Strengthening Securities Compliance and Enforcement


Toronto
Introduction

As part of its commitment to consult with stakeholders in the Canadian capital markets, the Ontario Securities Commission (OSC) sponsored the first Compliance-Enforcement Roundtable in Toronto on November 3, 2009. The Roundtable brought together stakeholders to discuss ways to improve securities compliance and enforcement in Canada.

The audience of about 100 people included senior compliance officers from financial services firms, investors, securities lawyers, regulators and representatives from government and law enforcement. They heard a keynote address from Peter Wallace, Deputy Minister of Finance for Ontario, on behalf of the Minister. This was followed by two panel discussions:

**The Compliance Panel**, moderated by OSC Executive Director Peggy Dowdall-Logie, included individuals with a variety of perspectives on compliance:

- Philip Anisman, Barrister and Solicitor
- Mary Condon, Commissioner, OSC, and Professor, Osgoode Hall Law School
- David Denison, President and Chief Executive Officer, CPP Investment Board
- Gene Gohlke, Associate Director for Investment Company and Adviser Compliance, U.S. Securities and Exchange Commission
- Maureen Jensen, Senior Vice-President, Surveillance & Compliance, Investment Industry Regulatory Organization of Canada

**The Enforcement Panel** was moderated by OSC Commissioner and retired justice Patrick LeSage, who led a discussion with the following panellists:

- Tom Atkinson, Director, Enforcement, OSC
- Murray Segal, Deputy Attorney General for Ontario
- Stephen White, Chief Superintendent, Director General Financial Crime, RCMP
- Joel Wiesenfeld, Partner, Torys LLP

As described by OSC Chair David Wilson, the purpose of the Roundtable was to propose and discuss specific practical actions that could be taken by regulators.

This report summarizes the main themes that emerged from those discussions.
Remarks by Peter Wallace, Deputy Minister of Finance for Ontario

Deputy Minister Peter Wallace began by providing economic context and emphasizing the current unusual circumstances. He noted the role of dysfunctional capital markets in creating the present economic climate, and pointed out that this problem has been global. While Canada and Ontario have performed relatively well, especially with regard to capital markets, the economy is suffering. The economy and tax revenues have shrunk to 2005 levels, and Ontario’s deficit is nearly $25 billion for the current fiscal year.

In addition to engaging in stimulus spending, Ontario has undertaken measures to reform its tax structure. Its aim is to simplify the tax system and encourage investment. While the measures are anticipated to generate less revenue for the government, they are expected to improve the business climate in the province.

An important part of the drive to enhance the business climate is the role played by the OSC. The OSC is key to shaping a secure and reliable environment for investors in a number of areas, including:

- Enforcement
- Monitoring public disclosure
- Risk analysis
- Jurisdictional harmonization

The Deputy Minister noted that while the OSC has done a very good job of creating this reliable environment, the country needs a national regulator.

“It is self-evident that [a national regulator] will have an opportunity to do a better job than even the OSC. The reality is that capital markets aren’t provincial, or even national…they are international. To have more than 10 competing, overlapping, differently governed, differently structured, differently competent regulators across the country doesn’t make sense. This is why there has been a decades-long push for a national regulator. We are making progress towards a stronger regulator.”

—Peter Wallace

He stressed that Ontario has lent its support to the federal government’s initiative and stated that, while a national regulator should have strong regional offices, it is only logical that Toronto, as Canada’s financial hub, should be the home of the new regulator.

Introductory Remarks by David Wilson, Chair of the Ontario Securities Commission

Mr. Wilson noted that, until a national securities regulator is well-established, members of the Canadian Securities Administrators (CSA) have an obligation to continue to strengthen regulation. Canadian regulation must be consistent with international standards in order to protect the reputation of our markets and ensure they are competitive.

Internationally and within Canada, it is recognized that compliance and enforcement are not discrete areas of regulation but together form a continuum. Ensuring compliance with existing rules, before harm is done, can reduce the need for enforcement later which can allow regulators and investigators and prosecutors to marshal available resources more effectively.
The Compliance Panel

Key Comments:

- The burden of compliance lies with all market participants, not only regulators
- Enhanced compliance should reduce the need for enforcement; but failure to meet compliance standards becomes an enforcement matter
- Increased market complexity underlines the need for enhanced compliance capacity, expertise and resources
- Investors need to – and are – taking a more active role in recommending compliance regulations

The panellists agreed that compliance has become an increasingly important part of the continuum as regulators and market participants have come to realize that the investigations and prosecutions of enforcement were not alone a sufficient deterrent to ensure fair and efficient markets.

“Over the last 40 years we’ve seen a shift from an assumption that laws will be obeyed because of the criminal, civil and regulatory consequences that may flow from their breach to an emphasis on process – a process that requires market actors proactively to adopt policies and procedures to ensure compliance.”

—Philip Anisman

The shift has meant imposing direct responsibility – gate-keeping obligations – on participants. Auditors have more responsibilities, and securities firms and lawyers are being added to those required to ensure compliance (e.g., Sarbanes-Oxley and new SEC regulations). These developments are international in scope; discussions have begun on a worldwide level about reporting and compliance standards.

These new compliance obligations necessarily impact enforcement, which now encompasses not only improper conduct but also failures to establish and enforce adequate compliance standards. Philip Anisman pointed out that recently published compliance reviews of issuers have tended to focus on easily identified administrative details rather than examining the effectiveness of the overall compliance systems of these market participants.

“In contrast to enforcement activity, which involves a subset of market actors, compliance activity affects the entire field.”

—Mary Condon

OSC Commissioner Mary Condon noted an OECD paper that found three conditions for a successful regulatory environment for compliance:

1. **Knowledge** of regulatory requirements. Clearly participants cannot comply if they don’t know the rules, so regulators have a responsibility to calibrate the speed of changes and to provide clarity about regulatory amendments.
2. **Willingness** to comply. Market participants may have different motives for complying but they are more likely to do so if they agree that requirements make sense and help achieve a policy goal. Regulators need to consult before changes and measure the effectiveness of changes in achieving goals.

3. **Ability** to comply. Regulators need to recognize that this ability varies across the spectrum of participants. They have a responsibility to educate those for whom compliance is a significant burden and encourage the use of third-party advisers where the participant does not have the necessary internal resources.

She also observed three lessons for regulators and market participants that can be learned from the Madoff investigation in the U.S. and the audit of Northern Rock in the U.K.:

1. The crucial need to ensure “regulatory capacity” – that there is sufficient knowledge and experience to recognize problems below the surface.

2. The need to have people with the right backgrounds – and the right combination of backgrounds – conducting investigations and working more effectively as a team.

3. The need for regulators to respond more effectively to outside sources of intelligence about potential problems.

Maureen Jensen also stressed the importance of having skilled and diverse examiners and of sharing information to achieve effective compliance. IIROC looks at compliance in five operational areas among its members: financial and operational; business conduct; trading conduct; market surveillance, and; post-trade analysis. While the rules and oversight for each of these were developed in “silos” that approach did not work well and, increasingly, IIROC is adopting a more “holistic” and cooperative approach.

Like many regulators, IIROC uses a principles-based approach in which desired outcomes, prescriptions or, at least, guidance is provided to market participants. What it has found is that those members who most want to comply are most likely to ask for specific rules to ensure that they are meeting them. It is the firms who want to skirt the regulatory intention who most want only principles-based regulation since it leaves them more latitude in interpretation.

Generally, compliance fails as a result of more than one of the following:

1. The failure of the compliance focus of the firm as a whole, as a result of the leadership
2. The failure of the compliance program itself, when compliance staff are not experienced or knowledgeable enough about the markets and the firm itself
3. The failure of management or staff, as a result of the culture created by management or inexperienced staff
4. Deliberate or ill-considered non-compliance by individuals or groups within firms.

“IIROC expects firms to undertake robust internal compliance programs. This is in combination with what the regulator does in looking for compliance – but nothing replaces a robust compliance and supervision program at the firm level.”

—Maureen Jensen
Speaking personally from his experience, rather than for the SEC, Gene Gohlke noted that about half of the hundreds of investment adviser examinations conducted every year find compliance issues and most are the result of weakness in the compliance program. A firm’s compliance staff alone cannot ensure the success of the program.

“Who does compliance? It’s the operating people who are on the scene day to day making sure compliance is done in their various areas. Part of their responsibility should be compliance. You cannot expect a compliance department, under the CCO, to control on a day-to-day basis what is happening on the trading desk or in portfolio management or in relationships between financial advisers and clients. It’s the business people who are responsible for compliance.”

—Gene Gohlke

He sees four processes at work when firms create compliance programs and keep them current:

1. Develop an inventory of risks: What can go wrong?

2. Develop policies and procedures to address the inventory: What will prevent things from going wrong?

3. Implement the policies and procedures using good management techniques: How do we delegate and ensure separation of functions?

4. “Periodic reviews” which are actually a continuous process: Are we changing compliance practices in line with changes at the firm and in the markets?

These last reviews are also “forensic testing” and look at a series of transactions over time to determine whether, in aggregate, they are consistent with policies and procedures. This testing can help identify if there are individuals or groups within a firm who are manoeuvring around the rules for their own benefit – and at the expense of investors. Forensic tests can be time-consuming and expensive, so firms need to prioritize examinations of five key areas:

1. The “Lone Wolf” business: an area where a small number of people are conducting business fundamentally different than the rest of the firm, for example trading in municipal securities when the firm’s main focus is equities.

2. Opaque businesses: for example, complex securities where markets may be illiquid and valuations difficult to establish.

3. Conflicts of interest: where it is not clear who is being served by the employees’ actions.

4. Ineffective quality control testing: for example, insider trading which may require review of employees’ own accounts.

5. In areas of a firm’s activities where a compliance failure could have a material impact there should be forensic testing. Examples of these activities include operations such as client asset custody, investment decisions, placing of trades and online access to accounts.
Testing in these areas means compliance programs that make the extra effort to ensure integrity.

As a representative of a major institutional investor, David Denison of CPPIB highlighted the importance of market integrity, efficiency and cost of capital, and noted his expectations that his organization – and those it deals with – will go beyond meeting regulatory requirements and focus on their own integrity and culture. The gatekeeper obligations are placed on both the investor and its intermediaries and help create a healthy dialogue about their actions.

Institutional investors want to see principles-based regulations measured by outcomes.

“We have seen instances of transactions being elaborately structured, meeting a series of regulatory tests and each one getting a checkmark but, at the end of it, it doesn’t strike us as meeting the actual intent of underlying regulations. We wonder if a principle that is used within the income tax world might have some application here and that is the ‘general anti-avoidance rule’ where the regulators can look through the structure into the intent and the outcome to decide whether the outcome is in fact fair.”

—David Denison

Identifying the use of insider information is critical. He noted that compliance needs to continue to evolve in its treatment of “soft dollar” arrangements for compensation as the investment industry changes, but was encouraged by the regulatory response to gather more information about “dark pools” – new marketplaces that do not offer pre-trade transparency – and related developments in alternative markets.

Investors need to continue to play an active role in the development of regulation to ensure the desired outcome, as they did in moving the TMX to a 25% dilution rule to govern share issues tied to transactions. More action is needed on the outcome of votes for and votes withheld in election of directors to make sure investor objectives can be met. Similarly, shareholders are leading the change on environmental governance since this involves risks to the companies in which they invest.

During the question period, the panellists agreed that compliance becomes increasingly complex and expensive as markets become increasingly complex. Different tools must be used cooperatively by different regulators and by market participants themselves. The expense is a cost of doing business for firms, and cannot be avoided. Compliance is central to the integrity of markets.
The Enforcement Panel

Key Comments:

- The division of responsibilities among different agencies and jurisdictions makes enforcement particularly complex and time-consuming in Canada.

- Enforcement investigators need better legal tools that could allow for greater sharing of information and perhaps the power to compel testimony as other countries have.

- All aspects of enforcement, from investigators to the judiciary, need more specialized training.

- Securities enforcement needs to become more timely (to act as an effective deterrent).

Enforcement represents the opposite end of the compliance-enforcement continuum taking over where compliance leaves off. It is a complex area of activity, because it involves work with other securities regulators, SROs, provincial and federal governments, and law enforcement – the police, courts and the Attorney General’s office. It includes administrative and criminal law, detection, investigation, prosecutions and sanctions.

“You need to have the enforcement arm to ensure the likelihood of detection, because with detection comes penalty and punishment. Prevention is most important, however, it is sometimes necessary to have the 'stick' of enforcement to encourage people to comply… If you educate people it will reduce crime but you still need the enforcement arm to ensure the likelihood of detection and the likelihood of consequences if violations should occur.”

—Patrick LeSage

Tom Atkinson noted that the goal of enforcement is to ensure that the policies and procedures of securities regulation are followed. This covers a very wide spectrum: from pursuing boiler-room operations to ensuring that continuous disclosure obligations are enforced. Enforcement instruments are similarly broad, ranging from seeking an order in the public interest (Section 127 of the Securities Act) to a Section 128 application, to quasi-criminal proceedings (Section 122).

The differences between criminal, quasi-criminal and administrative law mean a number of different bodies can be involved in investigations and prosecutions and a number of different avenues can be used in enforcement. For example, the OSC can compel information from third parties only under administrative law. Deciding which instrument to choose depends on a variety of factors, with the overarching goal being to protect investors and instil confidence, fairness and efficiency in capital markets.
Deputy Attorney General Murray Segal described how responsibility for investigating and prosecuting commercial crime and fraud has shifted over the years as the Federal government became more involved, local police less so, and as the OPP and RCMP lost expertise in commercial crime. Concerns about the Charter of Rights and Freedoms hampered information-sharing among investigators. Recently, however, there have been significant changes in enforcement activity, with the OSC taking on more major quasi-criminal prosecutions and the RCMP setting up Integrated Market Enforcement Teams (IMETs) and improving its capability in commercial crime.

“In the 2000s fortunately we saw the RCMP returning to its former glory in terms of investing in its commercial crime unit through IMETs in major centres in Canada in a cooperative way with the provinces, provincial and municipal police forces. In 2004 the Federal government increased the liability for commercial organizations and created specific offenses in the criminal code – where before we had charged broad fraud – that now included insider trading, tipping, whistle blowing, intimidation and so forth.”

—Murray Segal

The Federal government is also taking on a greater role in this area, seeing itself as a larger player in the oversight of capital markets, and it has recently introduced new legislation to address fraudulent activity. Mr. Segal also stressed the importance of developing a body of professionals who can uphold and enforce the legislative framework being developed by legislators and regulators:

“We need to grow more of the skills that we lost in policing and prosecuting… we have to do a better job of attracting young practitioners.”

—Murray Segal

The panellists agreed on the need for more resources and more expertise in securities matters in all phases of enforcement, although some doubted it would be possible to create specialized courts to deal with securities cases. Self-education of judges is one alternative that could arise from simply bringing more cases to court. Training through a neutral entity like the National Judicial Institute is another.

Stephen White, Director General Financial Crime for the RCMP spoke about the criminal side of misconduct, and the formation of IMETs in the wake of the Enron and Worldcom scandals in the United States. These teams operate in Toronto, Montreal, Vancouver and Calgary, and comprise police investigators, civilian investigative analysts, secondments from stakeholder agencies, legal counsel and forensic accountants. They have had significant success, but it is a measure of how complex and sophisticated criminal misconduct is that investigations by IMETs can absorb huge amounts of time and resources – sometimes millions of dollars and tens of thousands of person-hours over more than four years.

In addition, powers are constrained compared to those available to other jurisdictions:
“The reality is that in the Canadian context many of these investigations are lengthy, complex and costly. The fact that Canadian investigators have more limited tools available to them is a significant handicap, especially since there is a perception that Canadian securities fraud enforcement is less effective than it might be in comparison to the U.S. and U.K. The two most significant challenges remain, 1) the non-cooperation of witnesses; and 2) the issue of information-sharing between regulators and law enforcement.”

—Stephen White

The enormous cost and complexity of enforcement actions was underlined by others, who noted that in the age of the internet, fraudulent activity has become more international – with the result that its pursuit requires greater cooperation across borders, which itself is a challenge. It was also pointed out that it is important to bring nuance and balance to enforcement, even if there is public pressure for strong, decisive action. Joel Wiesenfeld distinguished between three types of violators:

1. good-faith, responsible participants in securities markets who, from time to time, may be negligent in their duties but for whom reputation and protection from legal liability is paramount;
2. participants who operate within the regulatory system but whose misconduct is intentional and in blatant disregard for compliance and governance standards; and
3. fraudulent operators engaged in criminal misconduct.

He noted that compliance and enforcement must similarly distinguish between them:

“If the compliance-enforcement continuum concept is to have any meaning... the regulatory emphasis with respect to the first group must be compliance and not enforcement. Enforcement issues should be devoted almost entirely to groups two and three... Enforcement efforts targeting Group One cause too much damage: to the respondent, in reputational liability; to the current shareholders, in financial liability; to executives and registrants, to their professional reputations; and to the system itself [because of resources absorbed in bringing these cases].”

—Joel Wiesenfeld

Mr. Wiesenfeld also argued that, given the priority placed on protecting the public from harm, the emphasis should be on ensuring compliance and shutting down improper activities more than on prosecution and sanctions.

As noted by Tom Atkinson, enforcement is hampered by the difficulty of obtaining evidence. Currently, police investigators cannot compel third-party testimony, and witnesses are under no obligation to assist police during the investigative stages. Stephen White pointed out that there are many reasons potential witnesses give for not cooperating, including:

1. Direction from counsel
2. Fear of being named in a civil suit as a result of helping police
3. Close personal relationships with suspects
4. Potential costs, including time, money, reputation and employment

Compelling witnesses to testify would overcome many of these concerns by protecting them from harm. Other jurisdictions have tools that achieve this: in the U.S., grand juries can compel testimony during the investigative stage, and in the U.K. the Director of the Serious
Fraud Office has the power to compel testimony from anyone in serious fraud cases. Nonetheless, it was also pointed out that passage of such powers would require considerable political will and the ability to survive a potential Charter challenge.

“The importance of a process to compel statements is imperative to the effectiveness of the investigation and the lack of this is a key shortcoming.”

—Stephen White

While noting that it is "bizarre" that Canadian authorities can compel testimony from witnesses in Canada on behalf of foreign states and agencies, but the courts cannot compel Canadian witnesses to testify except as part of the trial process, Patrick LeSage and panel members agreed it would be difficult to change our law to require pre-trial compulsion of third-party witnesses to provide statements, due to the likelihood of challenges under Canadian law.

The panellists agreed that ways must be found to accelerate the investigation and prosecution of cases. Tom Atkinson noted that although securities dealers have leading-edge information technology it can take up to four months to receive basic requested information. Stephen White noted delays caused by defendants’ challenges for disclosure of evidence and that the test for relevance appears to have been lost or weakened in recent years.

The panel also looked at introducing “no-contest” settlements to speed up results and make proceedings more efficient. But it was also acknowledged that fear of civil liability and class action suits was a factor that must be considered in settlements.

Enhanced protocols for information-sharing between securities regulators and law enforcement, and setting priorities, were also seen as important and more easily achieved:

“I would like to see more inter-agency priority setting and problem solving in cases looking at behaviour that we want to discourage or prevent, and putting our resources towards this in a more meaningful way. We have very good communication between the agencies, we support each other, but we don’t actually say to each other, ‘Let’s eradicate boiler rooms this year, let’s make it our job.’ I’d like to see us do more targeted, strategic problem-solving.”

—Tom Atkinson
Conclusion and Summary

David Wilson closed the Roundtable with a summary of the main themes that emerged:

On compliance:

1. Compliance has evolved to become a specific obligation of market participants. It is not a function performed only by regulators. It is a gatekeeper function within the market participants, including issuers, intermediaries, and the individuals who work for them. The burden of compliance rests with them and not just regulators.

2. Maintaining compliance capacity. Building and keeping compliance capacity includes both the people who are regulators and the people who are compliance officers in regulated entities. We must have the capacity to maintain the skills levels and the budgets at a level where the job can get done in an increasingly complex environment. Increasing skills and the costs that go with that is an important outcome.

3. Investors rely on compliance with the rules by the intermediaries they deal with and on compliance with the rules by those issuers whose securities they purchase. Investors have a right to expect that both issuers and intermediaries operate within a culture of compliance. Cultural tone is established at the top. Institutional investors urge regulators to seek outcomes and not focus on process.

Peggy Dowdall-Logie noted:

“There is an importance to defining, from a higher perspective, what outcomes you want to achieve. You can do it through the development of principles but you must still have the rules in place for guidance.”

On enforcement:

One of the themes is that better tools are needed in criminal and regulatory enforcement. The three needed tools that were cited are:

1. A carefully constructed investigative summons for witnesses in criminal cases. It is a tool that has been talked about at great length and appears to be an important tool for criminal investigators to have.

2. Improved and understandable information-sharing protocols that can be used with confidence to enhance the investigation process.

3. A tool for “neither admit nor deny” settlements to speed things up and make things more efficient.

The second broad area of discussion included comments on training throughout the enforcement “mosaic”, including the training of the judiciary to be more knowledgeable about the complex white-collar crimes that come before the courts.
There was discussion about accelerating enforcement, but speeding up the criminal process is a very real challenge, perhaps the toughest of all. Better investigative tools, better educated judges on the complexities of white-collar crime cases, more rational disclosure thresholds required by the courts, more inter-agency cooperation were among the ideas mentioned as to how to speed things up.

Patrick LeSage commented:

“Disclosure is a very important area. The law should be more specific about what needs to be disclosed... There should be better guidelines and judges must be more hands-on in dealing with cases.”
Appendix: Panellist Biographies

Philip Anisman
Barrister and Solicitor

Philip Anisman practises corporate and securities law in Toronto. Prior to entering law practice, Dr. Anisman was a professor of law at Osgoode Hall Law School and the Director of the Corporate Research Branch in the Department of Consumer and Corporate Affairs (Canada). He was the principal author of Proposals for a Securities Market Law for Canada (1979).

Dr. Anisman has advised securities commissions, stock exchanges and self-regulatory organizations, has chaired Investment Dealers Association of Canada disciplinary panels and has written extensively on takeovers and mergers, insider trading, protection of minority shareholders, corporate governance, civil liability for securities violations, securities law enforcement, the jurisdiction and accountability of securities commissions, the rulemaking process, bifurcation of the adjudicative and regulatory functions of securities commissions, and corporate, constitutional and administrative law. He is a member of the OSC’s Enforcement Advisory Committee.

Tom Atkinson
Director, Enforcement, Ontario Securities Commission

Tom Atkinson joined the OSC as Director of Enforcement in February 2009. Prior to joining the OSC, Mr. Atkinson was President and CEO of Market Regulation Services Inc. (RS). He also held progressively senior positions at the Toronto Stock Exchange, including Vice-President, Regulation Services and Director, Investigations and Enforcement Division. From 1993 to 1996, Mr. Atkinson was an Assistant Crown Attorney in Ontario.

Mary Condon
Commissioner, Ontario Securities Commission, and Professor, Osgoode Hall Law School

Professor Mary Condon was appointed a Commissioner of the Ontario Securities Commission in April 2008. Professor Condon teaches securities law at Osgoode Hall Law School, and also directs and teaches in its part-time LLM program specializing in securities law. She is co-author of Business Organizations: Principles, Policies and Practice (2007) and Securities Law in Canada: Cases and Commentary (2005), and author of Making Disclosure: Ideas and Interests in Ontario Securities Regulation (1998).

She is also the author of articles, book chapters and commentaries on topics related to securities regulation and pension policy and has presented conference papers and given lectures nationally and internationally. She is a member of the Bar of Ontario.

David Denison
President and Chief Executive Officer, CPP Investment Board

David Denison was appointed to his position in January 2005. As the President and CEO of the CPP Investment Board, Mr. Denison is responsible for leading the organization and its investment activities. He has 30 years of experience in the financial services sector, including senior postings in the investment, consulting and mutual fund businesses in Canada, the U.S. and Europe. Prior to joining the CPP Investment Board, Mr. Denison
held senior positions with Fidelity Investments, including President of Fidelity Investments Institutional Brokerage Group in Boston and President of Fidelity Investments Canada.

**Peggy Dowdall-Logie**  
**Executive Director and Chief Administrative Officer, Ontario Securities Commission**

As Executive Director and Chief Administrative Officer, Peggy Dowdall-Logie is responsible for the day-to-day operations of the OSC and is an executive sponsor of various regulatory policy initiatives, such as co-sponsorship of the Registration Reform Project. She is also the senior member of the OSC staff.

Prior to joining the OSC, Ms. Dowdall-Logie was Global Head of Retail Securities Compliance for a large Canadian financial institution. She has also held senior positions focused on securities regulatory compliance and operational responsibilities in financial institutions. Ms. Dowdall-Logie graduated from Osgoode Hall Law School in 1986 and was called to the Ontario Bar in 1988. She is a member of the Law Society of Upper Canada.

**Gene Gohlke**  
**Associate Director for Investment Company and Adviser Compliance, U.S. Securities and Exchange Commission**

Gene Gohlke is Associate Director for Investment Company and Adviser Compliance in the Securities and Exchange Commission's Office of Compliance Inspections and Examinations. In this position, he is responsible for managing the Commission's program for the examination of registered investment companies and investment advisers. Mr. Gohlke has been a member of the Commission's staff since 1975.

**Maureen Jensen**  
**Senior Vice-President, Surveillance & Compliance, IIROC**

As Senior Vice-President, Maureen Jensen is responsible for all of the compliance and market surveillance functions at IIROC. Prior to the formation of IIROC, Ms. Jensen was President and CEO of Market Regulation Services Inc. (RS), where she was responsible for overseeing all of the RS corporate and regulatory functions and the development of strategic initiatives that promote market integrity.

Prior to joining RS, Ms. Jensen held senior positions in regulatory and business portfolios at the Toronto Stock Exchange. Prior to joining the TSX, she enjoyed a 20-year career in the mining business holding both executive and technical management positions with several resource companies. Ms. Jensen is a Registered Professional Geoscientist.

**Patrick LeSage, Q.C.**  
**Commissioner, Ontario Securities Commission**

Patrick LeSage was appointed a Commissioner of the Ontario Securities Commission in 2005. Mr. LeSage is a former Chief Justice of the Superior Court of Justice for Ontario. During his 29-year career on the bench, he presided over some of Canada’s most publicized and complex cases. In 2004, he joined Gowling Lafleur Henderson as counsel and provides advice on a broad range of litigation, arbitration and mediation issues.
Murray Segal  
Deputy Attorney General for Ontario

Murray Segal has been the Deputy Attorney General for Ontario since January 24, 2004. Mr. Segal is certified by the Law Society of Upper Canada as a Criminal Law Specialist, with appellate and trial experience. During his 35 years at the Ministry, Mr. Segal has been Director of the Crown Law Office – Criminal in charge of appeal cases and special prosecutions, and Assistant Deputy Attorney General responsible for Ontario’s criminal prosecution service.

He was lead prosecutor in the Cadillac-Fairview/Trust Company case – one of Canada's largest fraud prosecutions. He also successfully convinced the Supreme Court of Canada to substantially reverse the Askov decision. Mr. Segal has also published on the Charter, disclosure and motor vehicle law.

Stephen White  
Chief Superintendent, Director General Financial Crime, RCMP

Chief Superintendent White has been Director General Financial Crime since May 2008. He is responsible for providing national co-ordination of all of the RCMP’s Financial Crime Programs consisting of the Commercial Crime Program, Integrated Proceeds of Crime Program, Anti-Money Laundering Program and the Integrated Market Enforcement Program.

He began his career with the RCMP in 1986 and has many years investigational experience in federal policing and financial crime. He also has extensive international experience and spent five years in Venezuela facilitating law enforcement activity between Canada and 10 countries throughout the southern Caribbean and South America.

Joel Wiesenfeld  
Partner, Torys LLP

Joel Wiesenfeld’s practice focuses on stockbroker/investment dealer litigation and regulatory enforcement and registration law on behalf of securities registrants and market participants. He has appeared before the Ontario Securities Commission, the Toronto Stock Exchange, the Investment Industry Regulatory Organization of Canada, and all levels of court. He also provides mediation services on broker/dealer litigation matters. Mr. Wiesenfeld is the author of the Broker/Dealer Legal Reference Case Law Database published by Carswell.

W. David Wilson  
Chair and Chief Executive Officer, Ontario Securities Commission

David Wilson became Chair of the Ontario Securities Commission on November 1, 2005, following an extensive 35-year career in Canada's securities and banking industry. Prior to his appointment for a five-year term as OSC Chair, Mr. Wilson was Vice Chair of the Bank of Nova Scotia and Chair and Chief Executive Officer of Scotia Capital in Toronto. He was responsible for all of Scotiabank's global wholesale banking activities, which included its corporate, institutional and government relationships on a global basis. Previously, Mr. Wilson held a variety of senior management positions with Scotiabank in the areas of investment banking, retail brokerage and corporate finance. He began his career as a financial analyst and in 1971 joined McLeod Young Weir, a predecessor firm to Scotia Capital.