



INVESTMENT INDUSTRY ASSOCIATION OF CANADA
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES

Ian C.W. Russell FCSI
President & Chief Executive Officer

July 13, 2009

Mr. Dan Leger
Director of News Content
Halifax Chronicle Herald
2717 Joseph Howe Drive
P.O. Box 610
Halifax, NS, B3J 2T2

Dear Mr. Leger:

Your editorial in the July 13 edition of the *Chronicle Herald* “Has the time finally come for a true market cop?” supports the federal initiative for a single securities regulator. However, the reasons for a single regulator are not well articulated. The federal initiative is to improve the efficiencies of regulation from dealing with one instead of 13 different jurisdictions; strengthen coordination of securities, banking and insurance regulators, and implement new policies and rules on a timely, efficient and nation-wide basis. Moreover, a single national regulator will still require regional offices and the ability to accommodate regional initiatives and sensitivities.

The integration of securities regulation within a national framework will strengthen coordination and effectiveness among regulators, the RCMP and judiciary responsible for white collar crime. As well, the national regulator will have access to federal financial support and resources. These factors will result in better enforcement of securities laws in Canada and promote investor confidence.

The federal initiative is not designed to replace self-regulation. The self-regulatory system that regulates the business activities of dealers and brokers, the Investment Industry Regulatory Organization of Canada (IIROC), works effectively as it is national in scope, has experienced staff infrastructure and is responsive to markets through the involvement of industry professionals. The independence of the IIROC Board of Directors (the majority of whom are non-industry) and its professional staff, together with active oversight by the securities commissions, ensure vigorous and objective regulation. The small number of overall client complaints, compared with some 70 million transactions in 2008, is testament to the effective job Investment Advisors are doing for their clients in difficult financial conditions.

Mr. Leger, I invite you to contact me with any specific questions you have regarding a national securities regulator.

Yours sincerely,

A handwritten signature in black ink that reads "Ben Russell". The signature is written in a cursive style and is underlined with a single horizontal line.