



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

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

July 29, 2009

Mr. Hubert T. Lacroix
President and CEO
CBC/Radio-Canada
P.O. Box 6000
Montreal, QC H3C 3A8

Dear Mr. Lacroix:

We are writing to express our concern with a segment which originally aired on April 12, 2009 and has since been re-broadcast. The segment was entitled *Can you trust your financial advisor?* and aired on *CBC Sunday*. The Investment Industry Association of Canada (IIAC) and our member firms are extremely disappointed that the segment conveyed an imbalanced and inaccurate portrayal of professional Investment Advisors and the Canadian investment industry. As such, we request that you remove this segment from your television and website programming.

The Investment Industry Association of Canada (IIAC) is the professional association for the securities industry, representing over 200 investment dealers in Canada. Our mandate is to promote efficient, fair and competitive capital markets for Canada and assist our member firms across the country.

We recognize the importance of informing Canadians on the contribution of professional Investment Advisors and the financial industry to the savings-investment process in Canada. However, the segment was sensational and one-sided. It is irresponsible to malign an entire industry and its professional advisors that provide significant benefit to so many Canadians, based on several isolated examples of wrong-doing. You had the opportunity to recognize the Canadian capital markets and economy has fared well compared with other industrialized countries, and describe the vital role of the investment industry helping Canadian families save for their education and retirement, and assisting governments and business raise debt and equity capital. Your televised segment had a damaging impact on the savings-investment process in Canada by discouraging Canadians from seeking needed professional advice from qualified registered advisors and undermining confidence in the investment process.

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To be clear, all advisors registered with our members are approved for registration by the Investment Industry Regulatory Organization of Canada (IIROC) and are held to high professional standards including meeting stringent proficiency requirements involving formal and extensive training programs and continuing education requirements. Registered advisors must ensure that their clients are treated fairly and properly and must ensure their recommendations to their clients are suitable for their investment goals and risk tolerance. In the event that a client is not treated fairly, registered advisors are subject to consequences for their actions.

Furthermore, the reputation of most advisors is that they do an outstanding job for their clients. Independent research confirms that, on the whole, Canadians are happy with their financial advisors and trust the quality of their advice. On July 6, 2009, the Joint Standing Committee on Retail Investor Issues released their survey of 1,000 investors. Almost all of the respondents (91%) consider their advisor to be among the top sources of information guiding their investment decisions.

Finally, the IIAC was contacted by the *CBC Sunday* producer to provide comment for the story, however, following discussions with the producer we felt that a balance portrayal of the industry would not be aired and declined to be interviewed. We did provide material for the CBC to use in the segment. This material was not included in the segment. Yet, the segment included footage of the IIAC logo filmed in our office hallway, without our knowledge or consent. Considering there was no IIAC spokesperson, and none of the material IIAC provided was used, filming the logo was misleading and inappropriate. This footage implies that IIAC and its members endorse questionable business practices, which is untrue.

As the country's national public radio and television broadcaster, the CBC has a duty to present reliable information and balanced coverage. The CBC failed this mandate with *Can you trust your financial advisor?*. As such, we ask that you remove this segment from airing again on your television network and from your website.

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

We would be pleased to discuss this matter with you further.

Yours sincerely,

Ian Russell

cc. Jennifer McGuire - General Manager and Editor in Chief, CBC News
Richard Stursberg - Executive Vice-President, English Services
CBC Board of Directors (Timothy Casgrain, Linda Black, George Cooper, Peter
Charbonneau, The Honourable Joseph Handley, Peter Herrndorf, Patricia
McIver, Trina McQueen, Brian Mitchell, Rémi Racine, Edna Turpin)