

Dear Mr Stevenson:

I and my wife Carolyn Dokken are small retail investors with now greatly reduced RRSPs thanks to the financial crisis and one corrupt financial advisor. Carolyn is a retired school teacher and I am a retired Chartered Accountant. There is no legal remedy for us since the advisor has declared bankruptcy. My comments follow.

There should be a statutory fiduciary duty imposed on advisors and dealers. I am shocked that this is not already written in law and that advisors are not required by law to act in the best interests of investors. Investors who have lost money due to a corrupt financial advisor have little chance of recovering their money because of high legal costs and because there is no insurance fund to recover losses from. This deficiency in the system should be remedied and an investor protection fund provided by the financial services industry if no insurance exists.

Licensing requirements for advisors are problematical. The advisor should be compelled to have insurance. The advisor should also be required to have a clean financial record. An advisor who has declared bankruptcy at any time should be barred from having a license to advise investors. There should be a system to determine the personal financial history of an advisor. This history and an authenticated resume should be available on an investor information website.

Of course there should be cost and compensation disclosure. My experience is that this never happens-and if it happens it is gobbledegook and never disclosed in writing in plain English. Embedded commissions and secret fees are the norm. It is also our experience that conflicts of interest are not disclosed.

I am in complete agreement with the elements of fiduciary duty outlined in the paper. I agree that the client's interests are paramount and that advisors must place the client's interests ahead of their own. I agree that the purpose of a fiduciary law would be to maintain the integrity of those necessary relationships of high trust and confidence which are essential to the effective functioning of society - and might I add the fairness and growth of that society. I agree with the assessment that people are relying on their own life savings and investments to sustain them in their later years. This is why it is doubly necessary to implement a fiduciary law to offer some recourse for people who incur losses through no fault of their own.

I hope these comments are helpful and will resonate with some.

Yours truly,

Donald A. Young

