



MFDA Investor Protection Corporation

Corporation de protection des investisseurs de l'ACFM

121 King Street West, Suite 1000, Toronto, Ontario M5H 3T9 Telephone: 416-361-6332 Fax: 416-361-9781

Claims Procedures

These claims procedures relate to the Coverage Policy of the MFDA Investor Protection Corporation (IPC) and the policy should be referenced by readers of these procedures. These procedures document the administrative processes involved in submitting claims, assessing claims and making payments. The IPC claims process described in respect of an insolvent MFDA Member contemplates that the estate of the Member is being administered by a trustee in bankruptcy under the *Bankruptcy and Insolvency Act* (Canada). The procedures applicable to Members subject to other insolvency administration may vary.

When Claims are Due

All claims must be received by the trustee or IPC before the Claims Bar date set by the trustee or within 180 days of the date of the insolvency as determined by the IPC Board.

How Customers Submit a Claim

Claims handled by the trustee

1. Normally, the trustee in bankruptcy will handle all matters with respect to the bankrupt firm, including claims. The trustee would be expected to contact customers in order to establish claims. The trustee will send a letter to all customers that have cash balances or securities positions with the firm. Customers will be asked to verify the accuracy of the information regarding their assets.
2. If the claim is not in dispute, the trustee's information will act as the customer's proof of claim against the estate.
3. Claims that are not in dispute may be satisfied as described under *Payment of Claims* below.
4. In exceptional cases, there may be differences between the customer's entitlement to claim under insolvency legislation and IPC coverage. To the extent of any such difference, the claim of the customer will be treated as a disputed claim.

5. If the claim is in dispute, the customer must submit a proof of claim with supporting documents, using the process described under *Disputed Claims* below.

Disputed Claims

1. Claims that are in dispute may be submitted by the customer directly to IPC. There is no prescribed claim form for IPC and you may submit your claim in whatever format is convenient. You should refer to the IPC Coverage Policy (see the IPC section of the MFDA website at www.mfda.ca) for clarification of what claims are covered and, accordingly, what information should be provided. As a minimum, you should provide information that:
 - identifies you by full name and address and in a way, if possible, that would correspond with the MFDA Member's records (likely evidenced by its correspondence with you);
 - indicates you qualify as a customer under the policy and are not in any of the excluded categories;
 - explains the details of your alleged loss, i.e. amount, securities or transactions involved, how it arose, relevant dates and basis of calculation; and
 - includes any documentation relating to your account relationship with the MFDA Member such as account statements, correspondence relating to your account and investments and documentation provided by the Member to you.
2. IPC will review the claim. If the claim form does not contain all the necessary information, the customer may be asked to provide additional information or documentation.
3. After all of the necessary documentation is assembled, IPC staff will review the claim to determine if it is eligible. If IPC staff considers the claim to be eligible, they will seek confirmation from the IPC Board (or committee of the IPC Board). IPC will advise the customer of the outcome of the claim.
4. If IPC staff determines that the claim is not eligible for coverage or its determination of eligibility for coverage is not confirmed by the IPC Board, the customer will be informed that they may have the matter reconsidered by the Board (or committee of the Board) of IPC. Such requests must be submitted within 60 days.

Review of Claims

The IPC Board will review the customer's claim as quickly as practical but at least within 90 days of receipt of the review request.

The customer may be present at the review and may be represented by legal counsel or another advisor.

IPC staff, the trustee or witnesses on behalf of the customer may attend to provide information concerning the claim.

The IPC Board will determine the eligibility of the claim and advise the customer in writing.

Payment of Claims

Prior to payment or transfer of the accounts, customers may be asked to provide IPC with an assignment of his or her interest in the claim to protect IPC's position as a subrogated claimant.

Claims that are eligible for coverage are normally settled by transferring the accounts to another mutual fund dealer. If there is a shortfall in the client's assets, IPC will provide the trustee with the funds or other property to restore the client account before it is transferred. IPC may also settle claims by payments or transfers of securities and assets directly to the customer.

Claims will be paid (including account transfers) as quickly as possible following an insolvency. In the event of a large and/or complex proceeding, partial payments and transfers may be made, with final payments following at a later date.

Doc192759
November 2009