

MAY 10, 2012 ISSUE

PUBLIC CONSULTATION: INVESTMENT SUITABILITY AND LOSS ASSESSMENT PROCESS

In the majority of investment complaints we receive each year about advice-based accounts, investors complain that they received poor advice, their investments or investment strategies were unsuitable and/or that their investments did not perform as they expected. In such "suitability" complaints, investors ask to be compensated for the investment losses they incurred.

On May 26, 2011, OBSI issued for public comment a [consultation paper detailing our suitability and loss assessment process](#). Twenty-one comment letters were submitted from investors, participating firms, industry associations, and other interested stakeholders. All comment letters have been posted on OBSI's website, along with a complete [summary of stakeholder feedback](#).

OBSI's Board of Directors has proposed a number of enhancements to our suitability and loss assessment process. These proposals, as well as a summary of stakeholder feedback received during the first round of the consultation, are contained in a [new consultation paper found](#) on our website.

OBSI invites written comment on the proposed changes to our process. After receipt and consideration of any further comments OBSI's Board of Directors will finalize a new methodology, which will be published on OBSI's website.

Comment letters may be addressed to:

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Comments will be accepted until July 9, 2012, and will be posted on OBSI's website.