

News Release

For Immediate Release

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Regulators warn seniors about fraud

Toronto – October 1st is the International Day of Older Persons, and regulators are reminding older Canadians to be wary of opportunities that sound too good to be true.

“It’s important to understand what you’re investing in, and how your investment decisions impact your goals and objectives,” says Stephen Sibold, chair of the Canadian Securities Administrators (CSA), a council of the 13 securities regulators of Canada's provinces and territories.

Securities regulators say older Canadians are being targeted with complex investment scams promising inflated returns. These products can sound tempting to older Canadians who’ve seen their retirement accounts dwindle in recent years – and who, after retirement, have little or no opportunity to recoup financial losses. Unrealistic expectations can set the stage for further losses.

Regulators advise that the best way for seniors to protect their money from scams and fraud is to take an active role in investing their money. They should educate themselves and get involved in their investments. The CSA offers the following tips:

1. **Consult a variety of credible sources of investment information.** Just as you diversify your investments to reduce investment risk, you can also diversify your sources of advice. You should always feel free to get a second opinion.
2. **Understand what you’re investing in.** Before you invest, make sure you know how the investment works, and the risks of the investment. Recognize that high returns come with high risk. Don’t hesitate to research the investment, and ask your adviser to explain anything that’s unclear. Read the prospectus – it contains information about the terms of the investment, and how it works.
3. **Know how your investments relate to your goals and objectives.** Your investment choices should be a reflection of your goals and lifestyle. If something changes in your life, make sure you revisit your investment goals and objectives – and make sure to update your adviser! Your investment decisions during retirement will look different from those made in your 20’s.

The CSA offers a number of investor resources, including a brochure aimed at seniors - “Protecting Your Finances - How to Avoid Investment Fraud and Scams.” Contact your provincial or territorial securities regulator or visit www.csa-acvm.ca for a free copy.

Media relations contacts:

B.C. Securities Commission Andrew Poon 604-899-6880 1-800-373-6393 (B.C. & Alberta only) www.besc.bc.ca	Alberta Securities Commission Joni Delaurier 403-297-4481 www.albertasecurities.com
Manitoba Securities Commission Ainsley Cunningham 204-945-4733 1-800-655-5244 (Manitoba only) www.msc.gov.mb.ca	Ontario Securities Commission Perry Quinton 416-593-2348 1-877-785-1555 (toll free in Canada) www.osc.gov.on.ca
Commission des valeurs mobilières du Québec Barbara Timmins 514-940-2199, ext. 4434 1-800-361-5072 (Québec only) www.cvmq.com	N.B. Securities Administration Branch Christina Taylor 506-658-3060 1-866-933-2222 (New Brunswick only) www.investor-info.ca
Nova Scotia Securities Commission Nick Pittas 902-424-7768 www.gov.ns.ca/nssc	Securities Commission of Newfoundland and Labrador Susan W. Powell 709-729-4875 www.gov.nf.ca/gsl/cca/s
Registrar of Securities Department of Justice/Government of the Northwest Territories Tony Wong 867-873-7490 tony_wong@gov.nt.ca	Department of Attorney General Prince Edward Island Mark Gallant 902-368-4552 www.gov.pe.ca/securities