

20 Mont Street,
Guelph,
Ontario N1H 2A4
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Me Anne-Marie Beaudoin,
Corporate Secretary,
Autorité des marchés financiers,
800, square Victoria, 22e étage,
C.P. 246, Tour de la Bourse,
Montréal, Québec H4Z 1G3
e-mail: consultation-en-cours@lautorite.qc.ca

John Stevenson, Secretary,
Ontario Securities Commission,
20 Queen Street West,
Suite 1900, Box 55,
Toronto,
Ontario M5H 3S8
e-mail: jstevenson@osc.gov.on.ca

CANADIAN SECURITIES ADMINISTRATORS CONSULTATION PAPER 33-403: *THE STANDARD OF CONDUCT FOR ADVISERS AND DEALERS: EXPLORING THE APPROPRIATENESS OF INTRODUCING A STATUTORY BEST INTEREST DUTY WHEN ADVICE IS PROVIDED TO RETAIL CLIENTS*

This is a topic of considerable importance for ordinary Canadian investors, most of who assume that investment advisors act in the best interests of the client. Adding a statutory Fiduciary Duty element would bring Canada into line with modern practice in advanced countries, and be in the best interest of ordinary investors.

I support the recommendations made to the CSA by David Stanley, after consultation with the Canadian Share Clubs (<http://www.osc.gov.on.ca/en/38075.htm>), that there be an option for the Advisor and Client to sign a “Fiduciary Relationship” section to the Know Your Client Form. Alternatively, there could be a Know Your Advisor Form, which establishes the ways in which the Advisor will be compensated for their services; in addition, this alternative form should include an optional “Fiduciary Relationship” section.

Thank you for the opportunity to comment.

Yours sincerely,
John Prescott