

**For Immediate Release
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**Canadian Securities Regulators' 2010 Enforcement Report Indicates More
Violators Facing Jail Time for Breaching Securities Laws**

Calgary – The Canadian Securities Administrators (CSA) today released its *2010 Enforcement Report* that outlines how Canadian securities regulators are working to detect and disrupt misconduct in Canada's capital markets. One of the notable highlights in the report indicates that in 2010, more proceedings were concluded before provincial courts, which, in some cases, handed down jail sentences.

Under securities legislation, securities regulators can bring cases before an administrative tribunal or a provincial court where they can seek sanctions that can include jail terms for breaches of securities law. In 2010, the total number of cases of securities laws violations that CSA members concluded before courts increased by 83 per cent. In these cases, courts ordered jail terms for 15 individuals, ranging from approximately three months to three years.

“There are a number of factors securities regulators must weigh when determining the best route by which to prosecute offenders of securities laws in Canada,” said Bill Rice, CSA Chair and CEO and Chair of the Alberta Securities Commission. “Canadian securities regulators will take serious breaches of securities laws before the courts where it is appropriate to seek the more severe sanctions that the public demands.”

The report also indicates that illegal distributions of securities is the most common type of offence that CSA members detected, investigated and prosecuted, representing 66 per cent of the total cases concluded in 2010.

“Illegal distribution cases can involve Ponzi schemes, affinity fraud and boiler room operations that employ both traditional and online methods of communication to entice potential investors,” said Rice. “CSA members continue to adapt to new technologies and changing market realities and use all available enforcement methods to address this misconduct while at the same time educating investors on how to identify and avoid these fraudulent investments.”

The CSA's *2010 Enforcement Report* comes out in advance of Fraud Prevention Month in March, which highlights the tools and resources available to Canadians to recognize and avoid investment fraud.

Key highlights of the 2010 Enforcement Report:

- 64 of the concluded cases were court proceedings (up from 35 in 2009), which resulted in the courts ordering jail terms for 15 individuals ranging from approximately three months to three years
- 115 of the concluded cases involved illegal distributions, which represented the largest category of concluded cases
- 174 cases concluded involving a total of 207 individuals and 100 companies that resulted in:
 - Fines and administrative penalties of more than \$63 million
 - Approximately \$58 million in restitution, compensation and disgorgement ordered or agreed to in a settlement
- 41 interim orders restricting trading against 98 individuals and 89 companies to protect investors while securities regulators investigated allegations of capital market misconduct
- 74 orders by securities regulatory authorities or courts were reciprocated thereby extending the original sanctions to other jurisdictions
- 178 matters commenced against a total of 301 individuals and 183 companies

These are just some of the results found in the CSA's 2010 Enforcement Report. To review the report, go to the CSA website at www.securities-administrators.ca, as well as the websites of various CSA members.

The CSA, the council of the securities regulators of Canada's provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

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