

An Investor's Guide to Making a Complaint



*Protecting Investors and Fostering Fair and
Efficient Capital Markets across Canada.*



The Investment Industry Regulatory Organization of Canada (IIROC) regulates all investment dealers in Canada. We set high quality regulatory and investment industry standards to protect investors and strengthen market integrity.

IIROC sets and enforces rules regarding:

- * the business and financial conduct of dealer firms and their registered employees; and
- * trading activity on all of Canada's equity marketplaces.

We also set proficiency standards. IIROC can bring disciplinary proceedings which may result in penalties including fines, suspensions and permanent bans or terminations for individuals and firms.

This brochure provides information on:

- ❖ How to Make a Complaint to an IIROC-regulated firm;
- ❖ How to Make a Complaint to IIROC; and
- ❖ Compensation options for investors.

This information and more is also available at www.iroc.ca



Don't Delay

When making a complaint to IIROC or a firm, do so as quickly as possible after the event.

Making your complaint to the firm

IIROC-regulated firms must comply with IIROC standards for handling client complaints.



For service complaints, IIROC rules require firms to respond in writing to all written complaints.

For complaints that involve possible rule infractions regarding a client's account, IIROC rules require firms to:

- Acknowledge your complaint within 5 business days
- Provide their final decision within 90 calendar days, along with:
 - A summary of your complaint;
 - The results of their investigation;
 - An explanation of their final decision, and
 - Options for seeking compensation available to you, if you are not satisfied with the firm's response.

If a firm cannot provide a response within 90 days, you must be informed of the delay, the reason for the delay and the expected new response time.

Making your complaint to IIROC

You don't need to wait until the firm responds to your complaint before filing your complaint with IIROC. You can do so simultaneously or at any time.

IIROC encourages clients to inform us of your complaints. It's important so we can take regulatory action where rule infractions have occurred.

We can take disciplinary action to address undesirable behaviour by individuals or firms. Actions range from issuing a warning to launching an investigation and bringing a formal proceeding and hearing.

There are two ways to file a complaint with IIROC.

- 1** Call our Info/Complaint Line, **1 877 442-4322**, for inquiries or to have a Customer Complaint Form mailed to you
- 2** Complete a Customer Online Complaint Form at www.iiroc.ca

Generally, IIROC will notify you to acknowledge receipt of your complaint and will update you after an initial assessment or when a decision has been made whether to proceed with an investigation of a complaint involving a dealer or its registered staff. (In some cases, the entire investigation process must remain confidential until it becomes a matter of public record.)

You may be contacted by an IIROC staff member to provide additional information. If we do not pursue an investigation we may suggest, where possible, other ways of resolving the issue and will keep the information on file for reference.

Have your details ready

IIROC can help you best if we receive accurate and complete information, including:

- **Your name and contact information;**
- **The name and contact information of any individual or firm mentioned in your complaint;**
- **Specific details of how, why and when you encountered problems; and**
- **All the relevant documentation, including any notes of meetings and/or discussions.**

Investor options for seeking compensation

You can:

- ❖ Consider the free mediation service offered by the Autorité des marchés financiers (AMF) for Québec residents
- ❖ Go to Arbitration
- ❖ Take your case to the Ombudsman for Banking Services and Investments (OBSI)
- ❖ Pursue legal action

AMF Mediation Service

Québec residents may also consider free mediation services offered by the Autorité des marchés financiers (AMF), Québec's financial sector regulator.

After having dealt with your firm, you can ask that a copy of your complaint file be transferred to the AMF, who may offer a free mediation service. Participation is voluntary and requires the consent of both the firm and client.

For more information on mediation services:

1 877 525-0337

www.lautorite.qc.ca

renseignementsconsommateur@lautorite.qc.ca

It's up to you ...

IIROC rules require firms to participate in arbitration or OBSI when the client chooses either of those options.

Arbitration

IIROC has designated two independent arbitration organizations for resolution of disputes between Dealer Members and clients.

Arbitrations are conducted by a sole arbitrator. The arbitrator guides the proceedings, reviews the case presented by each party, and arrives at a binding decision.

Parties are permitted to retain legal counsel.

The arbitrators for this program are empowered to award up to \$500,000, plus interest and legal costs.

At the outset in a proceeding, an investor has the option to leave the discretion on awarding legal costs to the arbitrator or to choose to have the two parties pay their own legal costs and not be liable to a ruling that they would have to cover some or all of the other party's legal costs. It is still possible for the arbitrator to overrule that option and retain the right to award costs if he or she determines that one party has acted in bad faith or in an unfair, vexatious or improper manner, or has unnecessarily prolonged proceedings.

Arbitration fees (administrative fees, disbursements of the arbitration organization and the arbitrator's fees) are divided equally between the parties unless the arbitrator chooses to reallocate those amounts.

Please contact:

ADR Chambers

1 800 856-5154

www.adrchambers.com

Arbitration for clients resident in Québec

Please contact:

Canadian Commercial Arbitration Centre

1 877 909-3794

www.ccac-adr.org

Ombudsman for Banking Services and Investments (OBSI)

OBSI is a free, independent service for resolving investment disputes impartially. You have up to 180 days after receiving your firm's response to submit your complaint to OBSI. OBSI can recommend compensation of up to \$350,000.

1 888 451-4519
ombudsman@obsi.ca
www.obsi.ca

If you decide not to accept OBSI's recommendation, you can still seek redress through the IIROC arbitration program or the courts.

Legal Action

You also have the option of going to court.

Statute of Limitations

You should be aware that there are legal time limits for taking legal action. A lawyer can advise you of your options and recourses. Once the applicable limitation period expires, you may lose rights to pursue some claims.

Keep a file

As with all financial matters, it's important to keep a file. Retain documents such as account application forms, agreements and statements. Document the steps you take to resolve your complaint. Keep copies of letters, faxes, emails and notes of conversations.

Manitoba, New Brunswick and Saskatchewan:

Securities regulatory authorities in these provinces have the power to, in appropriate cases, order that a person or company that has contravened securities laws in their provinces pay compensation to a claimant. The claimant is then able to enforce such an order as if it were a judgement of the superior court in that province.

Manitoba Securities Commission:

www.msc.gov.mb.ca

New Brunswick Securities Commission:

www.nbsc-cvmnb.ca

Saskatchewan Financial Services Commission:

www.sfsc.gov.sk.ca



Protecting Investors and Fostering Fair and Efficient Capital Markets across Canada.



www.iiroc.ca

Tel. 1 877 442-4322

Investment Industry Regulatory
Organization of Canada

Organisme canadien de réglementation
du commerce des valeurs mobilières

Montréal

5 Place Ville Marie, Suite 1550
Montréal, Quebec H3B 2G2

Toronto

Suite 2000, 121 King Street West
Toronto, Ontario M5H 3T9

Calgary

255 - 5th Avenue S.W.
Suite 800 - Bow Valley Square 3
Calgary, Alberta T2P 3G6

Vancouver

Suite 2800 - Royal Centre
1055 West Georgia Street
P.O. Box 11164

Vancouver, British Columbia V6E 3R5

09/2014