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Via email: publicaffairs@obsi.ca

Terms of Reference Review
Ombudsman for Banking Services and Investments
P.O.Box 896, Station Adelaide
Toronto, Ontario M5C 2K3

Dear Sirs/Mesdames:

Re Proposed Amended Terms of Reference for the Ombudsman for Banking Services and Investments (OBSI)

The Investment Industry Association has expressed its opposition to the Proposals to Amend the Terms of Reference for OBSI. We are writing in support of the position taken by the Association.

Woodstone Capital Inc. is an Investment Dealer. We are a small firm comprising 12 persons. However we are highly regulated as we fall under the purview of the British Columbia Securities Commission (BCSC), The Investment Dealers Association (IDA), Market Regulation Services (RS), The Canadian Securities Regulators (CSA), The Ontario Securities Commission (OSC), the Canadian Investor Protection Fund (CIPF), Fintrac (re proceeds of crime, terrorism, etc), the Rules of TSX Exchange, the Rules of the TSX Venture Exchange, and MSE, among others.

We are subject to 5 different types of audits and our Financial Auditors, Price Waterhouse Coopers, are themselves audited by the IDA (the "auditor's auditor").

Our audits cover the entire spectrum of our business from capitalization to licensing and registration of personnel, from close scrutiny of our clients to all investment activities conducted by and for our clients, and for ourselves, and to system-wide policies and procedures.

Our resources of time and personnel are stretched to the limit in terms of meeting the many and varied demands of the regulators. We are not sure that we can cope with yet another regulatory body, particularly as the CSA has entrusted regulation of the investment industry to the IDA (soon to be combined with RS) and they diligently protect the investing public via a comprehensive regulatory system. Adding a further layer of regulation would be

redundant, an unnecessary expense for an industry already coping with continually increasing costs of regulation.

We strongly believe the Ombudsman's office should be confined to helping with the resolution of individual complaints and not to expand its scope to areas that are more than fully reviewed by other regulators. The Ombudsman would perhaps do better to refer any areas of concern to the IDA for investigation and resolution.

Very truly yours

M.S. Ahamed, C.A.
President