

Hello CIRO

I appreciate the opportunity to provide an input on this important consultation.

I fully support the initiative to break out disgorgement as an isolable sanction that, if collected, would be paid out to harmed investors -- with one proviso. ALL improperly earned profit should be rebated to harmed clients by the mutual fund distributor.

In practice, it seems that if a Hearing for an individual company representative issues a disgorgement Order, the disgorgement amount is only that amount attributable to the company representative. It is normal business practice to hold the company accountable for any wrongdoing as it is the Company that is obligated to provide investing and advice services. That is what clients pay the company for.

If the company hires the wrong people, does not properly train representatives, has flawed compliance systems, implements advice skewing compensation plans, fails to supervise etc. , the company should not be permitted to hold on to cash received for services that caused investor harm.

This suggested process will enhance the initiative because the cash available for distribution will be greatly increased as companies will pay up while individuals may not.

In addition, in order to measure the effectiveness of this initiative, I recommend that CIRO publish annual statistics that make it clear how many dollars were ordered to be disgorged, how many dollars were collected and how many dollars were distributed to harmed investors by each source of funds.

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