



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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20040817 - 5698

August 25, 2004

Pamela Reeve  
1605-44 Jackes Ave  
Toronto, ON M4T 1E5

Dear Ms. Reeve:

[REDACTED]

Thank you for your inquiry to the Ontario Securities Commission ("OSC") concerning [REDACTED]). A review of this matter has been conducted by Commission staff and I welcome this opportunity to reply.

You should be aware there are limitations on the ability of the OSC to provide assistance to investors concerned about the services provided by their financial institution. The Commission's main role in reviewing the activities you have described is to focus on compliance with *Ontario securities law*.

Staff understand that you feel your investment account was mismanaged, resulting in losses to your original investment. You requested the assistance of the firm's Compliance Department and the [REDACTED] Ombudsman; however, you remain dissatisfied with the outcome. You have now requested a regulatory review by OSC staff.

The role of the OSC is to administer the *Securities Act* (Ontario). In the case of a violation of Ontario securities law, disciplinary proceedings may be conducted through an Administrative Tribunal Hearing or prosecuted in Ontario Court. Suspension of registration, fines and jail terms are possible penalties; however, the OSC does not have the jurisdiction to order compensation or to unwind transactions. This framework is similar to other that of other regulators, such as the College of Physicians and Surgeons.

The OSC has recognized the Investment Dealers Association ("IDA") as a self-regulatory organization (1995, 18 O.S.C.B. 5293). As such, the IDA has the authority and the jurisdiction over its members to enforce *Ontario securities law* as well as IDA rules, regulations and by-laws. As there are no provisions to circumvent this process, the OSC is unable to consider your request for a regulatory review of your matter.

Pamela Reeve  
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An option available in your pursuit for financial compensation is to request the assistance of the Ombudsman for Banking Services and Investments ("OBSI"). According to the OBSI web-site (at: [www.obsi.ca](http://www.obsi.ca)), the Canadian Banking Ombudsman merged with the dispute resolution services of the IDA, Mutual Fund Dealers Association and Investment Funds Institute of Canada in October 2002. The OBSI is an independent service that investigates customer complaints; however, it is not part of the regulatory regime in Ontario. The OBSI may recommend compensation payments; however, these recommendations are not binding on the firm.

Alternatively, you may wish to consider the arbitration process that is offered by the IDA. Further information may be available from their web-site (at: [www.ida.ca](http://www.ida.ca)) or by calling 416-364-6133.

Should you wish to pursue your claim for compensation directly through the court system, you may wish to consult with a lawyer to determine what, if any, remedies may be available to you through a civil proceeding and the associated cost of such action. If you require assistance to obtain a lawyer in Ontario, you may call the Law Society of Upper Canada Referral Service at 1-900-565-4577. The referral will entitle you to a free thirty minute telephone consultation; however, a \$6 charge will be added to your telephone bill for the call.

I thank you for taking the time to bring your concerns to the attention of the Commission.

Sincerely,



Allan Krystie  
Lead Inquiries Officer