

Hello CIRO

I greatly appreciate the opportunity to provide input on the consultation to bring mutual fund Dealers into the disgorgement Arena. This will provide the necessary clarity for hearing panels and the opportunity to provide collected cash to mutual fund investors harmed by ineffective supervision and Rep misconduct.

I am also delighted to see CIRO willing to move promptly to bring the investor rebate initiative to life.

On the other hand, I am dismayed that the CIRO member Dealer will not have to disgorge their share of the sales commission it received, when its representative is before a Hearing Panel. This protection of the Dealer is unfair, unjust and improper.

I strongly recommend that CIRO amend Hearing Panel proceedings so that when a disgorgement order is established, it would be an automatic judgment against the dealer for deficient supervision. In any event, the Dealer should not be permitted to retain ill-gotten gains. It is quite simply not in the public interest or fair to retail investors who lost money due to the inadequately supervised recommendation / transaction.

I assume that directed commissions will not hinder the collection of Disgorgement. It is worth noting that enhanced supervision may not be inappropriate for dealers given that some representatives may not have had any formal education.

CIRO should also consider reviewing the conflicts of interest faced by supervisors and Reps under Dealer compensation programs. Recent CIRO industry sweeps certainly raise questions as to the degree CIRO Dealers have implemented CFR.

I also suggest that CIRO dramatically increase its sanction collection efficacy so that more cash will be available to harmed investors.

The result of an updating of Hearing protocol will prove to be a win-win for all stakeholders including CIRO.

Thank you for the opportunity to provide comments.

Respectfully,

Tim Carter, retail investor