



## Scoundrel or just silly? You decide

**David Baines**

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Isla Steele views her former financial adviser, Jill MacGregor Bock, as a "scoundrel." Bock disagrees with that characterization: She views herself as a reformed scoundrel.

I think she is just plain nutty.

Despite recommending investments that have lost millions of dollars for her clients, and despite being found by the B.C. Securities Commission to have committed multiple securities violations, and despite having been put on a short leash by the Insurance Council of B.C., she is still portraying herself as a financial expert.

Recently, she circulated a flyer in Vancouver's west side inviting retirees and prospective retirees to attend an investment seminar she is hosting today at the Aberthau mansion at 4397 West 2nd Ave. The title of the seminar is "Six mistakes retirees make with their finances and how to avoid them."

The flyer includes a brief but very flattering biography:

"For 22 years, Jill has been teaching investors age 60-plus how to preserve their assets, increase their income as much as 30 per cent and reduce income taxes. Jill is regarded as a local Vancouver expert in the financial risks and opportunities of retirement."

The irony -- which is bitter or comic, depending on whether you were a client or just an observer -- is that Bock was a complete disaster for most of her clients.

During the late 1990s, while registered as a mutual fund salesperson at Vantage Securities and later Foresight Capital, she sold her clients investments in a coffee plantation in Costa Rica, a hemp processing business in Quebec, a ginseng farm in the B.C. interior, an oyster farm on Vancouver Island, and a cranberry farm on Barnston Island.

One by one, these investments either collapsed or became hung up, causing investors heavy financial losses and much grief. I know this first-hand -- I have talked to dozens of them. One was Isla Steele.

When she first met Bock in 1999, Steele was 54 years old, divorced, and working part-time. Her income was \$10,000 to \$20,000 per year. Under existing rules, brokers were not allowed to sell these investments to people who earned less than \$75,000.

Steele's net worth was \$220,000, well below the \$400,000 threshold prescribed at that time, but Bock boosted this figure by capitalizing (calculating the future value) of her Canada Pension Plan and Old Age Security benefits, an outrageous tactic which has been repeatedly rejected by the B.C. Securities Commission.

At Bock's urging, Steele laid out \$10,000 for oysters, \$50,000 for hemp, and committed another \$25,000 for coffee. She lost nearly all her money.

Commission enforcement staff cited Bock, and this past February a hearing panel found she had sold unsuitable investments to Steele and failed to make Steele aware of the risk of these investments. Since Steele didn't qualify for these investments, she shouldn't have sold them to her in the first place. A penalty has not yet been assessed, but Bock will almost certainly be suspended from the market.

When Foresight was squeezed out of business, Bock's registration as a mutual fund salesperson was terminated, but she became registered with the Insurance Council of B.C. as an independent insurance agent, which entitles her to sell insurance products such as disability insurance, whole life insurance, and segregated funds.

It is in this capacity that she is hosting three investment seminars, two today at Aberthau mansion and, because the response has been so good, another one next Wednesday at the Arbutus Club.

Topics include "Avoiding risk while maximizing growth," "Not understanding and covering all your risks," and "Failure to understand the markets."

The irony is not lost on Steele. "My personal opinion is that she is a scoundrel," she said in an interview Wednesday.

"My belief is that she put her own personal gain before her clients. She purported to provide professional advice, but all I got was a quite disastrous loss. She betrayed me. Not only me, but lots of other people."

Bock presents herself as very contrite: "I honestly believed in these things at the time, and that's my own fault for being very gullible," she said in a telephone interview. "I absolutely goofed up, and I am going to be telling people that."

One by one, Bock and I reviewed her investment recommendations:

n The cranberry farm: "It was a horrible situation. I feel so embarrassed over the whole thing."

n The hemp business: "Where was my mind? I thought I was a technical person who could analyse things. I feel really, really badly."

n The oyster farm: "How can you possibly have a fire in the middle of the ocean? They did, and they had no fire insurance . . . I did not properly analyse the risk, and so it's my fault."

n The ginseng farm: "All of these [investment offerings] were at the same time. I had just arrived in Vancouver. I got caught up in the presentations."

How could she have recommended these risky investments to low-income, elderly and financially unsophisticated people?

"I made a big mistake there. I got swept up there about what would help people to grow their assets and save taxes . . . I am very embarrassed over the whole situation."

Told that Steele considers her a "scoundrel," Bock replied, "At the time, I definitely was."

Referring to her flyer, I asked who regards her as "a local Vancouver expert in the financial risks and opportunities of retirement."

"I really don't know," she replied.

Then she is an expert in her mind only?

"Well, I certainly think I am an expert in financial risks. I know a heck of lot more about risk than I knew before."

Asked what investment products she will be flogging at the seminar, she replied: "I'm not going to be talking about any products. Only mistakes."

So it's simply a confessional?

"That's a very good word for it. But if people decide they would like to have their mistakes looked at, so be it."

I asked whether the insurance council had, in view of the commission's findings against her, placed any restrictions on her insurance licence.

"Yes, they have put me under supervision for two years. They also want me to take the certified financial planner course."

I think it is clear that Bock has made so many bad investment recommendations that she qualifies as an expert in screwing up. That, according to Bock, is why you should listen to her and, by extension, buy more financial products from her.

This is what I mean by nutty. Anybody who falls for this line is equally nutty.

dbaines@png.canwest.com

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