated to be in excess of \$25 billion per year. The recent financial market meltdown has exposed scams and frauds that have operated for decades without detection even though there were red flag warnings. Dr. Al Rosen of Accountability Research Associates regularly raises red flags of "accounting trickery" which are systemic in our society.

Widespread practices of fraud and wrongdoing in our investment industry and unregulated fraud are decimating the life savings of our seniors and elderly. Many are left destitute and at the mercy of our social systems. Their retirement security is destroyed. Many Nortel employees now face an uncertain future after working their careers at a once proud company. Shortly before Nortel's collapse, its C.E.O. escaped with a \$125 million golden parachute. How could things go so wrong so quickly if good governance was in vogue?

Like Bernie Madoff, Montreal's Earl Jones was able to operate a Ponzi scheme for decades. With credibility provided in part by bank support, Jones relied on Canadians' trust to perpetrate his fraud. The trust placed in him was breached and many Canadians lost their savings. Everyone trusted Earl Jones.

So to, many Canadians place their trust in our regulated financial industry and its self regulation. Too many Canadians discover that their trust is breached. Discretionary trading without proper authority, unsuitable investments, forged documents, inappropriate leverage, and misleading statements are endemic in a system where industry and regulators are misleading small investors.



Too often these malpractices lead to total decimation of life savings. This life-altering event destroys victims' lives. Industry sponsored dispute resolution does little to justly resolve these issues, leaving victims with civil litigation as the only solution. The reduction of limitation periods to two years means that many victims will be statute barred from seeking justice through civil litigation. Two years is not sufficient time for victims of life-altering events to get their mind around the fact that their trust has been breached and their life forever changed.

It is more than the monetary loss. It is the demoralization with loss of trust, loss of hope, the health and family impacts due to stress, and too often depression and sometimes suicide.

The investment industry regularly exempts industry from rules and regulations, meant to protect investors, which enable the industry to sell unsuitable products (Principal Protected Notes are a prime example) to unsuspecting investors. So why can not Government exempt victims of white collar crime from the ridiculously short limitation periods, or re-instate the more logical six year limitation period for duty of care and longer for fiduciary duty.

Canadians are rapidly approaching a crisis as their protection as investors is being eroded and, at the same time, responsibility for investing their retirement money is being downloaded from companies to pensioners due to the trend from defined benefit pensions to defined contributions.

Government must act to represent Canadians best interests rather than leaving it to industry to maneuver the regulations and laws to enable them to continue to fleece the public without fear of meaningful penalties. Penalties for white collar crime must be increased and enforced. Perpetrators must be required to pay restitution until victims are completely re-instated and rewarded.

Yours truly

Stan I. Buell, P.Eng.  
Founder and President

Cc The Hon. Minister Flaherty, [Flaherty.J@parl.gc.ca](mailto:Flaherty.J@parl.gc.ca)  
The Rt. Hon. Stephen Harper, [Harper.S@parl.gc.ca](mailto:Harper.S@parl.gc.ca)