

WHAT DO I NEED TO DO IF MY INVESTMENT DEALER BECOMES INSOLVENT?

First, you'll be notified by a letter from the appointed insolvency official. Generally, investors don't have to file individual claims, as your monthly statement is considered your claim. You must file a claim only if you disagree with your monthly statement. A claim to an appointed insolvency official is a claim to CIPF.

You have 180 days to file a claim from the date of insolvency.

HOW DOES THE CIPF WORK WITH THE INVESTMENT INDUSTRY TO GUARD AGAINST INSOLVENCY?

Investment dealer insolvency doesn't happen very often. That's because IIROC, the Securities Commissions, and CIPF require that our Members comply with regulatory procedures. But if insolvency does occur, CIPF is here to protect you.

The CIPF logo:



Canadian Investor Protection Fund
Fonds canadien de protection des épargnants

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Cette publication est disponible en français.

IMPORTANT

This is a copy of the CIPF Brochure that has been obtained from the CIPF website. The official brochure can be obtained, on request, from any CIPF Member. This is one way to ensure that you are dealing with a CIPF Member.

Member of the Canadian Investor Protection Fund
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CANADIAN INVESTOR PROTECTION FUND

LOOK for it
EXPECT it
INSIST on it



INVESTOR PROTECTION FOR INVESTMENT DEALER INSOLVENCY



Canadian Investor
Protection Fund

What protects you if your investment dealer becomes insolvent?

That's why the Canadian Investor Protection Fund (CIPF) exists. CIPF ensures, within defined limits, that your cash and securities are protected.

The following basic Q & A will explain what CIPF means to you. For more detail, please visit our website at www.cipf.ca or ask us for more information by calling 416-866-8366 or toll-free 1-866-243-6981.

WHAT IS THE CANADIAN INVESTOR PROTECTION FUND?

CIPF was created by the investment industry to ensure that client assets are protected – within defined limits – if a CIPF Member becomes insolvent. Assets include cash, securities and certain other property such as segregated insurance funds. CIPF is not a government organization. Payments to clients are determined independently by CIPF, not by the investment dealers.

WHO PAYS FOR THIS COVERAGE? – AND HOW DO I GET IT?

You, the investor, pay no fees for CIPF protection. Coverage is automatic when you open an account with an investment dealer that's a Member of CIPF.

WHO ARE THE CIPF MEMBERS?

Approximately 200 investment dealers across Canada are Members of CIPF as a result of being a Dealer Member of the Investment Industry Regulatory Organization of Canada (IIROC), the successor to the Investment Dealers Association of Canada. For a current list of our membership, please visit our website at

www.cipf.ca
or call 416-866-8366
toll-free 1-866-243-6981

You'll know you're dealing with a CIPF Member when you see the words "Member CIPF" and/or the CIPF logo on your contracts and statements. Members must also display the CIPF logo at their premises.



WHAT BACKS UP THIS PROTECTION?

CIPF maintains a substantial fund that's contributed to by each investment dealer. CIPF determines the size of the fund and the amount that each investment dealer has to contribute.

IS THERE A LIMIT ON THE AMOUNT OF COVERAGE?

Yes. The limit is Cdn \$1,000,000 for any combination of cash and securities.

IS MORE THAN ONE OF MY ACCOUNTS COVERED?

Yes. Most investors will have two accounts, a general account and a retirement account, that are each eligible for \$1,000,000 coverage.

If an investor has several general accounts, such as cash, margin, and \$US accounts, they are combined

into one account for coverage purposes. Similarly, retirement accounts such as your RRSP, RRIF, LIF and LIRA accounts are combined into one account for coverage purposes.

If you have other types of accounts, you'll want to review the information on our website at www.cipf.ca as it will help you to determine which of your accounts would be combined.

IF THE VALUE OF MY ACCOUNT IS OVER \$1 MILLION, WILL I HAVE A LOSS?

Not likely, because the limit applies to your shortfall, which in most cases will be substantially less than the value of your account. For an example, please visit our website at www.cipf.ca

ARE THERE LOSSES THAT AREN'T COVERED?

Yes. For example, CIPF doesn't cover losses from market fluctuations, or from the bankruptcy of an issuer of a security or deposit instrument held in your account, no matter how drastic or unfortunate.

HOW EXACTLY ARE MY ASSETS RECOVERED?

Putting it simply, CIPF will move your account – within the limits of coverage – to another investment dealer where you can access it; or CIPF will deliver the contents or value of your account to you.

It's important to remember that you're only covered if your losses result from the insolvency of a CIPF Member. Each claim is considered according to the coverage policies adopted. They are available on our website at www.cipf.ca - or by calling us.