

22 February 2013

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario
M5H 3S8

Re: CSA Consultation Paper 33-403

Dear Sir,

I will respond only to a couple of questions as they entail the essence of the matter.

Question 1: Do you agree, or disagree, with each of the key investor protection concerns discussed above with the current standards applicable to advisers and dealers in Canada? Please explain and, if you disagree, please provide specific reasons for your position.

The consultation paper has put its finger right on the major deficiencies with the current situation of investor protection. The playing field is tilted, the wind favours the financial advice industry constantly and the ordinary investor plays without fully knowing the complicated rules that the industry uses to its advantage.

Question 3: Is imposing a statutory best interest standard on advisers and dealers the most effective way of addressing these concerns? If not, would another policy solution (e.g., changes to one or more of the existing statutory standard of conduct requirements) offer a more effective solution?

Yes, it is the critical most important next step forward. Anyone who puts out the message to the public in any way that he/she is providing advice must be bound by that standard. There is no hope of enabling the public to become financially expert enough to assess the increasingly complex and varied financial products and services. Many so-called advisers (or advisors) cannot even understand some of the products themselves, which suggests that reinforcing the financial advice activity to make it a true profession, allying fiduciary standard with enhanced prescribed knowledge for advisers, is the direction to take.

Ironically, I believe that imposing the best interest standard will cause the basic advice function, that which is so often warped to exploit the individual investor, to disappear and be replaced by automated. online cookie cutter, "mass customized" advice such as BMO's Advice Direct or the USA's Betterment (<https://www.betterment.com/>).

Regards,

Jean Lespérance

Blogger at CanadianFinancialDIY (<http://canadianfinancialdiy.blogspot.com/>) and HowToInvestOnline (<http://howtoinvestonline.blogspot.com/>)