

### **IOSCO identity jeopardized**

#### **SECURITIES COMMISSION CAUTIONS INVESTORS ABOUT THE INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSION**

Halifax, July 28, 2009 – The Nova Scotia Securities Commission cautions investors about an organization called the International Organization of Securities Commission (IOSC), which is not to be confused with the International Organization of Securities Commissions (IOSCO) or the Organisation internationale des commissions de valeurs (OICV).

The IOSC website uses as logos the shields of the United States Department of Justice and the Federal Trade Commission, without the permission of these agencies. IOSC falsely claims to be a securities regulator operating in the U.S. for the benefit of U.S. citizens, which is not true.

The Finansinspektionen, the financial services regulatory authority in Sweden, was told of the site by a member of the public who was contacted by someone claiming to represent IOSC. The representative also claimed that IOSC was conducting an investigation into stocks sold to the public and that IOSC held reserved funds in escrow accounts on behalf of investors.

It appears that the website may be part of a fraud scheme targeting investors who own shares that have tumbled in value. In this type of fraud, the fraudsters generally claim they can redeem or exchange the worthless shares at an attractive price in exchange for an up-front fee. As soon as the fees have been paid, the fraudsters disappear.

To appear to be legitimate, the IOSC site features a section on regulatory matters claiming to be U.S. legislation, but which are excerpts from Canadian policies and regulations changed to look like U.S. law. The section on exemptions also contains names that are identical or similar to Canadian companies that have no link whatsoever with IOSC.

The website is currently being investigated, to identify the persons behind IOSC and determine whether Canadians have been solicited by IOSC representatives.

Investors are reminded to be wary when a firm offers to buy their shares for more than they are actually worth, especially if asked to pay a fee up front. In several similar cases, investors lost their deposits and never received the money they were promised.

Anyone who has information about IOSC is urged to contact the Nova Scotia Securities Commission.

-30-

Media Contact: Natalie MacLellan  
Nova Scotia Securities Commission  
902-424-8586  
E-mail: [maclelnj@gov.ns.ca](mailto:maclelnj@gov.ns.ca)