

IN DEFENCE OF THE OSC

Recent criticism of the OSC's handling of the Home Capital affair is misguided and misinformed. Management and board misconduct caused shareholder loss and erosion of depositor confidence. If anything, OSC Enforcement lingered too long before acting to protect investors after warning the company in 2015 that it failed to disclose properly its fraudulent mortgage origination troubles. During past decades, OSC's lacklustre prosecutions of securities law violations were not in the public interest. Allowing trading on misinformation does not benefit investors. Confidence in capital markets requires assurance that public companies are in compliance and have not omitted material disclosures. Fortunately, refreshed OSC management has signalled that the OSC has regained its will to challenge, and not to acquiesce in, deficient compliance with Ontario law.