

2011

Annual Activity Report

Facilitating access to objective investment information and helping consumers make informed investment decisions.



**CSA
Investor Education
Committee**

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ABOUT CANADIAN SECURITIES ADMINISTRATORS (CSA) INVESTOR EDUCATION

The CSA Investor Education Committee is comprised of representatives from the provincial and territorial securities regulators who provide information and education to help investors make appropriate investment decisions and recognize, avoid and report fraudulent investments.

The CSA works to ensure that Canadians know the benefits of responsible investing and are aware of the impact of their financial decisions on their families and their future. We want Canadians to know that they can turn to their securities regulator for information to help them make informed investment decisions and assess their risk tolerance level.

Collaboration and partnership play an important role in the CSA Investor Education Committee. By combining our efforts with other organizations working in financial education, we come closer to accomplishing our committee's primary goal of improving financial literacy. The CSA works with numerous partners, nationally and internationally, to achieve our goals.

Committee Membership

The following jurisdictions had active membership on the CSA Investor Education Committee during 2011:

NAME	JURISDICTION
Laura Belloni (Secretary)	Canadian Securities Administrators
Graham Lang	Yukon Securities Office
Andy Poon	British Columbia Securities Commission
Donald MacDougall	Northwest Territories Registrar of Securities
Lorinda Brinton & Tamera Van Brunt (Chair)	Alberta Securities Commission
Jerry Kovacs	Nunavut Registrar of Securities
Jennifer Anderson	Saskatchewan Financial Services Commission
Ainsley Cunningham	Manitoba Securities Commission
Jill Homenuk & Peter Spadoni	Ontario Securities Commission
Camille Beaudoin & Michel Gariépy	Autorité des marchés financiers (Québec)
Marissa Rignanesi	New Brunswick Securities Commission
Linda Peters	Prince Edward Island Superintendent of Securities Office
Natalie MacLellan	Nova Scotia Securities Commission
Kimberly Ryan & Craig Whalen	Office of the Superintendent of Securities Government of Newfoundland and Labrador

REVIEW OF 2011 EDUCATION INITIATIVES

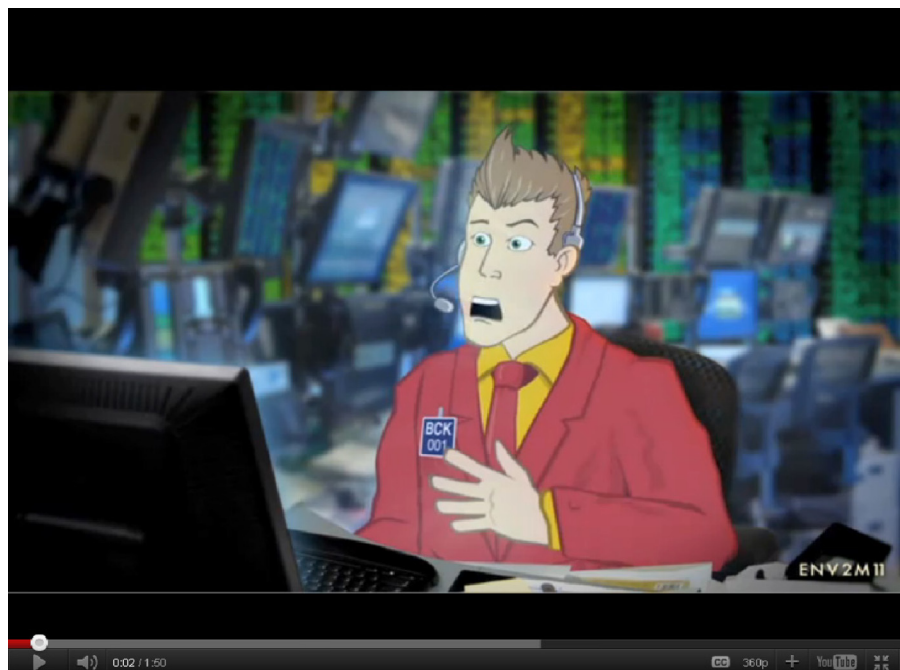


Financial Fitness Challenge

The ninth and final edition of the "[Financial Fitness Challenge](#)" contest, which ran from February 15 to April 15, 2011, engaged Canadians aged 15- 21 with an online quiz, games, videos, tips and interactive simulations. The goal of the program was to teach youth the importance of saving and investing money for their future. Thirteen young Canadians, one from each province and territory, won an Apple® iPad. The national grand prize winner was awarded \$2,000.

Videos

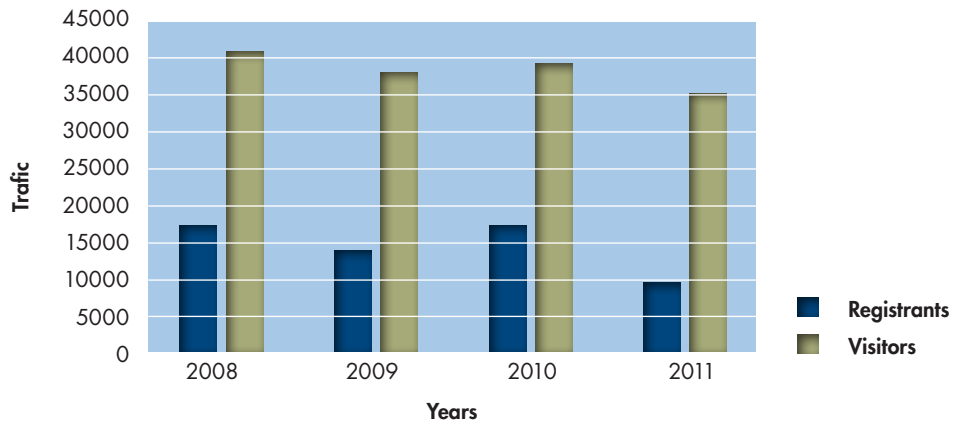
This year, the contest featured four new videos about budgeting, fraud, credit cards, and investing. Available in English and French, these videos generated 3,500 views on YouTube.



Website, Outreach and Social Media

This year, there were 9,349 youth registrations and 35,013 unique visitors on www.FinancialFitnessChallenge.ca. The average time spent on the site was very high at 7 minutes and 2 seconds and 65 per cent of all visitors visited more than one page.

Number of visitors and registrants



We focused outreach efforts on youth aged 15 – 21, and teachers. A mass e-mail campaign, built upon previous years' success, proved once again to be effective, generating 14,617 visitors. Online ads generated 15,651 visitors.

The contest also featured a [Facebook](#) page where students were able to participate and keep the conversation flowing with featured discussion topics. The Facebook page has generated positive results: 1,656 "liked" the page this year, up from 1,270 in 2010. The contest also had 483 followers on Twitter.

We used "promotional codes" – similar to coupons – which allowed participants to accumulate additional points for the contest. The codes were posted on Twitter, Facebook, and also on the videos and promotional posters.



Fraud Prevention Month and Investor Education Month

In March, Fraud Prevention Month, CSA promoted its resources and information on fraud prevention with a focus on online scams. A new Make it Count mobile app for youth was also launched. Ads and an article about online investment fraud appeared in the print and online versions of a Globe and Mail fraud supplement.

Partners in promoting Fraud Prevention Month included: Canadian Association of Pension Supervisory Authorities, Canadian Investor Protection Fund, Competition Bureau, Financial Consumer Agency of Canada, and Investment Industry Regulatory Organization of Canada.

In October, Investor Education Month, CSA put out a list of the top investment scams in Canada.

Financial Literacy Promotion

CSA Investor Education members attended the FCAC - OECD Conference on Financial Literacy: Partnering to Turn Financial Literacy into Action in Toronto (May 26 – 27, 2011). Members presented as part of expert panels, attended sessions for professional development and CSA IE materials were distributed.

Fraud Awareness Campaign

The CSA's efforts include helping to educate Canadians about how best to protect themselves from investment scams. Our enforcement teams across the country have firsthand knowledge of the ways that tech-savvy fraudsters use the internet to promote online investment scams. As such, we felt the best way to educate Canadians about the threat of these online scams was to be where the fraudsters are and provide investors with the signs to help identify an online scam and the tools to help fight back.

To cap off Investor Education Month in October 2011, Canadian securities regulators* launched a public awareness campaign that involved creating a fictitious company that would employ many of the tactics we would raise as red flags to investors. Investors were directed to the website of this fictitious company (www.BlueHedge.ca) through advertising, emails, social media as well as word of mouth. Once on the site, investors could find various investment opportunities, and if they chose to "invest now" or provide personal contact information, they were redirected to a new CSA educational website (www.BlueHedgelsntReal.ca) with information on red flags and tips for checking out an investment opportunity. The campaign continues during Fraud Prevention Month in March 2012.

*The public education initiative was launched by securities regulators in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon.

NOTABLE JURISDICTIONAL INITIATIVES

British Columbia Securities Commission

The British Columbia Securities Commission (BCSC) launched its “Be Fraud Aware” program, a three-year television, radio and print campaign, to educate and warn British Columbians about the dangers of investment fraud. The campaign’s first phase primarily focused on the Chinese and South Asian communities, who represent 40 and 26 per cent respectively of B.C.’s visible minority population but which research shows have relatively low awareness of the BCSC.

The campaign features extensive ethnic media advertising and comprehensive online investment fraud warnings on websites with videos and interactive fraud warnings in Chinese, Punjabi and English. In addition, the BCSC’s popular *InvestRight Guide to Investing* was translated into Chinese and Punjabi and is available on the InvestRight website.

To mark Financial Literacy month in November, the BCSC released findings from a national youth financial literacy survey. The survey was commissioned to provide a Canadian benchmark study on youth financial life skills to help educators and policy makers develop and deliver financial literacy programs for Canadian youth. Findings showed high school graduates are highly optimistic about their financial futures. On average, students expect to earn over \$70,000 in 10 years’ time (more than double the current average). As well, almost three quarters of those surveyed expect to purchase a home within 10 years – a much higher rate than actual home ownership. Extensive media reports, locally and across Canada helped raised public attention about youth financial literacy and the BCSC.

Throughout the year, BCSC staff continued to deliver its popular InvestRight seminar program across the province, delivering more than 60 public seminars. The InvestRight website continues to draw more and more visitors and online traffic to its investor education information and resources, highlighted by its popular blog and videos.

Alberta Securities Commission

During Seniors’ Week in Alberta (June 6 – 10), and World Elder Abuse Awareness Day (June 15), and during Investor Education Month (October), the Alberta Securities Commission (ASC) offered Lunch and Learn and conference sessions to senior service providers as part of its commitment to strengthen strategic partnerships that reach the seniors population. Attendees included program advisors, outreach managers, policy coordinators, social workers, community liaison officers and executive directors from 95 organizations. The sessions were designed to help service providers:

- recognize signs of investment fraud in their patients/clients;
- know about the free ASC fraud prevention resources; and
- integrate investment fraud information into their existing programs and outreach.

The information presented was received well with 97 per cent of attendees saying they now felt more comfortable discussing investment fraud with their clients. Three new sessions directly for seniors in smaller rural communities were offered in September 2011.

To help Alberta youth be better prepared for their financial future, the ASC participated in several teachers' conventions and sent out over 500 financial literacy training materials (such as those promoting CSA's Make it Count and Financial Fitness Challenge) to community educators from various youth organizations and schools throughout the province.

Albertans have been responsive to the ASC's goal of keeping people informed via social media. In October, as part of Investor Education month, the ASC ran an "Everything you always wanted to know about investing, but were afraid to ask" contest, inviting Albertans to submit their questions about investing to the ASC via the web or Twitter to @ASCUpdates for a chance to win a BlackBerry® PlayBook. Interested investors submitted 99 eligible questions, ranging from "What is short selling?" to "How do I research whether an investment company is legitimate?" To see the submitted questions and ASC answers from the contest, visit the Your Investing Questions page on www.albertasecurities.com.

Saskatchewan Financial Services Commission

The Saskatchewan Financial Services Commission (SFSC) hired a full time Coordinator of Information and Education, dedicated to supporting CSA investor education efforts, creating investor education and financial literacy programs and SFSC brand awareness campaigns.

As a first major project, the SFSC participated in and actively promoted CSA's Make it Count program throughout Saskatchewan. The SFSC also launched a newly designed website, at www.sfsc.gov.sk.ca.

Manitoba Securities Commission

In April 2011, the Manitoba Securities Commission (MSC) launched a new program for women called *I'm Worth It*. The program was developed to address some staggering statistics surrounding women and money:

- In Manitoba, only 47 per cent of women hold some sort of investment compared to 62 per cent of males.
- Women earn 25 per cent less than men.
- Women have less in pensions and savings, and are more likely to live in poverty after the age of 65.

When it comes to attaining financial goals, 64 per cent of women say they worry about this, compared to only 42 per cent of males.

I'm Worth It covers a wide range of topics concerning money management such as understanding your values and motivations, money and relationships, and making the most of your money – by smart shopping, budgeting, and saving and investing for your future. The guide is supplemented by online videos featuring Ms. Evelyn Jacks of the Knowledge Bureau and five Manitoba women talking about their personal experiences, lesson plans that compliment each section of the guide and an iPhone app that tracks daily spending, helps set savings goals, and improve spending habits. All these materials can be found on www.imworthit.ca. As of December 31, 2011, the MSC had distributed over 1,500 guides.

The Education and Enforcement Departments worked together to develop an Investment Fraud training program for law enforcement agencies. Some of the products discussed in the materials are legitimate instruments when properly registered and used for legal business or investment purposes. However, the material also included an array of phony products that continuously appear on the market. Some of these products sound legitimate (e.g. Prime Bank Notes), but they are often an entirely illusory investment, sold by means of misrepresentation and manipulative techniques.

The MSC, together with Manitoba Healthy Living, Youth & Seniors, Seniors & Healthy Aging Secretariat, have developed a series of three print publications that focus on identifying and preventing financial abuse among older Manitobans. All three publications - Identifying and Preventing Financial Abuse: A Guide for Older Manitobans, The ABCs of Senior Investment Fraud: A Guide for Professionals Working with Seniors and Financial Concerns Checklist - were released on May 31st, during Age-Friendly Week.

Ontario Securities Commission

A new financial literacy program was introduced in the Ontario curriculum for students in Grades 4 to 12 in 2011, thanks in part to the financial support of the Ontario Securities Commission (OSC). The OSC allocated nearly \$2 million in settlement money from enforcement proceedings to assist the Ontario Ministry of Education with integrating the financial literacy program. The program provides teachers with new resources to teach basic financial skills about saving, spending and investing money to help students learn to make informed decisions about managing money.

In 2011, the OSC funded the Investor Education Fund (IEF) which leveraged interactive channels and social media to reach out to investors. IEF highlights included the School of Savings student blogging program, the StreetCents feet-on-the-street social media campaign and Masters of Money, a blog on personal money issues featuring renowned Canadian financial experts. The IEF also continued its partnership with Investment Industry Regulatory Organization of Canada (IIROC) to bring the award-winning Funny Money for High Schools Assembly Program to 85,000 high school students in 181 presentations across the country.

The OSC's Investor Advisory Panel provided valuable input on a variety of issues, including over-the-counter derivative regulation, investment fund disclosure to investors, cost disclosure and performance reporting and shareholder democracy. The Panel's outreach and consultation activities with retail investors and industry experts generated substantial feedback on the regulation of the capital markets from investors' viewpoints which was fed into the OSC's policy-making process.

The OSC used a variety of channels to warn investors about unfair, improper or fraudulent activity in 2011, including traditional and social media. For example, the OSC issued five Investor Alerts and added a number of companies that appeared to be engaging in activities that posed risks to investors on its online Investor Warning List. This information was proactively distributed through the media and the OSC Twitter account to help reach a broad audience of investors.

Autorité des marchés financiers, Québec (AMF)

The Autorité des marchés financiers (AMF) website was given the perfect score of "outstanding" by the International Organization of Securities Commissions (IOSCO). This evaluation has been done as part of a study with regards to investor's education and regulators' websites as source of information. According to the study, the AMF site includes everything an investor would need and want because it is very comprehensive, easy to read, informative, simple and all in all very useful in informing consumers about investing. The site lays out information in a very easy to understand manner and helps investors by informing and educating them to make sound investment decisions.

The AMF has launched three new brochures for investors: *Reviewing Your Personal Finances*, *Choosing Investments*, *Choosing an Investment Dealer or Representative*. These three brochures guide the investor in a simple way, step by step, to adopt well-advised financial behaviors.

Several surveys, especially the one conducted by the CSA, showed that the representatives and financial institutions are source of information number one to which the consumer will turn to in order to get new personal finances knowledge.

Consequently, the AMF has recently started to promote its brochures and tools to the members of the industry so that they can relay the information to their clients, at the time they feel is right. The industry's response has been immediate. The AMF also created a network of financial education specialists in the province of Québec. The AMF website features a dedicated section for financial literacy experts and gives them access to all the financial education initiatives done in Québec and around the world. In addition to that, a monthly newsletter has been created and a conference reuniting financial education experts is held annually to energize the network.

New Brunswick Securities Commission

In 2011, the New Brunswick Securities Commission (NBSC) developed a directive for the use of social media and launched investor education focused social media profiles on Facebook (For NB Investors / Pour Investisseurs NB) and Twitter (@4NBInvestors / @InvestisseursNB). With 400 followers on Facebook and 92 on Twitter, the NBSC has focused on sharing content, events, tools and resources from NBSC and stakeholders. In October 2011, the NBSC started using Facebook ads to drive traffic to its page and its website, and saw noted increased in traffic to both for the duration of the campaigns. With a budget of \$1,000, the NBSC ran Facebook ads for the months of October through December, generating 1,510 click-throughs to its Facebook page, and achieving a 10 per cent conversion rate (percentage of people who clicked the ad, and subsequently followed the page).

The NBSC also focused on outreach offline to investors in the general public and youth in classrooms. The NBSC developed documents for high school math teachers outlining curriculum correlations between New Brunswick math curriculum for grades 10 and 11, and programs offered by the NBSC. It expanded its youth outreach by offering personal money management presentations to all grade levels from elementary school through to post-secondary establishments. The NBSC delivered presentations to approximately 500 people on topics ranging from investing basics and fraud prevention to personal money management.

Office of the Attorney General (Prince Edward Island)

Prince Edward Island's Consumer, Corporate and Insurance Division, which includes the Superintendent of Securities Office, has partnered with the RCMP, the Seniors' Secretariat of Prince Edward Island, the Prince Edward Island Seniors Safety Program and the Community Legal Information Association to develop Seniors Safety Seminars across the Province. As part of the presentation, seniors are given basic information regarding the importance of responsible investing and are directed to the CSA website for more information.

Nova Scotia Securities Commission

The Nova Scotia Securities Commission (NSSC) continued its development of social media accounts, blogging at www.beforeyouinvest.ca, tweeting at @B4UInvest and starting a Facebook fan page. At year end the Twitter account had nearly 1,000 followers and over 2,000 updates. There were 85 Facebook fans.

In January, the NSSC participated in the second annual "Divorce Fair" hosted by the Legal Information Society of Nova Scotia. The two-day expo provided information and presentations to persons going through or considering the divorce process. NSSC staff developed a special one-page brochure entitled Splits & Scams: Divorce, Stress & Financial Fraud.

In March, to mark Fraud Prevention Month, the NSSC partnered with the NBSC and the Bank of Canada to run an online contest open to residents of Atlantic Canada. Contestants answered an online quiz for a chance to win gift certificates to local shops & restaurants and other prizes.

In October, the NSCC launched its version of the North American Securities Administrators Association (NASAA) program Live Stock Adventure, a card activity game for the classroom. Introduced at the annual Math Teachers' Association conference, classroom kits ran out in less than a day, and are now into their second print run.

Office of the Superintendent of Securities, Government of Newfoundland and Labrador

In 2011, Newfoundland's Service NL under which the Office of the Superintendent of Securities falls, hired a Coordinator of Education and Information whose responsibilities include developing an Investor Education profile by planning and promoting projects, initiatives, partnerships and educational materials.

Facilitating a flow of communication between the Office of the Superintendent of Securities, the public sector and interest groups, the Financial Services Regulation Division also launched a Twitter account, @FSRDNL. Here one will find not only tips, information and articles on real estate, insurance but securities as well.

The Office of the Superintendent of Securities is looking forward to further developing Investor Education in the province.