

**MUTUAL FUND DEALERS ASSOCIATION OF CANADA
CLIENT COMPLAINT INFORMATION**

Clients of a mutual fund dealer who are not satisfied with a financial product or service have a right to make a complaint and to seek resolution of the problem. MFDA Member dealers have a responsibility to their clients to ensure that all complaints are dealt with fairly and promptly. If you have a complaint, these are some of the steps you can take:

- Contact your mutual fund dealer. Member firms are responsible to you, the investor, for monitoring the actions of their representatives to ensure that they are in compliance with by-laws, rules and policies governing their activities. The firm will investigate any complaint that you initiate and respond back to you with the results of their investigation within the time period expected of a Member acting diligently in the circumstances, in most cases within three months of receipt of the complaint. It is helpful if your complaint is in writing.
- Contact the Mutual Fund Dealers Association of Canada (“MFDA”), which is the self-regulatory organization in Canada to which your mutual fund dealer belongs. The MFDA investigates complaints about mutual fund dealers and their representatives, and takes enforcement action where appropriate. You may make a complaint to the MFDA at any time, whether or not you have complained to your mutual fund dealer. The MFDA can be contacted:
 - ✓ By completing the on-line complaint form at www.mfda.ca
 - ✓ By telephone in Toronto at (416) 361-6332, or toll free at 1-888-466-6332
 - ✓ By e-mail at complaints@mfda.ca¹
 - ✓ In writing by mail to 121 King Street West, Suite 1000, Toronto, ON M5H 3T9 or by fax at (416) 361-9073

Compensation:

The MFDA does not order compensation or restitution to clients of Members. The MFDA exists to regulate the operations, standards of practice and business conduct of its Members and their representatives with a mandate to enhance investor protection and strengthen public confidence in the Canadian mutual fund industry. If you are seeking compensation, you may consider the following:

- **Ombudsman for Banking Services and Investments (“OBSI”):** After the dealer’s Compliance Department has responded to your complaint, you may contact OBSI. You may also contact OBSI if the dealer’s Compliance Department has not responded within 90 days of the date you complained. OBSI provides an independent and impartial process for the investigation and resolution of complaints about the provision of financial services to clients. OBSI can make a non-binding recommendation that your firm compensate you (up to \$350,000) if it determines that you have been treated unfairly, taking into account the criteria of good financial services and business practice, relevant codes of practice or conduct, industry regulation and the law. The OBSI process is free of charge and is confidential. OBSI can be contacted:
 - ✓ By telephone in Toronto at (416) 287-2877, or toll free at 1-888-451-4519
 - ✓ By e-mail at ombudsman@obsi.ca
- **Legal Assistance:** You may consider retaining a lawyer to assist with the complaint. You should be aware that there are legal time limits for taking civil action. A lawyer can advise you of your options and recourses. Once the applicable limitation period expires, you may lose rights to pursue some claims.
- **Manitoba, New Brunswick and Saskatchewan:** Securities regulatory authorities in these provinces have the power to, in appropriate cases, order that a person or company that has contravened securities laws in their province pay compensation to a claimant. The claimant is then able to enforce such an order as if it were a judgment of the superior court in that province. For more information, please visit:
 - ✓ Manitoba: www.msc.gov.mb.ca
 - ✓ New Brunswick: www.nbsc-cvmb.ca
 - ✓ Saskatchewan: www.sfsc.gov.sk.ca
- **Québec:** The Autorité des marchés financiers (“AMF”) pays indemnities to victims of fraud, fraudulent tactics or embezzlement where those responsible are individuals or firms authorized to practice under the legislation governing the provision of financial services in Quebec. It also rules on the eligibility of claims and sets the amount of the indemnities to be paid to victims. Consumers can thus be compensated to a maximum of \$200,000 per claim, through funds accumulated in a financial services compensation fund. For more information, please visit www.lautorite.qc.ca.

¹ You may wish to consider issues of internet security when sending sensitive information by standard e-mail.

COMPLAINT PROCESSING AT DESJARDINS FINANCIAL SERVICES FIRM INC.

Desjardins Financial Services Firm Inc. (DFSF) has established a complaint processing procedure that adheres to the quality standards set by the regulatory framework. This procedure provides a client, who submitted a grievance with respect to his or her account, with access to objective analysis, investigation and dispute resolution services, with a reply within the prescribed timeframe.

This document is a summary of the procedure conveyed by DFSF to each new client or to clients who submit a complaint (document distribution currently applies to all provinces and territories in Canada, with the exception of Québec residents). This procedure is also posted on the Desjardins Web site at: www.desjardins.com.

What is a complaint?

A “complaint” includes any written or verbal statement that pertains to a grievance, including electronic communications sent by a client, regarding:

- Desjardins Financial Services Firm Inc. (DFSF)
- A mutual fund representative (or authorized person) from DFSF
- A former mutual fund representative from DFSF

The grievance involves events (as described below) that occurred while the mutual fund representative was a DFSF mutual fund representative:

- Breach in the confidentiality of client information
- Inadequate investment recommendations or recommendations on borrowing for investment purposes (financial leveraging), except on behalf of non-clients
- Theft, fraud, misappropriation of funds or securities, forgery, misleading information and any unauthorized trade
- Securities-related activities conducted by the mutual fund representative outside DFSF
- Practice of an undeclared occupation outside DFSF
- Personal financial transactions with a client, money laundering, market manipulation or insider trading

Submitting a complaint to DFSF

To submit a complaint to DFSF, you must first voice your complaint to your mutual fund representative (or to his/her line supervisor). If the complaint is not resolved by the mutual fund representative (or the line supervisor), your mutual fund representative (or his/her line supervisor) will forward your written complaint to his/her branch manager or who will transmit the complaint to DFSF within 24 hours of its receipt. Your complaint should describe the situation or misconduct, the loss sustained and the settlement expected.

How are complaints handled at DFSF?

- A compliance advisor at DFSF is put in charge of the processing of your complaint.
- Within five (5) business days of receiving your complaint, you will receive an acknowledgement of receipt from the compliance advisor in charge, which includes the advisor’s contact information should you wish to add any information or get an update on the status of your complaint.
- The compliance advisor proceeds with a full analysis of your file and conducts an investigation.
- A detailed reply from the compliance advisor is sent to you via regular mail as soon as possible, but no later than 90 days following receipt of your complaint to DFSF. This reply contains a summary of your complaint, the outcome of the analysis and the final decision supported by an explanation.
- If you are not fully satisfied with the complaint examination or its outcome, a list of appeal processes that are available to you is sent along with the acknowledgement of receipt and the final decision.
- If the compliance advisor is unable to send a detailed response to you within the 90-day timeframe, he/she will contact you before the 90-day period expires to notify you of the reasons for this delay and advise you of the scheduled examination end date.
- In cases where a financial settlement is offered, we may ask you to sign a release and waiver notice for legal reasons.