FAIR | Canadian Foundation *for* Advancement *of* Investor Rights

The Strange Case of Leveraged and Inverse ETFs, Part 2: *A Few Steps Forward; Much Remains to be Done*

SUMMARY

FAIR Canada published a report on May 14, 2009 entitled **"Heads You Lose, Tails You Lose: The Strange Case of Leveraged ETFs".** Since then there have been a number of encouraging developments:

1. The self-regulatory organizations, IIROC in Canada and FINRA in the U.S., have issued notices to their members alerting them to the dangers of these products, and reminding members of their due diligence and suitability obligations to their customers.

2. The financial press has covered the issue extensively and seems interested in follow-ups.

3. Morningstar, index investing pioneer John Bogle and other observers continue to issue reports educating the financial industry, regulators and hopefully retail investors about the products.

4. Prospectus disclosure is slowly improving in both Canada and the U.S.

However, much remains to be done.

1. Prospectus disclosure for leveraged, inverse and commodity ETFs needs to be further improved to meet the standard of "full, true and plain" disclosure. Listing every risk factor in technical language requiring a law degree and CFA designation to understand does not meet the statutory disclosure requirement. The prospectus should state in plain language that these are day trading products for sophisticated investors and that they do not correlate with the relevant index or commodity over periods longer than a day.

2. Improved prospectus disclosure is not enough – most investors do not read the prospectus. Regulators need to enforce prohibitions on misleading disclosure in advertising and marketing. Advertising should not imply that these are products suitable for most retail investors (including suggestions that they are suitable for RRSPs and TFSAs). We need warnings on advertising for leveraged ETFs; for example, pop-up risk descriptions in plain language on web sites and for customers buying them from on-line brokers.

3. Regulators and the financial industry need to rethink how to regulate exotic derivative based products - whether leveraged and inverse ETFs, structured closed-end funds,

Asset Backed Commercial Paper (ABCP) or others. Any product that holds complicated derivatives should be regulated more tightly. These very different products should be identified by a different name. Standard ETFs hold shares or bonds. Leveraged, inverse and commodity ETFs hold cash and derivative contracts. FAIR Canada suggests calling them Listed Derivative Products, LDPs. Regulators might consider whether specific risk disclosure with signed customer acknowledgement of risks should be required, as with options and futures contracts.

4. The TSX, the financial press and others need to take a more critical view of these products with the goal of protecting individual investors, even if the manufacturers of these products are major clients.

FAIR CANADA CALLS FOR THE CANADIAN SECURITIES REGULATORS TO STEP UP

Canadians need the statutory regulators to act decisively to protect investors. The provincial securities commissions are responsible for supervising the issuers of leveraged and inverse ETFs. The statutory regulators set prospectus disclosure standards and review prospectuses for compliance with those standards. They also establish the rules governing advertising of leveraged, inverse and commodity ETFs.

Some specific steps for the Canadian regulators to consider:

1. Insist on better plain language prospectus disclosure of risks and of how these exotic ETFs work.

2. Implement risk disclosure and acknowledgment requirements for any retail investor who wishes to trade these products.

3. Issue specific guidance on advertising and require warnings on both advertising materials and websites. Enforce restrictions on misleading advertising through disciplinary proceedings.

4. Undertake research into all of the issues posed by leveraged, inverse and commodity ETFs, as well as other structured products which hold derivatives. This study should not be a substitute for steps 1 through 3.

Urgent action to protect investors is needed now.

CLEAR WARNINGS FROM THE SELF-REGULATORY ORGANIZATIONS

On June 11, 2009, the Investment Industry Regulatory Organization of Canada (IIROC) and the U.S.'s Financial Industry Regulatory Authority (FINRA) issued notices to their member firms warning of the dangers of leveraged, inverse and commodity ETFs. The notices reminded the financial industry of their due diligence and suitability obligations. IIROC member firms are required to ensure that they understand the product and to determine whether it is "suitable" for any client of the firm. Then each individual advisor must understand the product and ensure that it is suitable for a particular client.

IIROC gave examples of how returns can deviate from expectations over time and cautioned:

> *leveraged and inverse ETFs typically are not suitable for retail investors who plan to hold them for more than one trading session, particularly in volatile markets.*

IIROC and FINRA also reminded investment dealers that prospectus disclosure is not sufficient, that they have an obligation to make certain that their clients understand the nature of their investments and the risks that they pose.

AWARENESS IS INCREASING

Extensive Coverage in the Press. All of the major Canadian financial newspapers and many local papers covered the issue. Business News Network (BNN) ran interviews with FAIR Executive Director Ermanno Pascutto and with Horizons BetaPro President Howard Atkinson. The issue was picked up by the specialized investment press (Investment Executive, ETF Monitor) and by international papers as far-flung as the London Financial Times. FAIR's article has been cross-linked by a number of websites.

Investment Dealers Worrying, Educating their Members. CIBC Private Markets wrote an excellent cautionary piece. Other brokers are making efforts to educate their sales forces to the products' advantages and potential pitfalls. Compliance departments at a number of firms have been particularly active in disseminating the IIROC warning notice and other publications on the risks posed by the ETFs.

New Morningstar Article: Time for Derivative ETFs to Comply. On June 12, 2009, Morningstar's ETF specialist Scott Burns issued a follow-up report to his seminal piece "Leveraged ETFs Kill Portfolios." The title this time is not as catchy: "Time for Derivative ETFs to Comply."

The message remains very important. Burns suggests treating these leveraged ETFs like options or derivatives, requiring higher approval standards to trade. He calls for further education for advisors and upgrading their test materials to ensure that they are up to speed. He concludes:

> *"Our goal is to keep the uninitiated from being allowed to blindly invest in them (leveraged ETFs) without deep understanding of the risks and appropriate uses."*

Index Investing Pioneer John Bogle about Complicated ETFs: "A Great Business Model, A Bad Investment Model." Vanguard founder and index investing guru John Bogle recently commissioned a study showing the difference between investor and fund returns for ETFs. He asserts that active trading leads to investor returns that greatly lag the funds in which they invest. And he warns that virtually all new ETFs are narrow specialized products with higher fees that do not serve investor interests.

HORIZONS BETAPRO'S RESPONSE IS NOT ADEQUATE

Horizons BetaPro's President Howard Atkinson has tried to answer the concerns raised by FAIR Canada and other critics. Some of his major points:

HBP says: FAIR unfairly (they love that play on words) chose the worst cases to prove our point that these products are hazardous if held over time.

FAIR Canada's response: Fully four of the nine Horizons BetaPro nine pairs in existence for an entire year lost money on both the bull and bear sides. At least one Bull or Bear fund of another four pairs had major differences from the expected outcomes based on two times the (inverse) return of their index.

We used the year ending March 31, 2009, but you choose your own time frame – 6 months, one year, since inception. The results do not change dramatically. Using the 12 months ending May, 2009 shows that five pairs lost money. **The combined effects of leverage, daily rebalancing and volatility make it extremely likely that virtually all longer term investors will lose money.** The exception is for those prescient enough to correctly forecast the path, likely volatility and end result of the underlying index or commodity.

HBP says: Sometimes the leverage works in the investors' favour. The Natural Gas fund returned 390% for the year ending March, almost 3 times the indicated leverage. The NYMEX Crude Oil Bear was up 202%, almost 50% above the indicated leverage.

FAIR Canada's response: That's true, but these are the only two such examples from a sample size of 18. And it confirms our point that any longer term correlation between the performance of the Horizons BetaPro funds and their underlying index is purely haphazard. Positive surprises can occur over the short and medium terms. As the time horizon lengthens, however, the majority of surprises will be negative.

HBP says: This is not really a very big problem… and they are correcting it in any case, through education and improved disclosure.

FAIR Canada's response: We admit that we do not know the scale of the problem and that research is urgently needed. But we have heard enough anecdotal evidence to warrant a fuller regulatory inquiry. HBP's recent prospectus disclosure has improved, but still does not go nearly far enough. Its print and TV advertising continues to lure retail investors to trade these products without warning of the risks.

PROSPECTUS DISCLOSURE AND WARNINGS ARE STILL NOT CLEAR ENOUGH

Horizons BetaPro's new disclosure warning, on page two of their prospectus, is somewhat clearer than before. But it still does not warn about the hazards of holding these products for periods longer than the target one day. Stressing the positive - daily return correlation - without warning about the negative (lack of any correlation for longer time periods) is not true disclosure.

Here is an example of HBP's latest prospectus warning:

> ***Due to the compounding of daily returns and daily rebalancing, a Double ETF's returns over periods longer than one day will likely differ in amount and possibly direction from the performance of the specified underlying index for the same period. Investors should monitor, as frequently as daily, their holdings to ensure that it remains consistent with their own investment strategies. See "Risk Factors – Leverage Risk" at page 27 of the Prospectus for an explanation of daily rebalanced leverage.***

Contrast it to U.S. leveraged ETF sponsor Direxions' web site in the U.S. As soon as you click on ETFs, clear messages that these products aren't for everyone appear, along with the following three big messages. The actual size is reproduced from the Direxions' website:

Daily Investment Goals
Not Monthly Investment Goals
Not Annual Investment Goals

Direxion Shares ETFs seek daily investment goals and should be used strictly as short term trading vehicles. Please read the prospectus <http://www.direxionshares.com/document/regulatory_documents.html> and visit our Education Center before investing.

Horizon BetaPro's explanations do not even go as far as their U.S. partner. The web site of ProShares, which manages the HBP funds, contains much more specific language than HBP about why the performance of these leveraged vehicles does not correlate over periods longer than one day. Unlike its U.S. competitor Direxions, however, ProShares stops short of specifically discouraging longer-term investors.

PROSPECTUS DISCLOSURE NOT ENOUGH; NEED TO ADDRESS ADVERTISING AND MARKETING

Print, TV and Internet advertising messages must not mislead retail investors. They should contain warnings. So should the issuers' websites.

The prospectuses for these leveraged ETFs are hard to read. To understand the prospectus requires specialized knowledge, considerable experience, and a heavy dose of caffeine. The average reader could not understand the risks from reading the existing prospectus disclosure; it is questionable whether an experienced professional would grasp the true risks.

Most retail investors do not read prospectuses. Even bold-type comments in plain English will not educate investors if the prospectus remains unread or is not understood – especially if investors are lured to trade these products with misleading advertisements.

Horizons BetaPro still wants to have it both ways. They devote considerable time and money to trying to educate industry professionals about the right way to use their products.

- They conduct a nation-wide road show offering up "ETF Universities" to explain the products and illustrate complex trading strategies to advisors and financial journalists.

- Horizons BetaPro executives appear frequently on television and the financial press discussing their products.

But Horizons BetaPro continues to advertise broadly in seeking retail investors, and does not warn about the downside of holding the products for the longer term. If the professional advisors and financial journalists need a full day at HBP's ETF University to understand these products, how can the average retail investor be expected to understand them?

HOW BIG IS THE PROBLEM?

How many retail investors are holding leveraged ETFs for inappropriately long periods without understanding their nature? Average trading volumes do not give the answer - massive volumes generated by hedge funds and proprietary traders at investment dealers can overwhelm even a large number of long-term holders who do not trade frequently. Horizons BetaPro does not have a firm answer, either.

In the absence of hard information we are forced to rely on anecdotal evidence. Since publishing its report, FAIR Canada has received several specific complaints (by phone and e-mail) from investors who lost money on leveraged and inverse ETFs despite making the right call. Ken Kivenko of the Small Investors Protection Association said that they have received 45 such complaints, and that new complaints continue to flow in as the issue attracts more attention.

Complaints to FAIR Canada and to SIPA are only the tip of the iceberg. We do not know how many complaints have been received by industry firms, IIROC and Securities Commissions. Let's remember that many investors are reluctant to come forward – they do not want to embarrass their advisor or admit that they did not read the prospectus. Most of our complainants did not wish to be publicly identified.

FAIR Canada has learned of several professional investors who were surprised at the difference between the expected and actual results from leveraged ETFs in their personal accounts – but understandably, did not want their names used. Compliance officers at investment dealers have undertaken programs to ensure that their professionals understand these products, even when only trading for their own accounts.

Morningstar ETF Specialist Scott Burns writes that at advisor conferences, anywhere from a handful of advisors to half the room are unaware of the real nature of these products.

WOLVES IN SHEEP'S CLOTHING

Leveraged, inverse and commodities ETFs can help traders seeking quick, leveraged exposure to the markets, a particular sub-index, or specific commodities. They can be useful products when used properly - for very short-term purposes by professional traders or knowledgeable amateurs.

However, it is both misleading and unfair when complicated products like leveraged inverse and commodity ETFs try to pass themselves off as simply a minor variation on the simpler, more transparent plain vanilla ETFs. With very different holdings, risk profiles, and return characteristics, these are wolves in sheep's clothing.

Let's compare two ostensibly similar and very popular products: iShare's XIU, based on the S&P/TSX 60, the largest companies on the Toronto Stock Exchange; and Horizons BetaPro's S&P/TSX Bull & ETF, which offers twice the daily return of the same index.

Performance	iShares' XIU	HBP's HXU
Year to Date (May 31, 2009)	18.15%	32.18%
TSX 60 Index (source: Morningstar)	17.2%	17.2%
Management Fee	0.17%	1.15%
Additional Trading and Other Fees	Minimal	Substantial, due to daily

		rebalancing, other costs
Trading Volumes (Liquidity)	Heavy	Heavy
Tracking Error	Minimal	Can be substantial, from leverage, daily rebalancing, etc.
Transparency	Full	Unclear
Holdings	Basket of individual stocks	Cash and derivatives contracts
Counterparty Risk	None	Yes. Extent of risk is unknown, but could be large
Keys to Success	Make the right call about the market's direction	Predict market direction, volatility, and path within tight time constraints

FAIR CANADA CALLS FOR ACTION FROM THE CANADIAN SECURITIES REGULATORS

While the self-regulatory organizations have stepped up to warn investment dealers about leveraged ETFs, actual supervision of the products and the issuing firms remains in the hands of the statutory securities regulators – the Canadian Securities Administrations (CSA) in Canada (particularly the OSC) and the SEC in the United States.

FAIR Canada had productive meetings and communications with the OSC staff in charge of the investment funds division. They made it clear that they are familiar with the issues.

Risk Disclosure for Investors – Treat Leveraged ETFs like Options and Futures

Morningstar's Scott Burns recommended that leveraged ETFs should be treated like options and derivatives. The regulator would approve an industry-prepared document explaining how these funds work, their return characteristics and associated risks. Investors would be required to sign a form acknowledging that they understood the products and the risks before being allowed to trade. This would apply to both Canadian and U.S. leveraged, inverse and commodity ETFs.

No retail investor is allowed to trade options before proving that she understands them, has sufficient experience and the necessary sophistication to trade them correctly, and sufficient resources to bear losses. The investor must sign an IIROC- mandated three-page risk disclosure statement for futures and options that states:

> *"...you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in futures and options is not suitable for many members of the public."*

A similar warning should apply to derivative based ETFs. Regulators should look through the superficial ETF form and regulate them based on the underlying holdings – in this case, derivatives contracts.

Coordinate with SEC

Although Horizons BetaPro is the only firm initiating leveraged and inverse ETFs in Canada, Canadian investors can easily purchase such products on U.S. exchanges. Thus concerted action with the SEC may be advisable.

In late April SEC Chair Mary Shapiro called for a tougher look at commodity ETFs. We expect leveraged and inverse ETFs to get caught up in the same net.

Let's call them something else: Listed Derivative Products

If leveraged ETF sponsors like Horizons BetaPro are serious that they want these products to land up in the right hands, let's stop calling them something they're not. These are not like plain vanilla ETFs. They have completely different return characteristics and risk profiles. Plain vanilla ETFs hold shares and bonds. Leveraged, inverse and commodity ETFs hold cash and derivatives contracts.

The differences between the original ETFs and the newer derivatives ETFs evoke reminders of the evolution of the more complicated Asset Backed Commercial Paper (ABCP) from plain vanilla commercial paper. Regulators failed to keep up with financial innovation in commercial paper. Hopefully we have learned important lessons from the ABCP fiasco.

One recent report on investment blog Seeking Alpha suggested calling leveraged and inverse ETFs Exchange Traded Products or ETPs. We believe that the ETP acronym is too close to ETFs and might further confuse investors already having a hard time telling ETFs apart from ETNs - derivatives-based Exchange Traded Notes popular in the U.S.

Morningstar suggested the name Exchange Traded Derivative Products (ETDP). If these products are indeed so different, why not make that difference clear in the name? We suggest Listed Derivative Products (LDPs).

Advertising remains an important issue

Even calling them something else won't help – as long as Horizons BetaPro and the U.S. manufacturers of leveraged products continue to advertise heavily in the broadcast media and the financial press targeting retail investors.

The regulators must insist on balanced messages in advertising including the risks, and the lack of correlation over time. Let's have warnings like they do for pharmaceuticals advertising. Broadcast ads for leveraged ETFs could include a two-line "crawler" across the bottom of the screen warning of side effects, along the lines of:

Warning: These products are only suitable for knowledgeable investors/speculators. They should be used only as short-term trading vehicles, and do not correspond to the underlying index over time periods longer than one day.

THE FINANCIAL MEDIA SHOULD TAKE A MORE CRITICAL APPROACH

The financial crisis that has consumed the world over the past two years has blame enough for all. But we should not exempt the financial press and broadcast media who helped to perpetuate the bubble and acted as cheerleaders for products that cause investors harm.

It is hard to expect financial journalists under tight deadlines to do extensive investigative reporting on complicated products that many professionals have trouble understanding. Changing business models and declines in advertising are squeezing resources for editorial coverage. Still, the media have a public trust and duty that should not extend to bending the distinction between advertising and editorial.

We thought that the broadcast financial press would have learned a lesson after U.S. satirical newscaster Jon Stewart of The Daily Show publicly carved up CNBC host Jim Cramer back in March, 2009. Yet we see too many segments on financial television that consist largely of cheering on the industry. There are too many reports in the financial and general press that consist largely of issuer press releases. Never has the need for critical distance and real analysis been greater.

THE TSX'S NEW ETF WEBSITE NEEDS MORE BALANCE

The Toronto Stock Exchange prides itself on being a global leader in the trading and listing of ETFs. 29% of new listings on the TSX in 2008 were ETFs. The TSX wants to sell this ETF expertise to international markets and sees it as a major new revenue generator.

The TSX was permitted to remain a regulator of listed issuers when it demutualized and went public. With this comes a responsibility to act in the public interest.

In early May the TSX launched a brand-new ETF website with considerable fanfare. Press releases spoke about the importance of educating investors and providing a centralized source of information.

With the rising popularity of ETFs, investors need a site similar to the Investor Education Fund's informative website InvestorEd.ca, full of objective facts and some tough questions.

The TSX's ETF site is structured to blend virtually all of the products, so that the more complicated and riskier leveraged, inverse and commodity ETF products get to associate with the benefits of plain vanilla ETFs. Currently the site does not contain any cautions about the dangers of inappropriate use of these powerful leveraged vehicles whose holdings include derivatives.

Links in the TSX ETF site's press section are only to press releases announcing new ETF issues. Why ignore the huge base of accumulated literature from Morningstar, the U.S. and Canadian financial press, the financial blogs and specialty publications? Why does the TSX not link to the IIROC notice warning of the risks of leveraged ETFs?

This is not just a problem with the TSX. Alternative exchanges in Canada have started to list ETFs and are pursuing more. As regulator, market leader and the major sponsor of ETFs, the TSX has to set an example.

We understand that changes in the ETF website will be coming soon. At a minimum we hope to see a section devoted to explaining the risks of leveraged, inverse and commodity ETFs. A clearer separation of leveraged ETFs from the plain vanilla ETFs would serve investors well. So would a greatly-expanded links section – we believe that the TSX could provide such links without endorsing controversial opinions.

Commodity ETFs Pose Special Problems with Correlations

ETFs based on commodities such as the price of oil, natural gas, gold, other metals, and agricultural products pose special problems.

- The funds frequently license a benchmark measure other than the one widely reported in the press. Different benchmarks can have quite widely divergent results.
- They are always based on futures contracts and so have problems with rollover dates.
- There are major issues with contango and backwardization, when the forward prices differ substantially from the current spot market.

The following table was taken from an eye-opening piece by Don Dion in the blog TheStreet.com (June 4, 2009) detailing the difficulties with ETFs linked to the price of oil. The variation in year to date results is astounding.

- While the price of West Texas Intermediate Crude rose 48% year to date to June 2, 2009, returns from the long ETFs lagged badly and were all over the map. They ranged from 2.6% to 29%.
- Two leveraged oil ETFs, offering twice the benchmark's daily return, had wildly different results. One lost 11.7%. The other was up 66% - impressive, but still 30 full percentage points below the expected return.
- The short and double short ETFs actually outperformed their expected returns by declining less than expected. That was fortunate for investors who incorrectly bet on a decline in oil prices.

Oil ETFs

FUND	YTD RETURN (%)	MGMT FEE (%)	AVG VOLUME (000s)
WTI Crude	48.3	-	-
LONG			
USO	9.5	0.45	18,567
OIL	2.6	0.75	2,252
UOY	14.6	0.95	17
OLO	25.6	0.75	30
USL	23.1	0.6	229
DBO	29	0.5	304
DOUBLE LONG			
DXO	65.9	0.75	28,600
UCO	-11.7	0.95	7,355
SHORT			
SZO	-19.4	0.75	19
DOY	-9.8	0.95	2
DOUBLE SHORT			
DTO	-44	0.75	222
SCO	-40.1	0.95	1,041

Other Issues Need Further Study

We mentioned other issues needing further study in our May 14 report. Better answers have yet to emerge, but they should not be forgotten.

Counterparty risk. The use of derivatives requires counterparties, yet the prospectuses contain next to no information about counterparty risk. All derivatives need to be guaranteed by a significant financial sponsor with a high credit rating. However, when that credit rating changes the derivatives contract can be at risk. That was part of the problem with Asset Backed Commercial Paper. (See Investopedia.com's explanation of counterparty risk.)

End of day volatility impact. TD's Peter Haynes and other observers have pointed out that leveraged and inverse ETFs contribute to worsening end-of-day volatility. This raises questions about market integrity and how the volatility impacts on retail investors and investor confidence in the integrity of the markets.

Income taxes. We know that taxation of U.S. derivatives-based ETFs differ from their plain vanilla counterparts. Some aspects of Canadian leveraged ETFs are different from the U.S. - capital gains treatment rather than interest income of distributions; annual rather than monthly distributions. A clear statement of Canadian tax treatment is necessary.

Conclusion

FAIR Canada calls for the Canadian Securities Regulators to Step Up

Canadians need the statutory regulators to act decisively to protect investors. The securities regulators are responsible for supervising Horizons BetaPro; they also set and enforce prospectus disclosure standards and the standards for advertising of financial products.

Some specific steps for the Canadian regulators to consider:

1. Insist on better plain language prospectus disclosure.

2. Implement risk disclosure and acknowledgment requirements for any retail investor who wishes to trade these products. This is the case with other derivative products like options and futures.

3. Enforce restrictions on misleading advertising. Issue specific guidance on advertising and require warnings on both advertising materials and websites.

4. Undertake research into all of the issues posed by leveraged, inverse and commodity ETFs including extent of use by retail investors, counterparty risk and impact on market volatility. This research should be extended to other derivatives-based structured products like closed end funds. Regulators may wish to consider a task force with investor, financial industry and SRO representatives to study the issues and present recommendations **soon.**

5. Carefully consider the public interest before clearing a prospectus for the distribution and listing of triple-leveraged ETFs in Canada. The Canadian Securities Administrators should ensure that they fully understand these exotic products before setting them loose on the public which too often assumes (incorrectly) that regulatory clearance is a stamp of approval.

NOW IS THE TIME FOR ACTION

The need for further research to determine the extent of the problem and potential long term solutions should not be a substitute for immediate action on the part of the regulators.

Concerns about these products have been raised almost since their inception in January, 2007. FAIR Canada's May, 2009 report on leveraged and inverse ETFs did not contain anything new. Morningstar, many U.S. investor blogs and some of the financial press had been warning about these products for over two years. Forensic accountant Al Rosen wrote an article slamming them in the Financial Post in December of last year. Investor advocates like the Small Investors Protection Association have warned about them; so have many of the personal financial columnists like Rob Carrick in the Globe, Jonathan Chevreau in the Financial Post, and FAIR Canada Board member Ellen Roseman in the Toronto Star.

Despite all these warnings, the sector continues to grow and we have yet to hear anything from the regulators. Two months ago Canada's HBP had $2.1 billion in leveraged, inverse and commodity ETFs, and the U.S. sector had $33.2 billion in assets. HBP President Howard Atkinson has stated that the controversy has not affected sales, and that HBP now has $2.5 billion in assets under administration.

The risks to retail investors grow larger daily. Timely action is essential.

ABOUT FAIR CANADA
FAIR Canada is a non-profit, independent national organization dedicated to representing the interests of Canadian investors. The mission of FAIR Canada is to be a voice for investors in securities regulation and a catalyst for enhancement of the rights of Canadian shareholders and retail investors. Visit www.faircanada.ca for more information.