

FAIR

Canadian Foundation *for*
Advancement *of* Investor Rights

OPEN LETTER

April 26, 2013

Canadian Securities Administrators
c/o Mr. Bill Rice
Chair, Canadian Securities Administrators
Suite 600, 250-5th Street SW
Calgary, Alberta T2P 0R4
Sent via e-mail to: bill.rice@asc.ca

Dear Members of the Canadian Securities Administrators:

RE: Misleading Use of Business Titles and Financial Designations

The Investment Industry Regulatory Organization of Canada (“IIROC”) recently undertook a public consultation regarding use of business titles and financial designations by Registered Representatives and Investment Representatives (“IIROC Reps”) following from a survey of its members, investor focus groups, and consultation with investor representatives. The survey found a proliferation of titles and designations many of which suggest a function or proficiency that the advisor does not have and which may be misleading to consumers.

We were pleased to see that IIROC is addressing this issue, as we believe that titles and designations are widely misunderstood by financial consumers. FAIR Canada has provided a submission (enclosed) to IIROC in response to its request for comments. The issue of misleading titles and designations was also raised in a number of submissions in response to the CSA’s consultation on a statutory best interest standard. The misunderstanding identified by IIROC applies more broadly than just IIROC Reps. We encourage the CSA to take steps to address the confusion caused by the use of misleading titles and designations in respect of all registrants. In the interests of investor protection, titles and designations should be meaningful and representative of an individual’s proficiency and position and firms should be required to have policies and procedures in place with respect to business titles and financial designations.

We would be pleased to discuss this issue with you at your convenience. Please contact me at 416-214-3443 (ermannopascutto@faircanada.ca).

Sincerely,



Ermanno Pascutto
Canadian Foundation for Advancement of Investor Rights

Encl. FAIR Canada letter to Investment Industry Regulatory Organization of Canada (March 9, 2013) RE: IIROC Request for Comments re Use of Business Titles and Financial Designations