



# **INVESTOR PROTECTION CLINIC and LIVING LAB**

## **2021 ANNUAL REPORT**

# SECTION 1. ABOUT US

## OUR VISION AND MISSION

The Osgoode Investor Protection Clinic (the Clinic), the first of its kind in Canada, provides pro-bono legal services to people who believe their investments were mishandled and who cannot afford a lawyer. The Clinic was founded together with the Canadian Foundation for Advancement of Investor Rights, an organization that aims to enhance the rights of Canadian shareholders and individual investors.

As of April 30, 2021, the Clinic has received seed and other funding from the Law Foundation of Ontario, two cy-prés awards, the Investment Industry Regulatory Organization of Canada (IIROC) and other regulators. The Clinic also receives support from Osgoode alumni and our pro-bono partner law firms and experts. The Clinic is grateful to these organizations and individuals for their support.

The Clinic has two primary purposes:

### LEGAL ADVICE AND OUTREACH

### RESEARCH

Provide legal advice to people who believe they have suffered an investment loss because of someone else's wrongdoing.

Develop investor education initiatives and educational resources through community outreach.

Act as a "Living Lab," collecting research data in an anonymized way to inform public policy debates.

## OUR PEOPLE

### Clinic Operations:

The Clinic is managed by Professor Poonam Puri of Osgoode Hall Law School, Adjunct Faculty Member Brigitte Catellier of Osgoode Hall Law School and Administrative Coordinator Ruby Soriano. Professor Puri and Professor Catellier co-direct the Clinic and oversee all Clinic activities including strategic direction, file management, student supervision, and seminar instruction.



**Poonam Puri**

Professor Puri is a Full Professor at Osgoode and Founding Academic Director of the Clinic.



**Brigitte Catellier**

Professor Catellier is an Adjunct Faculty Member at Osgoode and Co-Director of the Clinic.



**Ruby Soriano**

Ms. Soriano is the Clinic's Administrative Coordinator.

## Clinic Caseworkers:

In 2020-2021, the Clinic was staffed by 12 student caseworkers. The students were paired with supervising lawyers from the Clinic's pro-bono partner law firms and were assigned several client files each. Students conducted initial intake interviews with potential clients, then provided a written memorandum to the Clinic's Co-Directors outlining the merits of the file. If the Clinic was able to take on a file, students drafted and filed the necessary documents to pursue the clients' complaints or claims. They also managed the Clinic's existing files, which are at a variety of stages. The students also participated in various community outreach events focused on investor education during their tenure.

## Pro-Bono Partner Law Firms:

The Clinic is grateful for the longstanding pro-bono involvement of a number of leading business law firms including:



Bennett Jones



The Clinic is also thankful to the following law firms for joining us this year:



Kushneryk Morgan LLP



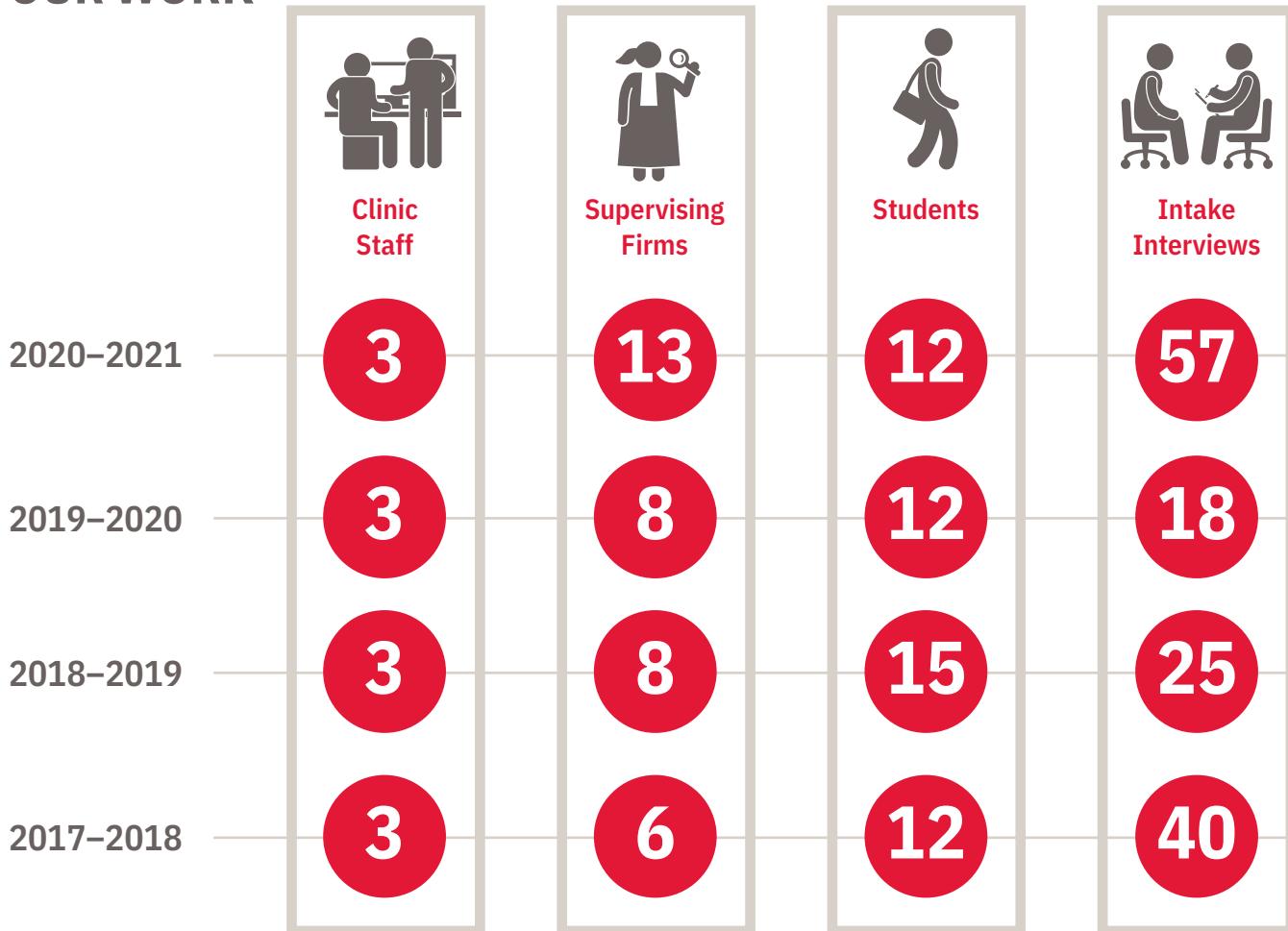
STOCKWOODS

## Referrals:

The Clinic receives referrals from industry stakeholders including IIROC and the Ontario Securities Commission (OSC), and from our pro-bono partner law firms. Individual investors can also contact the Clinic directly.

## SECTION 2. ACCOMPLISHMENTS

### OUR WORK



#### Investment Complaints Received:

- Unsuitable investments
- Inadequate disclosure about products or fees
- Instructions not followed by financial advisor
- Misrepresentations by financial advisor
- Delays in buying or selling securities or transferring funds
- Fraud

#### Factors Considered in Selecting Files:

- Merits of an applicant's complaint
- Whether a complaint fell within the scope of the Clinic's mandate
- Income and personal assets of an applicant
- Adequate evidence and recordkeeping of communication
- Expiry of the limitation period
- Learning opportunity for the student caseworkers
- Clinic capacity

#### File Work Included:

- Preparing demand letters to investment firms
- Submitting complaints to OBSI
- Pursuing civil claims
- Assisting with settlements
- Determining the standard of care required for recommending an investment
- Educating clients on various complaint processes
- Investigating potential avenues for dispute resolution including alternatives to civil litigation

## CLIENT FEEDBACK

"To the IPC team, thanks so much for your help in this matter. I've learned a lot about investment and the law through your work."

"All the law students who were involved in my file were amazing. They spent time researching my case and always answered my questions with not only respect, but with updated first-class knowledge about my case. My supervising lawyers were fantastic and gave me high quality advice and made me confident in dealing with my matter. I will definitely refer anybody to the IPC in my community who needs their help."

When I first found out my best friend/broker of 6 years had defrauded me out of \$10k I was so overwhelmed and shocked. I didn't know what to do. I researched options and found York University's Investor Protection Clinic. I reached out and got free legal advice. It took quite a long time but I finally got all my money back. I recommend this clinic to anyone needing legal help. Having it be free was amazing, as a single mom of 3. I went to York for my Bachelor of Arts degree and so this was a nice way to feel connected and supported again.

## RECENT SUCCESSES FOR OUR CLIENTS

### Ms. A

Ms. A is a single mother in her mid-40s whose long-time advisor and friend withdrew funds from her investment accounts without her knowledge or consent. Once she became aware of the fraud, Ms. A sought the Clinic's help in obtaining compensation from her brokerage firm. The Clinic represented Ms. A's interests during extensive negotiations with the brokerage and ensured that she was reimbursed in full. The Clinic also helped Ms. A transfer her otherwise locked-in funds to another institution without penalty.

### Ms. C

Ms. C was a client in her late 20s who was invested in certain mutual funds using a leveraged loan strategy that was not suitable for her. On the recommendation of a former advisor, Ms. C applied for a loan to purchase mutual funds. The advisor failed to fully disclose the risks associated with the investment products and the loan, which were in conflict with Ms. C's investment objectives. Ms. C's investment portfolio declined in value and by the time she exited her investments, Ms. C was left with substantial debt. Ms. C later discovered that her assets, level of financial knowledge and risk tolerance were misrepresented to secure the loan. The Clinic helped Ms. C escalate her complaint to OMBI and was successful at negotiating compensation for Ms. C from her former investment firm.

### Mr. D

Mr. D was a client in his mid-30s with an average level of financial knowledge. As a result of a delayed transfer of funds, his investments were adversely affected by the fall of the market caused by COVID-19. The Clinic helped Mr. D navigate the financial institution's internal ombuds process and successfully secure a settlement.

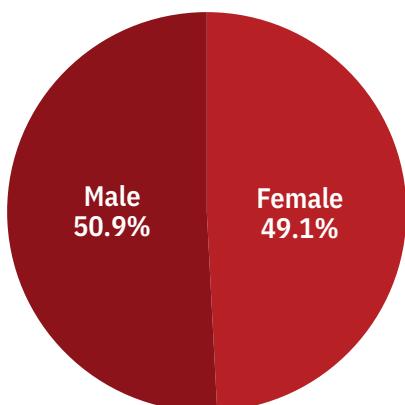
## SECTION 3. CLIENT DATA & DEMOGRAPHICS

In addition to serving clients, the Clinic also serves as a research lab that collects data in an anonymized way in order to inform public policy debates about investor protection. As the first legal clinic of its kind in the country, the Clinic has been uniquely positioned to develop a much-needed body of independent data that was previously unavailable in Canadian capital markets.

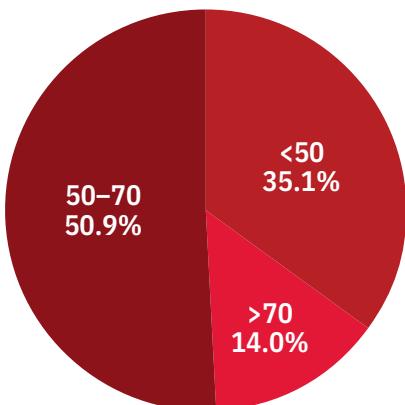
### DEMOGRAPHICS OF 2020-2021 CLIENTS

The IPC's clients in 2020-2021 were diverse in gender, age, cultural background, occupation and financial knowledge.

Gender

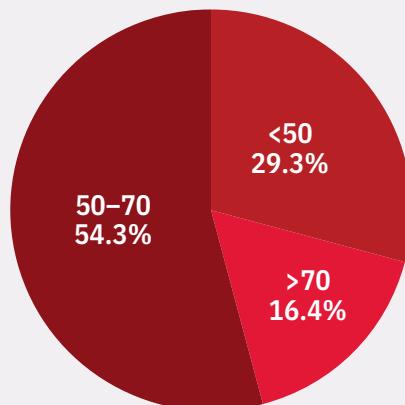
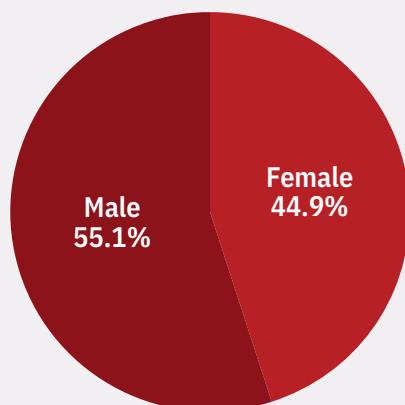


Age



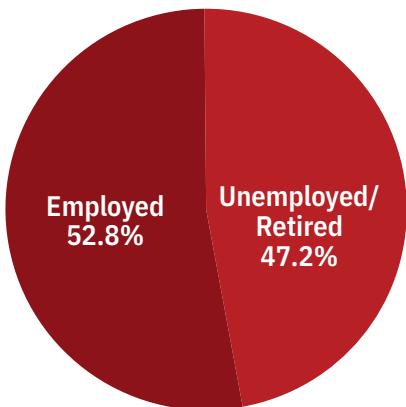
### DEMOGRAPHICS OF ALL CLIENTS TO DATE

The 2020-2021 demographic data is consistent with the overall client profile of the Clinic during its four years of operation.



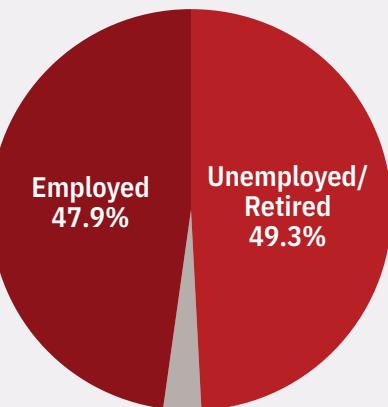
## DEMOGRAPHICS OF 2020-2021 CLIENTS

### Employment Status

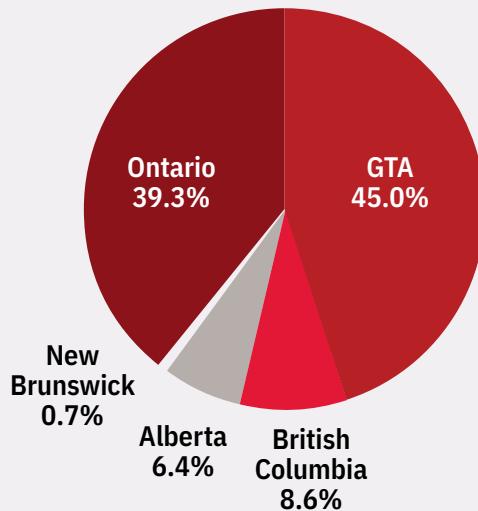
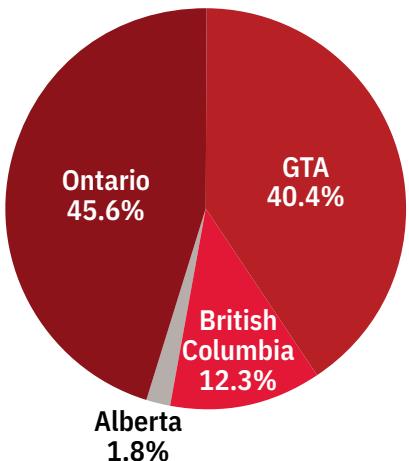


## DEMOGRAPHICS OF ALL CLIENTS TO DATE

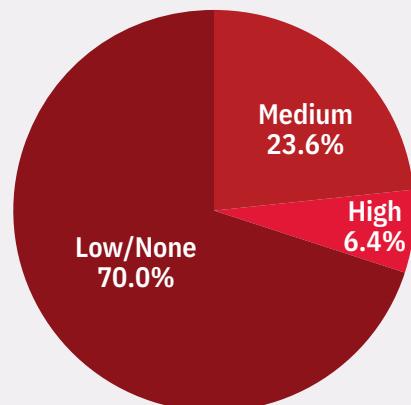
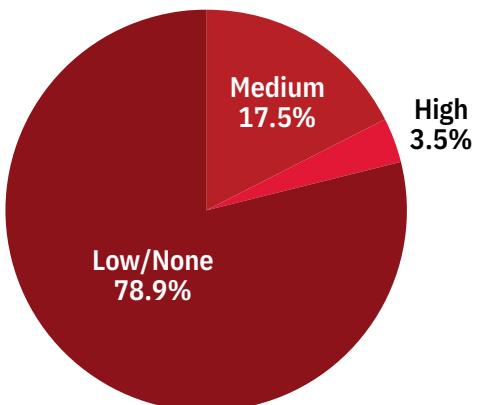
Students  
2.9%



### Geography



### Investment Knowledge



# SECTION 4. RECENT TRENDS

## CONTINUING IMPACTS OF COVID-19

Since March 2020, the world has been impacted by the COVID-19 pandemic. Despite the pandemic, the IPC is operating at full capacity and remains open. The Clinic's caseworkers are working remotely and diligently to advance our clients' interests. Our file update, intake, and client meetings are being conducted virtually.

The pandemic has impacted the capacity of courts and other adjudicative agencies and organizations to deal with investor complaints and actions. On January 4th, 2021, the Small Claims Court further extended the period of adjournment and pushed back non-urgent hearing dates to April 5th, 2021. This has impacted some of the IPC's clients. The Clinic has continued to zealously pursue these matters despite the extended adjournment.

### REFLECTION

While many clients may face delays in pursuing their claims with the courts or regulatory organizations, time is still of the essence. The Clinic has seen that many investors who do not urgently bring forth their claim can be barred from recourse or compensation due to the expiry of a limitation period. The limitation period for civil claims in court is generally two years after the date on which the claim was, or ought to have been, discovered. The limitation period for IIROC arbitrations and OMB mediations is six (6) years. As a result, clients who believe that their investments have been mismanaged must still diligently pursue their complaints in a timely manner.

## INTEREST RATES REMAIN LOW FOR INVESTORS

Interest rates have remained low for investors during the pandemic. Although this is beneficial for investors looking to take advantage of low borrowing rates, this strategy is often inappropriate for the average investor. The IPC has seen an increase in unsuitable leveraged investments. Some clients have had their advisors inappropriately recommend funding their investments by taking out loans and capitalizing on the low interest rates. This is a risky strategy, given that when interest rates increase or when investment returns are not as expected, clients find themselves in a predicament, with their investment returns insufficient to cover the interest on their loan.

Some of the Clinic's clients have even had their advisor complete their loan application with material misstatements in income and assets in order to get the loan approved. Most of the investors who came to the IPC for assistance were

prompted to do so because they had defaulted on their loan and the lending institution had commenced legal action to collect on the principal and interest.

### REFLECTION

Clients who wish to explore a leveraged investment must have detailed conversations with their advisor regarding all the risks and considerations that are involved. Should their advisor be pushing a leveraged investment or inappropriately recommending this strategy, the client needs to have an honest conversation with the advisor about their risk tolerance and goals of investing. Incomplete or misstated income and loan applications are not advisable. Clients need to be aware that this is an inappropriate strategy to secure a loan.

## PREVALENCE OF AFFINITY FRAUD

The Clinic has increasingly seen cases of affinity fraud, whereby fraudsters target groups or individuals with whom they share an affiliation as a basis for trust. An overwhelming number of affinity fraud schemes have been used to target various immigrant groups who identify with the fraudster based on a shared ethnic/cultural background, language and/or religion. Often, fraudsters will use their affiliation with the victim in conjunction with various influence tactics to gain the victim's trust. Given the prevalence of affinity fraud cases, their exploitative nature and their impact on vulnerable communities, it is important for investors to understand how to recognize these schemes to avoid falling victim to them. Following affinity fraud, most victims are primarily interested in monetary compensation, but the rate of recovery is often low. Prevention is key for protecting investors in this area.

### REFLECTION

It is important for investors to be aware of affinity fraud as well as to know how to identify the social influence tactics employed by fraudsters and how to best evaluate sellers and their products. The challenge is providing accessible information in a way that can reach vulnerable communities.

Investors should be made aware of the importance of verifying the registration of the firms and/or the individuals that they are investing with to mitigate the possibility of fraud. It may be difficult for those with a language barrier to differentiate between fraudulent investments and legitimate prospectus-exempt investments; in particular, investors should be wary of investments under the friends and family exemption.

# SECTION 5. INVESTOR EDUCATION AND MEDIA

## COMMUNITY OUTREACH

In past years, Clinic caseworkers have presented alongside the OSC to various investor groups, including the PROBUS retiree social clubs around the Greater Toronto Area. These presentations focused on fraud prevention and making informed financial decisions. Unfortunately, due to the global COVID-19 pandemic, we were unable to conduct in-person presentations this year. The Clinic has shifted to using online platforms including social media, newsletters and educational videos to continue to educate investors.

## IPC IN THE NEWS

### IPC FEATURED IN MOOLALA PODCAST

In late 2020, the Clinic was featured on the Moolala podcast, a personal finance podcast hosted by Bruce Sellery that educates and inspires individuals to better handle their investments and money. The Clinic was featured in an episode to discuss how retail investors can “right a wrong” when it comes to dealing with their financial institution. To listen to the full episode, please click [HERE](#).

### PROFESSOR POONAM PURI DISCUSSES THE ‘DIGITAL LOONIE’ ON YOUR MORNING

On March 2, 2021, Professor Puri was featured on Your Morning. She discussed the Bank of Canada’s development of a ‘digital loonie’ which would allow consumers to make purchases from online retailers quickly, without the use of credit cards or PayPal. To access the interview, please click [HERE](#).

### IIROC PARTNERSHIP WITH THE CLINIC

In continuing its efforts to improve investor protection, IIROC announced a five-year commitment to the Clinic to assist in helping vulnerable investors. To read more about the partnership, please click [HERE](#).

## IPC VIDEO PROJECT:

The Law Foundation of Ontario granted the Clinic funding to produce a video series in furtherance of the Clinic’s investor education objectives. Student caseworkers used this funding to produce four short videos discussing various topics, including an introduction to regulating securities, your advisor’s responsibilities, navigating an OBSI complaint process and reporting a wrongdoing. This video series is available on the Clinic’s YouTube channel, which you can access [HERE](#).

## IPC PUBLICATIONS AND RESOURCES

Despite the inability to conduct in-person outreach initiatives, IPC caseworkers have been diligently preparing various online materials for retail investors.

### IPC NEWSLETTER

The IPC publishes quarterly newsletters outlining topical developments for investors and providing advice and commentary from the Clinic’s various supervising lawyers and established alumni. Topics have ranged from discussing how to deal with losses and scams due to COVID-19 to leveraged investments and value-added volunteering. To subscribe to the newsletter, please click [HERE](#).

### THE RETAIL INVESTORS GUIDE TO COVID-19

In early 2021, the Clinic published a retail investors guide to COVID-19, which provides advice on how to respond to market volatility caused by the pandemic. The article includes best practices for investors and a list of Do’s and Don’ts. It also highlights common scams and provides a list of available resources for investors who have fallen victim to a scam, fraud or received improper investment advice. The guide is available [HERE](#).

## SOCIAL MEDIA

Student caseworkers are responsible for operating the Clinic’s social media accounts. You can find us on the following platforms:

### FOLLOW US ON:



Twitter: @OsgoodeIPC



LinkedIn: Osgoode-IPC



Visit our website



Subscribe to our newsletter

# SECTION 6. WHERE IPC ALUMNI HAVE ENDED UP

## 9 ASSOCIATES AND 18 ARTICLING STUDENTS IN PRIVATE PRACTICE AT:



- o McCarthy Tétrault LLP (Toronto)
- o Stikeman Elliott LLP (Toronto)
- o Blake, Cassels & Graydon LLP (Toronto)
- o Osler, Hoskin & Harcourt LLP (Toronto)
- o Torys LLP (Toronto)
- o Davies Ward Phillips & Vineberg LLP (Toronto)
- o Goodmans LLP (Toronto)
- o Borden Ladner Gervais LLP (Toronto)
- o Norton Rose Fulbright LLP (Toronto)
- o Dentons Canada LLP (Toronto)
- o Groia & Co. (Toronto)
- o Alexander Holburn Beaudin + Lang LLP (Toronto)
- o Boghosian + Allen LLP (Toronto)
- o De Vries Litigation (Toronto)
- o Walker Law Professional Corporation (Toronto)
- o Latham & Watkins LLP (New York)
- o Weil, Gotshal & Manges LLP (New York)

## 2 JUDICIAL LAW CLERKS

- o Supreme Court of Canada
- o Federal Court of Canada



## 1 IN-HOUSE COUNSEL

- o Metergy Solutions



## 3 ARTICLING STUDENTS IN GOVERNMENT

- o Ontario Securities Commission
- o Ontario Power Generation
- o Regional Municipality of Peel



## 1 DIRECTOR OF BUSINESS DEVELOPMENT

- o GreenCube Analytics



## WHERE OUR CURRENT STUDENTS ARE HEADED

Our current caseworkers are comprised of second-year and third-year law students. Our graduating students will be working at:

- o Blake, Cassels & Graydon LLP (Toronto & Vancouver)
- o Paul, Weiss, Rifkind, Wharton & Garrison LLP (New York)
- o Sullivan & Cromwell LLP (New York)

Our second-year students will be summering at:

- o Davies Ward Phillips & Vineberg LLP (Toronto)
- o Fasken LLP (Toronto)
- o Financial Services Regulatory Authority of Ontario (FSRA) (Toronto)
- o Torys LLP (Toronto)
- o Sullivan & Cromwell LLP (New York)

# STUDENT CASEWORKERS

Year 4 (2020–2021):



Nolan Abboud



Andrew Christian Airhart



Puneet Aujla



Madeleine Beaudry



Corey Dicker



Yevgeniya Huggins



Sabrina  
Jackson-Nazareth



Byungjin (Jin) Lee



Cameron Teschuk



Amrit Toor



Warren Urquhart



Yi (Jessica) Zhang

## Student Testimonials

*"The IPC is an invaluable opportunity to get hands-on experience working directly with clients and helping them recover their losses. It is the perfect launchpad to a career in corporate or securities law. At the IPC, you work collaboratively with a team of bright students while learning from a diverse group of experienced lawyers. Having the responsibility to independently manage complex client matters from intake to execution has allowed me to develop a skillset that will be transferable throughout my legal career."*

*"The Investor Protection Clinic was a major reason as to why I chose to attend Osgoode Hall Law School. It is the first of its kind in Canada and offers an unparalleled experience to help an underserved and often overlooked segment of the population. The Clinic has also surpassed my expectations as an experiential learning opportunity. Through managing complex files, working with my fellow caseworkers, and learning from experienced industry professionals, I have honed my knowledge and skillset to apply to my future legal career."*

# STUDENT CASEWORKERS

Year 5 (2021–2022):



Angeli (Yuan Hao) Li



Brandon Orr



Christian Delfino



Erin Bertens



Ishaan Kapur



Jaylene Olson



Joanna Emily Zbroinski



Karan Randhawa\*



Madeleine Worndl\*



Mitchell Hamilton\*



Mo Bakri



Rhea Thakore\*



Tianwei “Vivian” Lao

## Student Testimonial

*“The IPC has given me the opportunity to assist investors harmed in a variety of circumstances, while at the same time developing key legal skills. Over the past year, I have engaged in a range of activities, from settlement negotiations to document review to preparing arguments for an arbitral hearing. Not only has this provided me with valuable insight into the profession and relevant work experience, it has also provided me with the opportunity to work with a team of ambitious law students and lawyers focused on helping clients receive their just compensation. Ultimately, the IPC is the perfect opportunity for students interested in learning about corporate/securities law, and passionate about making a meaningful contribution to vulnerable communities.”*

\*IPC 2021 summer caseworker

## SECTION 7. OUR ADVISORS

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The work at the Clinic would not be possible without our various advisors who are integral to assisting our clients.



### MALCOLM GILROY

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Mr. Gilroy is a seasoned executive in the financial services industry, having held senior management positions in North America, Europe and Africa. Malcolm is currently working on assignments in Nigeria and East Africa. He resides in Toronto and is the Chair of the Investment Committee for Logan Wealth Management. He sits on the boards of directors for The Jane Goodall Institute, Global and Lupus Canada. Mr. Gilroy frequently participates in the training and development of student caseworkers, and has done so since the inception of the Clinic in 2017. Mr. Gilroy also assists in financial evaluations and damages assessments of the Clinic's files and provides guidance that is instrumental to the Clinic's success.



### DEBORAH LECKMAN

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Ms. Leckman is a senior investment professional with over 30 years of experience in the pension fund and retail wealth industries. Ms. Leckman recently completed a six-year term as Commissioner, Director and Adjudicator at the OSC. In January 2019, Ms. Leckman was appointed to the OPTrust Board of Trustees by the Government of Ontario. Ms. Leckman participates in the weekly Clinic team meetings and provides assistance, support and recommendations on file matters.



### CHRISTOPHER McKENNA

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Mr. McKenna is a lawyer at Bennett Jones LLP and is responsible for the overall operation and administration of the Toronto Student Program, including the recruitment and development of Summer and Articling Students. Mr. McKenna is also a member of National Association of Law Placement (NALP) and is currently a member of the OCI Advisory Committee. Mr. McKenna has been dedicated to the Clinic since its inception and participates in training the student caseworkers and supervising various Clinic files.

# SECTION 8. LOOKING AHEAD

## GETTING INVOLVED

### Donations and Financial Support

- The Clinic is a pro-bono, student-run legal service and we are always looking for donations and support. If you are interested in donating, please email us at [ipc@osgoode.yorku.ca](mailto:ipc@osgoode.yorku.ca)!

### Industry Professionals

- Are you an industry professional who would like to lead seminars? The Clinic is always looking for professionals to give our caseworkers a competitive edge. Please reach out to us at [ipc@osgoode.yorku.ca](mailto:ipc@osgoode.yorku.ca) if you would like to get involved!
- If you are a lawyer who would like to work alongside the Clinic in providing services to our clients or supervising a group of caseworkers on their files, please reach out to us!

### Spreading the Word

- The Clinic always appreciates referrals and the promotion of our services or publications to the public.

## REQUESTING CLINIC SERVICES

- Do you believe that your investments have been mishandled? Have you been a victim of fraud? Reach out to us, the IPC wants to hear from you!
- If you believe you could benefit from our services, apply online:  
<https://www.osgoode.yorku.ca/community-clinics/investor-protection-clinic/the-clinics-process/>





## CONTACT US

**416-736-5538**

[IPC@osgoode.yorku.ca](mailto:IPC@osgoode.yorku.ca)  
[osgoode.yorku.ca/IPC](http://osgoode.yorku.ca/IPC)

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UNIVERSITY