



TD Bank Group

July 19, 2012

Mr. Reza Moridi, MPP
Richmond Hill
9891 Yonge Street,
Toronto, Ontario
L4C 1V1

Dear Mr. Moridi,

Thank you for your letter of July 14, 2012. Mr. Clark has asked that I reply on his behalf.

Please rest assured that we take this matter very seriously. We recognize that this issue has caused concern in the Iranian Canadian community and I would like to take the opportunity to outline the steps that TD has taken.

As you know, over the past number of years the international community has taken action on a number of fronts including cutting off the flow of funds into and out of Iran. At the same time, organizations such as the Financial Action Task Force (FATF) have significantly expanded their focus on money laundering and terrorist financing related to Iran, and a coordinated system of economic sanctions has also been brought into force in individual countries around the world.

The Government of Canada has moved in concert with the international community. The Canadian sanctions prohibit a financial institution from providing or acquiring financial services "...to, from or for the benefit of, or on the direction or order of, Iran or any person in Iran" [Special Economic Measures (Iran) Regulations, Section 5(d)]. It is important to state clearly that the sanctions are not limited to contact with Iranian regime, but financial transactions involving "Iran or any person in Iran".

It is the responsibility of each bank to take the steps necessary to adhere to the laws and regulations that govern them. We are confident that we have correctly applied the regulations in this situation.

I would like to assure you that TD does not use "ethnicity", citizenship or an individual's name as the basis to close customer accounts. Rather, TD began by examining those customers that had provided and retained on their file an active residential or employment address in Iran, or had conducted direct or indirect transactions for the benefit of someone in Iran.

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From the initial pool of customers identified as having an active residential or employment address in Iran, some were immediately determined to comply with applicable laws and regulations and they continue to bank with us.

For the rest, we reached out to customers to confirm or update their information, multiple times by phone and by mail (registered in Canada). We gave them time to respond. Customers who responded had their accounts maintained or closed based on the information they provided. There were a number of customers who did not respond to our calls or letter. To comply with the sanctions regulation, we had to make a decision to close their accounts based on the information on file.

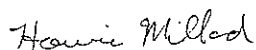
For those customers who did not respond to our calls and letter, we will reach out to them again in the next 30 days to confirm or update their information. In some cases, this could lead to the banking relationship being restored.

In a situation where TD is to close an account for a reason other than sanctions, the laws and regulations strictly limit what information we are allowed to provide to customers.

Although we remain confident that we have correctly applied all of the regulations that apply, we realize that having an account closed is distressing and disruptive for customers, and that we can improve how we communicate with them. We are taking steps to make improvements in our communication with impacted customers including, as noted above, reaching out directly to those customers where more information could influence our decision. We have also engaged directly with the Iranian Canadian community, including through a meeting held earlier today between the Iranian Canadian Congress and Tim Hockey, the President and CEO of TD Canada Trust.

While we can not speak to any specific customer decision or decisions that have been made, rest assured that we take this matter seriously and we are making every effort to improve our communication with impacted customers.

Yours sincerely,



Howie Millard
Associate Vice President – Government Relations
TD Bank Group

CC The Honourable John Baird, P.C., M.P., Minister of Foreign Affairs
The Honourable James Flaherty, P.C., M.P., Minister of Finance
The Honourable Jason Kenney, P.C., M.P., Minister of Citizenship, Immigration and Multiculturalism
The Honourable Dwight Duncan, M.P.P., Minister of Finance
Mr. Costas Menegakis, M.P., Richmond Hill