

April 21, 2014

Mr. Robert Day
Senior Specialist
Business Planning and Performance Reporting
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8
(416) 593-8179
rday@osc.gov.on.ca

Dear Mr. Day:

OSC Priorities

The OSC is to be congratulated for seeking input on priorities. My recommendations on the top objectives, and the order in which they should be prioritized, are as follows:

- 1. I recommend that the OSC tell Ontarians who don't want to or can't invest on their own to use registered advisors working for registered firms.** It seems that fraud or unregistered people cause more pain and heartache. Ontario investors who use people the OSC regulates, even if they do harm, have recourse for free to OBSI, SROs and the OSC. We don't understand why the OSC isn't publicizing the need to use people they regulate, who presumably would be better than virtually all those that they do not license. Advertising through all possible means the need to use registrants will give Ontario investors cheap and quick access to recourse... as compared to recourse through the legal system if at all.
- 2. It just seems logical to consolidate wrongdoing data from all financial sector regulators and make it easy for media to see and report on how much has been lost through con artists, unregistered issuers, unregistered advisors, issuers whose accounts have been doctored, MFDA dealers/advisors, ICPMs, IIROC dealers/advisors and also, as and when possible, on the insurance and deposit brokers, etc. side.** This will help investors decide more easily on what type of people to avoid giving their money to. With additional information, the OSC website could also help clients figure out which type of registrant to use based on their money and profile.
- 3. Continue working towards single securities regulations and a sharing services facility for the current commissions' back office administration.** I strongly believe it would show disrespect for Mr. Flaherty to abandon his goal of a single securities regulator, and so I hope the OSC does not just move forward on the Co-operative Capital Markets Regulator, but also stops issuing one-off Ontario only rules and starts eliminating the rule differences between Ontario and other provinces. Why

investors in different places need different protections is not understandable, especially given the cost of it to investors.

My other comments are as follows:

1. For priorities for the year, I suggest that the OSC ask for feedback to be due before the year starts. To accomplish anything and to be measured it should be for the full year. YTD accomplishments against last year's priorities should be added to the document. **The time to seek comments on priorities should be adjusted so that final priorities are published before the year covered starts.**
2. It would be very helpful to define terms.
 - a. Investor protection seems to go beyond unscrupulous issuers and unregistered people. It could also be tied to a priority late in the request for comments which could mean that regulation should not lead to the costs of providing the service becoming beyond the ability for clients to afford or to have services no longer available.
 - b. It seemed that capital markets efficiency was gone from priorities and then I saw it under responsive regulation. But what's under responsive regulation doesn't really address what some would think is capital markets efficiency.

Please define the terms "investor protection" and "capital markets efficiency" and please clearly spell out that the regulatory burden priority will examine the regulatory burden's indirect impact on retail investors and on issuers.

3. Priorities imply some prioritization. It's not clear whether the numbers are for reference or to indicate an order of importance. I think it is because the order is done by topic for logical connections. **The true highest priorities should be made evident.**
4. The request for comments says "The OSC is driving to achieve a fair deal for investors". This seems less a "fair" statement... than a sound bite. Are investors paying for protection from unfair treatment or for over-protection? Every new rule means more OSC, more OSC fees, and more issuer, dealer, ICPM or advisors costs for investors and so, as OSC economists know, for investors.

It seems to me, but I may be wrong, that somehow the securities regulators think that there are excess profits in the system. And there may be sometimes but the OSC hasn't identified any. If there were lots of excess profits, we would see fewer MFDA and IIROC dealers closing and American firms knocking on the OSC's doors to set up shop. American companies have come and gone and come and gone. Investor protection is supposed to stop unfair and illegal practice, but is the securities commission's role to go beyond this to be a social redistributor of wealth? The Sunshine List suggests many people working for the OSC make more than many advisors. There are some advisors that make a lot of money, but this is usually after a longish career of making clients happy

and they are subject to some financial risk. **Please explain “The OSC is driving to achieve a fair deal for investors” or use neutral language in future. To suggest otherwise without clarifying what was intended or providing evidence would bring discredit to the OSC’s efforts to instill transparency and plain language.**

Thank you for considering my comments and I look forward to reading the final priorities. If my suggestions can’t be included, I hope you can include a general summary of why they and others’ rejected proposals were not adopted for our interest and help in refining views in future. We have a good system and we can make it better.

Yours truly,

Bev Curvint
Toronto, ON