

IOSCO identity jeopardized

AMF CAUTIONS INVESTORS ABOUT THE INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSION

Montréal, July 29, 2009 – The *Autorité des marchés financiers* (AMF) 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 and without authorization the shields of U.S. agencies such as the United States Department of Justice and the Federal Trade Commission. IOSC states that it is a securities regulator operating in the U.S. for the benefit of U.S. citizens, which is of course false.

The Finansinspektionen, which is the financial services regulatory authority in Sweden, was alerted to the site by a member of the public who stated that he had been contacted by a Swedish-speaking person who claimed 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.

This information suggests that the website may be part of a fraud scheme that solicits investors who own shares that have tumbled in value. In this type of fraud, the perpetrators generally claim they can redeem or exchange the worthless shares at an attractive price in consideration of 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 purporting to contain 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 AMF is working with other IOSCO members to identify the persons behind IOSC and determine whether Canadians have been solicited by IOSC representatives. Members of the public who have information about IOSC are urged to contact the AMF Information Centre, 1 877 525-0337.

The AMF reminds investors that they should be very cautious 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.

For further information, read [Red-Flagging Financial Fraud](#), a brochure that is available on the AMF website. It will help you recognize several types of illegal tactics, and provides tips to keep you on guard against fraud artists.

If you believe you have been approached by a fraudster, contact the AMF Information Centre.

The *Autorité des marchés financiers* (AMF) is the regulatory and oversight body for Québec's financial sector.

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