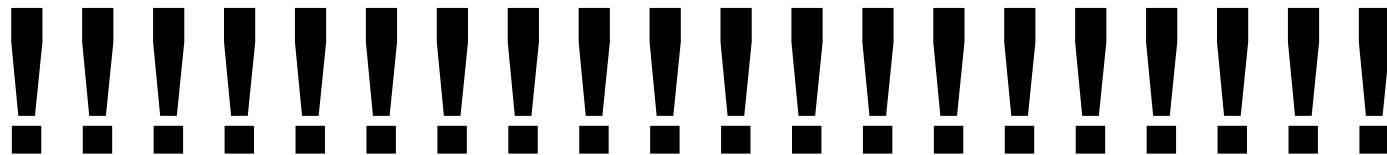


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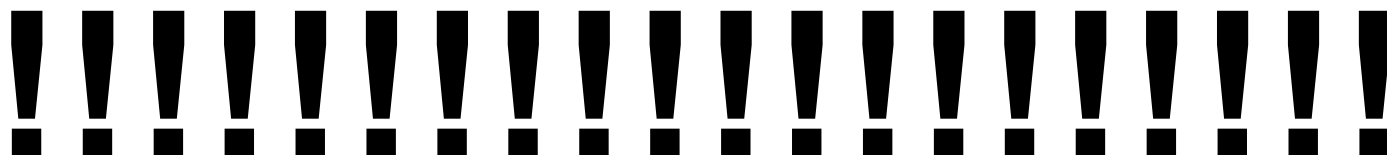
**Rubric PROCESS: educating investors @ point-of-sale**

**Tell me and I forget.**

**Show me and I remember.**

**Involve me and I understand.**

*— Ancient Chinese Proverb*



① ***My Failures*** - pg. 3; ***Education*** - pg. 5

② ***"Caveat Emptor"*** - pg. 7

③ ***"Tied advice / Tied sale"*** - pg. 9

④ ***Looking: Back-*** pg. 11; ***Fwd.-*** pg. 13

⑤ ***A gift to educate Canadians*** - pg. 21

# The Oath of Hippocrates

**I SWEAR** by Apollo the physician and AEsculapius, and Health, and All-heal, and all the gods and goddesses, that, according to my ability and judgment, I will keep this Oath and this stipulation -- to reckon him who taught me this Art equally dear to me as my parents, to share my substance with him, and relieve his necessities if required; to look upon his offspring in the same footing as my own brothers, and to teach them this art, if they shall wish to learn it, without fee or stipulation; and that by precept, lecture, and every other mode of instruction, I will impart a knowledge of the Art to my own sons, and those of my teachers, and to disciples bound by a stipulation and oath according to the law of medicine, but to none others. I will follow that system of regimen which, according to my ability and judgement, I consider for the benefit of my patients, and abstain from whatever is deleterious and mischievous. I will give no deadly medicine to any one if asked, nor suggest any such counsel; and in like manner I will not give to a woman a pessary to produce abortion. With purity and with holiness I will pass my life and practice my Art. I will not cut persons labouring under the stone, but will leave this to be done by men who are practitioners of this work. Into whatever houses I enter, I will go into them for the benefit of the sick, and will abstain from every voluntary act of mischief and corruption; and, further, from the seduction of females or males, of freemen and slaves. Whatever, in connection with my professional service, or not in connection with it, I see or hear, in the life of men, which ought not to be spoken of abroad, I will not divulge, as reckoning that all such should be kept secret. While I continue to keep this Oath unviolated, may it be granted to me to enjoy life and the practice of the art, respected by all men, in all times. But should I trespass and violate this Oath, may the reverse be my lot.

# Our two BIGGEST financial well-being failures

Thank you for allowing me the privilege to provide an “investorism” best interests response to the proposed “Point of Sale Disclosure for Segregated Funds and Mutual Funds Consultation Paper 81 - 403” released by the joint Ontario Securities Commission ( OSC ) and Financial Services Commission of Ontario ( FSCO ) task force on 02-13-03.

## **OUR CORE CURRICULUM MISSED EDUCATION IN “FINANCIAL LITERACY”**

There are many key ingredients required to educate every Canadian to a deserved, needed and society identified and required rubric grade level of “Financial Literacy” education and survival skills. With mankind continuing to spend gazillions of dollars to extend our life expectancies: medicine, inoculations, vaccinations, (Health Canada spent \$238 million last year on Health Education and Prevention Programs), urban infrastructure systems: water purification, sewage disposal, weekly garbage pick ups; food inspection, preparation, packaging, Best Before dates, street lights, seat belts, gun licensing, etc., etc., it is fair to say that we, specifically our Ontario Ministry of Education, has failed miserably to provide every student with a core curriculum education with the deserved and needed “Financial Literacy” survival skills beginning in Junior Kindergarten and growing both in content and required rubric proficiency by Grade 12. But, we can’t begin to educate “Financial Literacy” in our schools until we first educate our teachers to be able to teach it ! Mean while, our adult consumer/investors, especially the Baby Boomer generation and their parents, are effectively living naked, under “Caveat Emptor” dictates when it comes to their needed and deserved financial literacy familiarity and survival skills.

## **THE MINIMAL EDUCATION OF OUR FINANCIAL WELL-BEING PRACTITIONERS**

There are many parallels that we can draw upon and learn from including the education standards and higher calling professionalism of our medical well-being practitioners. The first is the education of our physicians: an undergraduate university degree usually in science + 4 years of compulsory medical school + 24-7-365 internship + specialization studies + licensing + their pledge to follow their higher calling Hippocratic Oath. Sadly, the lion’s share of our financial well-being practitioners (those selling mutual funds) do not have a required university under or post graduate degree in finance, are not fully licensed to advise and sell all financial products and they do not pledge and promise to follow an oath that puts the interests of their clients’ ahead of their own self-interests!

## **Adult Literacy in Canada    ABC Canada Literacy Foundation**

- ◆ **Twenty-two per cent (22%) of adult Canadians have serious problems dealing with any printed materials.**
- ◆ **An additional 24% of Canadians can only deal with simple reading tasks.**
- ◆ A significant number of older Canadians have low literacy skills. **Forty per cent (40%) of Canadians over 65 have not completed primary school compared to 4% of Canadians between 26 and 35.** Poor literacy skills may lower the quality of life for seniors and increase their health and safety risks.
- ◆ **Seventy-four per cent (74%) of young Canadians who graduate from high school have strong literacy skills. The remaining percentage, 26%, can handle simple reading and writing tasks. Those who leave school before graduation generally have lower literacy skills.**
- ◆ **There is a strong relationship between educational attainment and literacy level.** Those with more education have higher literacy skills and those with less education have lower literacy skills. On the other hand, about 20% of Canadians have lower literacy skills than their education might indicate, and 16% have higher skills.
- ◆ Canadians with low literacy skills are more likely to have lower incomes than those with higher skills. Over 80% of Canadians at the lowest literacy level and over 60% in the second lowest literacy level have no income, or incomes of less than \$27,000.
- ◆ **There is a correlation between literacy and wage levels in Canada. A recent study indicates that each additional year of education a person receives is worth 8.3% on their paycheque. Using an annual base salary of \$30,000, this amounts to an additional \$2,490 per year.**  
*(Literacy, Numeracy and Labour Market Outcomes in Canada, Statistics Canada, 2001)*
- ◆ Western Canada and Ontario generally have higher literacy skills than Atlantic Canada and Quebec.
- ◆ Less than 10% of Canadians who could benefit from literacy upgrading programs actually enrol. Research indicates that barriers like job or money problems, lack of childcare and transportation are some of reasons preventing people from enrolling.  
*(Who Wants to Learn?, ABC CANADA Literacy Foundation, 2001)*
- ◆ The proportion of immigrants at the lowest level of literacy is larger than the proportion of those born in Canada who are at this level. However, there are also proportionally more immigrants at the highest levels of literacy.
- ◆ Canadians with the lowest literacy skills have higher rates of unemployment (26%) and those with the highest skills have lower rates of unemployment (4%).

*Unless otherwise indicated, this information is derived from results of the International Adult Literacy Survey (IALS), Reading the Future: A Portrait of Literacy in Canada, Statistics Canada, 1996.*

# Adult 'beginning' education in "Financial Literacy"

With the lion's share of Canadian adult investors dressed buck naked when it comes to their having received any core curriculum education in "Financial Literacy" survival skills, the FSCO / OSC joint "Funds Rethinking" Consultation Paper is actually an admission of their combined gross malfeasance to proactively protect and educate investors. Sadly, to the few, like myself, who have been passionately presenting case study examples of investor abusing impropriety, illegality and processes practices over the last 15+ years + proactively presenting better educating and safety enhancing ideas, this joint FSCO / OSC Consultation Paper is far too little and 15+ years too late to save the millions of Canadians who have lost \$100+ billion of their sacred retirement savings: individuals with names, faces and souls who have had their financial well-being forever imploded. The "Rethinking Consultation Paper 81 - 403 is actually an admission by the FSCO and OSC that they are guilty of **"breaches of trust and public endangerment"** of pandemic proportions.

The sad state of adult literacy in Canada ( Exhibit 2 on page 4 ) speaks to the need for our Ontario Minister of Finance, the Hon Janet Ecker, our former ON Minister of Education, to immediately hold a public forum where she will address the adult education rubric for "Financial Literacy" survival skills, the targeted minimum grade level and the expected time line that she is giving the FSCO / OSC Joint Forum Project to achieve these goals. Investors also deserve to be told what the consequences will be if the defined education goals and standards are not achieved and met.

The proposed four new "point-of-being SOLD/purchase" disclosure documents, let's call them a Just-in-Time like Coles Notes education, will not achieve the investor best interests deserved Full Monty "six-sigma" standard of education and safety protection unless they contain an interactive component that's clearly prescribed by the Ancient Chinese Proverb that appears on the front cover of this presentation.

Investor educating and safety enhancing best interests will never be achieved unless we implement ISO 9000 Total Quality and Continuously Evolving Improvement practices. We will never achieve our desired "six-sigma" education standard unless an interactive fill-in the blanks point-of-sale educating process is required, an interactive process that follows a pilots pre-flight Checklist safety enhancing process with the addition of specific salient transaction details being communicated to and documented by each adult investor.

## The Law of Hippocrates

- 1 Medicine is of all the arts the most noble; but, owing to the ignorance of those who practice it, and of those who, inconsiderately, form a judgment of them, it is at present far behind all the other arts. Their mistake appears to me to arise principally from this, that in the cities there is no punishment connected with the practice of medicine (and with it alone) except disgrace, and that does not hurt those who are familiar with it. Such persons are the figures which are introduced in tragedies, for as they have the shape, and dress, and personal appearance of an actor, but are not actors, so also physicians are many in title but very few in reality.
- 2 Whoever is to acquire a competent knowledge of medicine, ought to be possessed of the following advantages: a natural disposition; instruction; a favorable position for the study; early tuition; love of labour; leisure. First of all, a natural talent is required; for, when Nature leads the way to what is most excellent, instruction in the art takes place, which the student must try to appropriate to himself by reflection, becoming an early pupil in a place well adapted for instruction. He must also bring to the task a love of labour and perseverance, so that the instruction taking root may bring forth proper and abundant fruits.
- 3 Instruction in medicine is like the culture of the productions of the earth. For our natural disposition, is, as it were, the soil; the tenets of our teacher are, as it were, the seed; instruction in youth is like the planting of the seed in the ground at the proper season; the place where the instruction is communicated is like the food imparted to vegetables by the atmosphere; diligent study is like the cultivation of the fields; and it is time which imparts strength to all things and brings them to maturity.
- 4 Having brought all these requisites to the study of medicine, and having acquired a true knowledge of it, we shall thus, in travelling through the cities, be esteemed physicians not only in name but in reality. But inexperience is a bad treasure, and a bad fund to those who possess it, whether in opinion or reality, being devoid of self-reliance and contentedness, and the nurse both of timidity and audacity. For timidity betrays a want of powers, and audacity a lack of skill. They are, indeed, two things, knowledge and opinion, of which the one makes its possessor really to know, the other to be ignorant.
- 5 Those things which are sacred, are to be imparted only to sacred persons; and it is not lawful to impart them to the profane until they have been initiated into the mysteries of the science.

**Source:** <ftp://ftp.std.com/obi/Hippocrates/Hippocratic.Oath>

# “Caveat Emptor” is not an appropriate excuse

When are we going to treat the financial well-being of our core curriculum uneducated in “Financial Literacy” consumer/investors with the same degrees of attention, care, financial resources and society mandate as we treat and attend to our medical well-being issues?

## Our FINANCIAL WELL-BEING versus Our MEDICAL WELL-BEING

The Government of Canada and our Province of Ontario have recently demonstrated on a number of high profile occasions both the will and resolve mandates of our society when it comes to our medical well-being protections:

- 1 the Walkerton e-coli victims saw this first hand in the medical care, attention, medivac helicopter flights and financial damages that the Province of Ontario paid for.
- 2 Health Canada mandated our RCMP to track down every passenger and crew member on the plane that landed in Hamilton 2½ years ago with the extremely sick passenger that they thought and treated as an e-boli plague victim.
- 3 The attention that all levels of Government are presently giving to the SARS problem.

At no time were any of these medical well-being affected victims required to and / or told that they must exercise and rely upon their own “Patien Emptor” - “Patient Beware” smarts!

Why do we allow our politicians who are responsible and accountable for our J.K. (Junior Kindergarten ) to Grade 12 core curriculum and our Securities Regulators who are responsible and accountable for investor protection and education transparency systems and practices, etc., why do we allow them to hide behind and use “**Caveat Emptor**” lingo as a defense for their own lack of proactive best practices and accountability failures?

**ABC Canada Literacy Foundation** has clearly validated and documented with statistics the extremely sad state of literacy amongst adult Canadians, adult consumer/investors.

Under what rocks, in what sand banks have our Province of Ontario Ministers of Education been hiding their heads under for the last six decades since the end of the Second World War? And to whom is our Ontario Securities Commission financially accountable to for the billions upon billions in financial well-being losses suffered because of the inferior lack of better, best, optimum “Six-Sigma Total Quality” “asymmetric information” perpetuating practices that our Securities Regulators have blessed, condoned and been a party to!



**Dentistry**



**Medicine**



**Veterinary  
Medicine**



**Nursing**



### **Pharmacy**

The physician, dentist, and veterinarian may prescribe drugs and be primarily interested in the effect of those drugs on the patient, their therapeutic value, and toxicology. The nurse may administer the drug and be concerned with dosage forms, routes of administration, and toxic manifestations.

**BUT**, the pharmacist is the only expert on the drugs.

It is his/her legally granted responsibility to handle drugs. It is his/her professional responsibility to know all about those drugs. No educational program other than that in the pharmacy provides the background to understand completely all there is to understand about drugs.

The pharmacist, and the pharmacist alone, is in that unique position of embracing complete drug expertise.

## **The Holy Bible Numbers 21 :: *New International Version (NIV)***

### ***The Bronze Snake***

**4** They traveled from Mount Hor along the route to the Red Sea, to go around Edom. But the people grew impatient on the way; **5** they spoke against God and against Moses, and said, "Why have you brought us up out of Egypt to die in the desert? There is no bread! There is no water! And we detest this miserable food!"

**6** Then the LORD sent venomous snakes among them; they bit the people and many Israelites died. **7** The people came to Moses and said, "We sinned when we spoke against the LORD and against you. Pray that the LORD will take the snakes away from us." So Moses prayed for the people.

**8** The LORD said to Moses, "Make a snake and put it up on a pole; anyone who is bitten can look at it and live." **9** So Moses made a bronze snake and put it up on a pole. Then when anyone was bitten by a snake and looked at the bronze snake, he lived.



# “Tied advice, tied sale” trailer fee commissions

The mutual fund trailer fee commission contains many extremely sophisticated security regulator blessed, condoned, approved and “asymmetric information” perpetuating “perverse incentives” that are based upon the total lack of transparency to investors of the dollars and cents amounts paid by the fund companies to financial advisors.

These total lack of dollars and cents transparencies of the “trailer fee commission” ( some fund companies call them “annual service fees” ) create and contain too many financial advisor driving conflicts of interest and independent advice skewing features that blatantly abuse investors. Trailer fees have “tied advice / tied sale” attributes. Why?

❶ the trailer fee commission is only ever mentioned once, maybe twice in the Simplified Prospectus, an “Owner’s Manual” that can be as thick as a phone book, a document that few, if any, investors ever take the time to read until there is a problem! **WHY?** My AIM Trimark prospectus is 315 pages long, the trailer fee is never broken out in the monthly performance listings in the business press and because it is included in the annual MER which the manager deducts prior to the daily NAV being calculated. **ALSO:** WHY are there never any dollars and cents itemized amounts of the MER that the fund managers deducts on a pro-rata daily basis prior to the daily Net Asset Value ( NAV ) calculation and “trailer fee commission” component of the MER on a consumer/investor’s quarterly statements per fund holding with trailing 6 month and annual 12 month totals too?

**Who is actually responsible and accountable** for these “consumerism” and “investorism” overlapping lack of trailer fee dollars and cents deserved and needed investor protecting and educating transparencies? What are their names?

❷ the trailer fee commission amounts paid vary between mutual fund companies, the method of sale (front-end, DSC, no-load, low load, zero transaction commission, etc.), third party fund versus proprietary ( house brand ) fund and the particular fund: equity, diversified, fixed income and money market. An equity fund trailer fee can pay up to 1.70% versus a money market fund that may pay ZERO % to a limbo low ¼%. Financial advisors always know the percentage amount of the trailer fee commission and how their own supposed advice ( independent and fiduciary NOD NOD WINK WINK ) can go from a BIG to BIGGEST or to a ZERO % trailer fee commission.

With the lack of dollars and cents transparency of the trailer fees, investors are never told / don't see and definitely don't know these advisor advice skewing perverse details!

**NOTE: the trailer fee is a commission, it's NOT an investment management fee!**

③ the commission payout grid system in place at bank owned stock brokers can and does skew supposed independent fiduciary advice. Financial advisors ( they are really only sales reps with you can "trust me" deceiving and deceptively titles ! ) always know their employer's commission payout break points and where they are standing.

I was trained by Merrill Lynch to be a financial mechanic. And I was taught to never ever give advice that would take me down the commission grid payout scale ladder!

④ investors also don't know about the retirement gratuity incentive formulas being offered to their financial advisors. One formula promises one times the last year's gross commissions (includes trailer fees), while another firm's formula offers 2½ times last year's trailer fees. The switch advice movement has already begun. Supposed independent fiduciary reps are advising clients to sell ( redeem ) limbo low paying trailer fee funds like the 30 basis point annual trailer fee commission paying Trimark Canadian Fund (its performance stunk for several years!) and to buy ( switch to ) a 1.7% trailer fee paying Royal Mutual Fund, with hindsight "you should be here now" advice!

⑤ **There isn't any securities regulators prescribed universal verbiage requirement to describe the "trailer fee commission."** Fidelity, Dynamic and CIBC call it an annual "service fee", Trimark calls it a "trailing commission" and Royal Mutual Funds and CIBC really deceive consumer/investors with their securities regulator blessed, condoned, approved and "asymmetric information" perpetuating use of encompassing verbiage that lacks fund specific salient details so that investors will never ever know and / or be able to calculate what their financial advisor is earning:

**"We pay dealers a quarterly commission based on the total unit value of Series A units their clients hold in the funds. The quarterly commission is no more than 1/4 of 1.15 per cent of this value for all funds. We may also pay some dealers sales commissions when units of some funds are sold. These commissions are based upon the unit value of the units sold and are no more than 5.00 per cent of this value. We pay these commissions, not you or the funds." —ROYAL MUTUAL FUNDS, July 16, 2002**

**"Service Commissions may be paid to registered dealers and brokers based on the value of Funds held by their clients of up to 1.50% per year. Before we pay service commissions, a client must own units of a Fund for 90 days. We may waive this requirement at our discretion."—CIBC Mutual Funds, August 9, 2002**

# LOOKING BACKWARDS: my accountability failures

I'm 100% accountable to all Canadians for my failures as a ( self-appointed ) investor advocate to affect, effect and champion the need for deserved changes, the need for better consumer/investor educating and safety protecting practices. While there is a most deserving constituency of consumer/investors, there is no collectivism process for them to nominate, vote and / or elect qualified advocates to represent their uneducated and unknowing best interest needs. On August 29, 1997, former OSC Chairman, **Ed Waitzer**, clearly defined how flawed the processes were and still are when he told me,

**“Of all the qualified people, including yourself, Joe, who could have represented investors in the Stromberg, Steering Group, OSC/CSA, etc. processes, none of you were acceptable to the industry.”**

My “investorism” crusade began when I was Baptized by Merrill Lynch during the month of March 1984 on Wall Street. I was being trained to sell freezers to Eskimos. I was being trained to be a “financial mechanic” and I was ashamed. My 1979 Ethical Western MBA, my conscience, the sanctity of my soul, all of my parents and Camp Ponacka training, my values, morals and ethics were all being undermined and indoctrinated into THE unlevel playing field of GREED where fair play was not a rule !

- ◆ In the Fall of 1984, I saw with my own eyes how my fellow London, ON, Merrill Lynch financial advisors were turned on to sell Mackenzie Financial funds by the extra sales incentive chance to earn a week long free trip on the QE II. I never recommended or sold a mutual fund that had an extra sales incentive free trip attached to it and I covertly began a no-name campaign to end the practice, a campaign that took 15+ years before the OSC looked at and banned the practice because of the courage and resolve of the late Charles Salter.
- ◆ In February 1994, I met with the Hon. Tom Hockin several weeks after he was appointed as the new President of IFIC. I humbly suggested and recommended to Tom the immediate need for an investor point-of-sale educating and safety enhancing document process. Tom gave me a \$250 honorarium in July 1994 to put my ideas and thoughts on paper. He also graciously allowed me to print my Investment Funds point-of -sale Checklist creation in the September 1994 issue of my Frugal Bugle newsletter. A naturally evolving and maturing version of my original interactive fill-in the blanks Checklist is on pages. 15 & 16 of this paper.
- ◆ On October 16, 1996, I submitted a response to the OSC's planned new Mutual Fund 81-503 Sales Practices Paper. I was humbled. That same evening, **Ed Waitzer**, then in the 15th last day of his three year term as OSC Chairman, personally phoned me at home at 10:15 PM to thank me for my paper. **BUT**, 42 hours later I was pink slipped from a Marketing Communications Consulting assignment that I had with an individual RBC DS Financial Advisor. **WHY?** One of the first seven recipients of my OSC Response: **Hockin** and **Hands** (IFIC), **Oliver** and **MacNaughton** (IDA), **Fleming** (TSE), **Labatt** (Trimark) and **Palmer** (OSFI), one of them complained directly to **Tony Fell**, Canada's most powerful RBC DS securities industry Chairman who immediately terminated me. I learned,

**40 U.S. States have “whistle-blower” protection laws.** Sadly, Canada declines to improve upon this U.S. business model practice by implementing our own Made-in-Canada conscience and sanctity of our souls “truthsayer” protecting laws.

- ◆ In November 1996, I met with the OSC Manager of Mutual Funds, **Rebecca Cowdery**, to go over my October 16, 1996, Sales Practice Response paper. When I tried to go through my 21 page paper + exhibits point by point, item by item, she stopped me. She would only allow me to talk about my response in general terms. Sadly, to every significant investorism issue: the need for better point-of-sale disclosures, the practice of unlicensed transaction inducing seminar “skills”, the lack of transparency to the unitholder owners of the money of how fund managers voted stock in their funds, how the extra sales incentive free trips were abusing investors, etc., Cowdery replied that they were not OSC priorities!
- ◆ In the Spring of 1997, I tried an “investorism” end-around with my Trimark Shareholder Proposals. I prayed that my Mother’s demi-billionaire, Order of Canada recipient first cousin, **Arthur Labatt**, the founding Trimark President, had the wealth, courage and power to “**Live and Lead by Example**” and that he could implement my better investor educating and safety enhancing proposals. I failed. I acquiesced to **Waitzer’s** request to change my proposals from a formal vote to review and discuss proposals. Trimark then broke Labatt’s written promise not to edit my proposals. My proposals were edited: 85 words + my Checklist exhibit were edited. Trimark later refused to accept my 1998, 1999 and 2000 proposals.
- ◆ My May 14, 1998, “investorism” presentation to our Canadian Senate Bank Finance Committee was aborted by **Senator Kirby**. There were too many real life embarrassing names in my investor educating case study examples. Since then, Canadians have had the opportunity to see first hand the power and the full transparencies might of the U.S. elected Senate hearings into Enron, Global Crossing, WorldCom, Wall Street, etc. **Stromberg** said that my paper deserved to be presented as it was written. **Mike Lauber**, said that my writing style (my paper) was inflammatory. But then, isn’t the truth always inflammatory to those who’s accountabilities are threatened! Our Mickey Mouse Disneyland North patronage appointed Canadian Senate is a farce and it should be one of the hottest debated items by the Martin wannabies vying to replace Chrétien as Prime Minister!

My investorism crusade has included an extensive e-mail campaign, I proudly fought a “truthsayer” assault campaign with many case study examples of impropriety and illegality practices that have and continue to abuse Canadian investor best interests and the safety and integrity of our financial marketplaces. My campaign hasn’t just been to throw darts at inappropriate investor abusing practices. I’ve always presented better ideas, ideas that could be immediately implemented, albeit ideas that would be imperfect solutions if they were not allowed to evolve as quickly as our financial marketplaces evolve and continue to evolve. I’ve failed to proactively affect and effect changes that could have saved Canadian consumer/investors from losing more than \$100+ billion in stock market losses, in initial point-of-sale and Redemption / Switch commission churning, in taxes lost to all Canadians funding DSC limited partnerships, in lack of dollars and cents transparency of trailer fee commissions. I’m now accountable to all Canadians for my failures to affect, effect and successfully champion needed changes.

# LOOKING FORWARD: investor best interests needs

The February 13, 2003, joint OSC / FSCO “Point-of-sale Disclosures” paper really identifies their gross malfeasance failures over the last nine years to proactively implement deserved and needed investor educating and safety enhancing protection practices. Sadly, no “point-of-sale” transparencies will be implemented until late this year, most likely not until 2004, which will be 10+ years after they were really needed, 10+ years after too many investors have had their financial well-being forever imploded, 10+ years after our “sheeple” uneducated investors have been fleeced of \$100+ billion in financial well-being losses!

In addition to my subtle updating ( on the next page ) of my “investorism baker’s dozen wish list” that was on page 23 of my May 14, 1998, Senate Bank Finance Committee presentation that Senator Kirby aborted, there are two new consumerism / investorism best interest issues that we must attend to immediately in a proactive manner, rather than wait 10+ more years to reactively respond to today’s priority investorism needs.

## **We’re living in a world where investment practices must de-couple too!**

We are living in a quickly evolving financial marketplaces where capitalism abusing practices are being better policed and required to immediate de-couple:

- ◆ accountants are being required to de-couple from their consulting divisions.
- ◆ wall street firms are being required to de-couple their underwriters and analysts
- ◆ public companies are being required to de-couple their CEO / President position from the Chairman position and create a non-executive Chairman position, etc.

Case study after case study examples of consumer/investor abuses clearly identify lack of Know Your Client suitability as the Numero UNO BIGGEST systemic abuse by the lion’s share of our minimum education and minimum licensed packaged products only financial product sellers. In order to immediately regain the layers of deserved and needed ethics + integrity and fair play / field leveling practices in our financial marketplaces, we must immediately embrace and implement several de-coupling practices. We must immediately de-couple the rendering of financial advice from the financial products self-serve and dispensing availability professionals. The business model that we must clone is on page 8 of this paper.

**NOTE:** there are no proprietary prescription drugs being prescribed and/or dispensed by the same individuals. Drugs are not being prescribed and dispensed by the same highly educated, licensed and qualified to prescribe physician, dentist or veterinarian. The prescription prescribing doctor is at complete arm’s length distance from the pharmaceutical manufacturers of prescription drugs and the Health Watch pharmacists who dispense drugs and educate patients.

## **Industry based SRO’s & industry based Ombudsman DON’T work !**

Industry based Self-Regulator Organizations and industry based Ombudsman offices don’t work. They do not have the uneducated and unknowing best interests of consumer/investor as their primary mandates. They are not an appropriate arm’s length business model from their industry based members. They are not independent from their industry based members and their adjudications really aren’t arm’s length either!

## Killoran' 05-14-98 baker's dozen investorism wish list

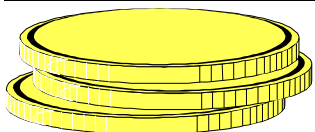
**“We believe mutual funds are sold, not bought.”—ARTHUR LABATT, IE, Sept. 1997**

- ❶ we need to implement a universal investorism educating, protecting and salient transaction details transparency disclosing one page point-of-sale interactive educating document for all packaged securities fund products, wrap accounts and ETF's too!
- ❷ we need to implement a comprehensive investorism transaction / commission educating and salient transaction details disclosing “Redemption / Switch Disclosure Document” for all packaged products mentioned in point 1 above plus wrap accounts too!
- ❸ our securities regulators must licence and monitor the transaction inducing and media legitimizing personality seminar “skills” to ensure that they present prudent “know your client suitability” investment strategies and that the seminar sponsors are financially liable!
- ❹ we need to implement a substance abuse terms of employment certificate of health program amongst our financial well-being practitioners, especially those who are 100% transaction / commission remunerated registrants, in order to enhance investor protection!
- ❺ we need to implement an anonymity guaranteed(!) financial industry white collar **TRUTHSAYER protecting laws** with appropriate rewards for the reporting of impropriety and illegal practices. A companion market registrants’ **“Code of Ethics”** that requires them to report improprieties and illegalities amongst their colleagues to appropriate authorities!

**“Most Canadians are not as sophisticated as Americans and so are less likely to want to make their own investment decisions.” —ARTHUR LABATT, IE, Sept. 1997**

- ❻ we must require third party institutional money managers to electronically extend to the beneficial unitholder owners, trust account beneficiaries, pension plan members, etc., to proportionately exercise the franchise to vote their beneficially owned shares!
- ❼ when someone is found dead on public lands or dies under questionable circumstances we always do an autopsy to establish the cause of death. We must clone this practice and require the trustees counting shareholder votes to always issue a detailed public autopsy of the vote, including how many shares institutional managers vote + how they voted!
- ❽ we must require institutional money managers to issue quarterly cumulative ownership and liquidity rankings by position reports + individual portfolio risk / reward analysis per fund under their management umbrellas!
- ❾ we must lower our 10% insider reporting level to match the U.S.'s 5% or the UK's 3% level. Our 10% Bank Act ownership limit level is an unacceptable level for insider trading.
- ❿ we must require corporations to list in their annual reports to shareholders the funding details on employee defined benefit pension plans, i.e. surpluses, deficits; investment manager rankings; portfolio voting records on special situation votes, etc.
11. we must appoint a Federal Minister of Investorism and fund several Stromberg Chairs in Investorism at our best Business Schools, Chairs that will do proactive investor research.
12. we must immediately adopt and apply Jack Welch's GE capitalism approved mantras, on behalf of investorism: **“boundaryless behaviour” “speed” “stretch” “six-sigma”, total quality, continuous improvement: “how can it be done better”, etc. practices!**
13. we need a Marshall McLuhan, “the media sets the agenda” accountability mechanism!

**AN: Educating, decision facilitating, advice validating, safety enhancing .**



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©        **FUND ✓ CHECKLIST: "Better Disclosure, A Better Way!"®**

## KNOW YOUR CLIENT \$UITABILITY: A\$SET MIX + RISK\$ versus REWARD\$

I / We understand that \_\_\_\_\_ fund investment strategies range from conservative low to aggressive high risk. I / We have \_\_\_ personally determined and established or I / we have discussed, determined and established with \_\_\_ my / our investment advisor, my / our overall investment needs, objectives and \_\_\_\_\_ fund RISK/REWARD tolerances as follows:

| A\$SET MIX     | RISK\$ vs. REWARD\$ |
|----------------|---------------------|
| ___ % Value    | ___ % Invest. Grade |
| ___ % Growth   | ___ % Good Quality  |
| ___ % Income   | ___ % Speculative   |
| ___ % Momentum | ___ % High Risk     |
| 100 % Total    | 100 % Total         |

**Fund Name:** \_\_\_\_\_ **Managed By:** \_\_\_\_\_ **Since:** \_\_\_ / \_\_\_ / \_\_\_

I / We acknowledge that I / we have received from my / our financial products salesperson, fee advisor, fund distributor, etc., the \_\_\_ page Simplified Prospectus for \_\_\_\_\_ Fund(s).  
PERFORMANCE COMPARISON TO THE END OF: M M M / 2 \_\_\_ \_\_\_  
 Fund being recommended / purchased: \_\_\_\_\_ : \_\_\_ % 1 YR, \_\_\_ % 2 YR, \_\_\_ % 3 YR, \_\_\_ % 5 YR  
 Benchmark comparable index to fund: \_\_\_\_\_ : \_\_\_ % 1 YR, \_\_\_ % 2 YR, \_\_\_ % 3 YR, \_\_\_ % 5 YR

### 15 MOST COMMON INVESTMENT FUND RISK PERFORMANCE TERM\$ & RANKING CRITERIA

- |                                 |                               |
|---------------------------------|-------------------------------|
| 1. Alpha: _____                 | 9. Mean: _____                |
| 2. Beta: _____                  | 10. R-Squared: _____          |
| 3. Correlation Benchmark: _____ | 11. Sharpe Ratio: _____       |
| 4. Downside Risk: _____         | 12. Skewness: _____           |
| 5. Downside Frequency: _____    | 13. Sortino Ratio: _____      |
| 6. Downside Magnitude: _____    | 14. Standard Deviation: _____ |
| 7. Jensen's Measure: _____      | 15. Treynor's Measure: _____  |
| 8. Mornigstar Rating: _____     |                               |

## \$ALIENT TRAN\$ATION DETAIL\$: CO\$T\$ + ADVI\$OR REMUNERATION

**Sales Acquisition Commissions Paid:** \_\_\_ % Front-End Load \$ \_\_\_  
 \_\_\_ % F-E Low-Load \$ \_\_\_  
 \_\_\_ No-Load No-Fee \$ ZERO  
 \_\_\_ % Rear-End D\$C\* \$ \_\_\_  
 \*a Deferred Sales Charge begins at \_\_\_ % on: \_\_\_ Price Paid or \_\_\_ NAV falling to zero in \_\_\_ Yrs.  
**① D\$C Rebate** \_\_\_\_\_ %  
**② Admin. Co\$t To Buy:** \$ \_\_\_  
**③ Monthly Account Fee:** \$ \_\_\_  
**④ Early Withdrawal Penalty:** is \_\_\_ % within \_\_\_ days.  
**⑤ Directions To Sell Must Be:** \_\_\_ in Person and / or by: \_\_\_ Fax \_\_\_ Phone \_\_\_ Writing \_\_\_ E-mail \_\_\_ Other before \_\_\_:\_\_\_ M to receive same day closing price.  
**⑥ Admin. Co\$t To Sell:** \$ \_\_\_\_\_

**Management Expense Ratio (MER):** The fund manager deducts an annual MER of \_\_\_ % on a pro-rata basis before the fund's NAV is calculated. **The fundmanager pay\$ a Trailer Fee Commi\$ion of \_\_\_ % from the MER to your salesperson / advisor / distributor.**  
**① MER/Trailer Fee Rebate** \_\_\_ %  
**② EXTRA Advisory Fees:** Fund of fund\$/Wrap: \_\_\_ %  
**③ MER Performance Bonus:** \_\_\_ % above \_\_\_ benchmark.  
**④ This is an** \_\_\_ Arm's Length **or a** \_\_\_ Proprietary Fund.

| \$tmt of Investment Policy:            | As At                 |
|--|-----------------------|
| <u>A\$set Mix Guideline Ranges</u>     | ___ / ___ / ___       |
| Cash ___ to ___ %                      | ___ %                 |
| Fixed Income* ___ to ___ %             | ___ %                 |
| CDN Equities ___ to ___ %              | ___ %                 |
| Intern. Equities ___ to ___ %          | ___ %                 |
| Real Estate ___ to ___ %               | ___ %                 |
| Derivatives ___ to ___ %               | ___ %                 |
| Max. Short Sales to ___ %              | ___ %                 |
| Max. Leverage to ___ %                 | ___ %                 |
| <b>Portfolio Turnover:</b> ___ % / Yr. |                       |
| <u>Unit Values</u>                     | <u>*Fixed Income</u>  |
| Book \$ _____                          | Av. Term _____        |
| NAV \$ _____                           | Duration _____        |
| % Capital Gains _____ %                | Min. Cr. Rating _____ |

# "Better disclosure induces 'investorism' and enhances industry integrity!"

- ① Educating differences between "Mutual" "Segregated" "Wrap" "Pooled" "Hedge", etc. funds:** "Caveat emptor" isn't good enough when consumer/investors have never been taught their now needed "Financial Literacy Survival" curriculum. Financial products are **not all** created equally: they do **not all** meet the same regulatory rules, regulations, terms and /OR FINE PRINT EXCEPTION(S) conditions! **The cure:** better "point-of-being-SOLD/purchase" interactive educating one-pagers!
- ② There is a "Need To Know" both the Fund's Taxable Book + NAV Market Unit Values:** With two-thirds of the monies invested in Canadian investment funds being taxable investments (*i.e.* only one-third are tax shielded RRSP, RPP, RRIF, DPSP, RESP, etc.), there is a need for fund companies /distributors to disclose both *market* and *book* values: it's the annual capital gains pay me in advance surprise! This is a due diligence and fiduciary point-of-sale imperative!
- ③ There are conflicts of interests "Tied Advice" issues in the "trailer fee commission:** IF fund companies & distributors were required to show the dollars (\$\$) and cents (¢¢) amounts of the MERs deducted + the trailer fee commission components paid to whom NAME on consumer/investors quarterly statements + a financial advisor's employer remuneration payout grid levels + how a particular fund's trailer fee compares to the high, low, median, and average category ranges + any advisor trailer based retirement gratuity formula(s) + the low trailers paid on money market funds, consumer/investors would clearly see "tied advice" skewing issues!
- ④ Relative versus Absolute Fund Manager Performance Remuneration Bonus Formula:** Prospectuses rarely disclose the relative formula(s) that may be /are used to calculate a fund manager's market performance based remuneration bonus! These formulas are usually based on a fund manager's ability to beat a peer group and /or portfolio related market indices, *i.e.* if the comparable TSE 35 index is -30% and the fund is -25% = a 100% market performance bonus!
- ⑤ The Undisclosed Cumulative Power, Politics & Governance Vote That Investment Funds Are Allowed:** We give discretion to a fund manager to invest our sacred "financial euthanasia avoiding" savings in order to achieve above average returns with limited risk while also providing us with a simplified prospectus, audited statements, quarterly portfolios, trading records, an Annual Information Statement, etc. **BUT**, nowhere in the prospectus do our securities regulators require the fund manager to disclose when they vote the "material fact" common stock shares that are owned by a fund's unitholders. Nor is there any requirement that the fund manager must disclose how many shares they vote, how and why on specially designated issues and proposals!



## A CONSERVATIVE ACTUARIAL ASSET MIX LIFECYCLE GUIDELINE

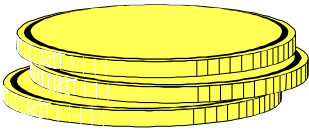
| YEARS BEFORE RETIREMENT | GROWTH (EQUITY) | GROWTH & FIXED INCOME | BONDS / FIXED INCOME | SHORT-TERM ASSETS |
|-------------------------|-----------------|-----------------------|----------------------|-------------------|
| 0 - 5 YEARS             | 10%             | 20%                   | 55%                  | 15%               |
| 5 - 10 YEARS            | 20%             | 25%                   | 40%                  | 15%               |
| 10 - 15 YEARS           | 30%             | 30%                   | 30%                  | 10%               |
| 15 - 20 YEARS           | 50%             | 20%                   | 20%                  | 10%               |
| 20+ YEARS               | 60%             | 15%                   | 15%                  | 10%               |

## GOC BOND DURATION VOLATILITY

| 10 YEAR PAR GOC BOND |          |                 |
|----------------------|----------|-----------------|
| INTEREST YIELD       | DURATION | NAV / MKT VALUE |
| RISE 2% to 7.36%     | 7.21     | 86.75           |
| COUPON 5.36%         | 7.48     | 100 PAR         |
| FALL 2% to 3.36%     | 7.75     | 116.00          |
| 20 YEAR PAR GOC BOND |          |                 |
| INTEREST YIELD       | DURATION | NAV / MKT VALUE |
| RISE 2% to 7.80%     | 9.66     | 82.00           |
| COUPON 5.80%         | 10.44    | 100 PAR         |
| FALL 2% to 3.80%     | 11.22    | 123.75          |
| 30 YEAR PAR GOC BOND |          |                 |
| INTEREST YIELD       | DURATION | NAV / MKT VALUE |
| RISE 2% to 7.58%     | 11.44    | 78.00           |
| COUPON 5.58%         | 13.37    | 100 PAR         |
| FALL 2% to 3.58%     | 15.50    | 133.25          |



**DON'T** trust any advice until you autopsy the **PROFILE** of the practitioner behind it!



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## PROFILE: Financial Products Salesperson or Fee Advisor

NAME: \_\_\_\_\_ LICENCE(S): \_\_\_\_\_ ( \_\_ / \_\_ / \_\_ )

TOTAL Client Assets: \$ \_\_\_\_\_ GROSS Annual Comm.: \$ \_\_\_\_\_ Yr: \_\_\_\_\_

|  |  |  |
|--|--|--|
| TOTAL Client Assets By Dollar (\$) Amounts<br>Within The Following Investment Categories | TOTAL Client \$\$<br>Assets By % Per<br>Asset Category | TOTAL Annual<br>Income by %<br>Yr. Ending __ / __ / __ |
|--|--|--|

**FUNDS: Mutual, Index, Pooled, Wrap, Labour (# \_\_\_\_\_ ) \_\_\_\_\_ %**

|              |             |   |  |
|--------------|-------------|---|--|
| AIM Trimark  | 55%         |   |  |
| Fidelity     | 30%         |   |  |
| Templeton    | 10%         |   |  |
| Other        | ____%       |   |  |
| <b>Total</b> | <b>100%</b> | <b>= Mutual _____% + Index _____% + Pooled _____% + Wrap _____% + Labour _____%</b> |  |

**COMMON STOCKS (# \_\_\_\_\_ ) \_\_\_\_\_ %**

|              |             |  |  |
|--------------|-------------|--|--|
| ETF's        | 15%         |  |  |
| TSE          | 35%         |  |  |
| NYSE/AMEX    | 24%         |  |  |
| NASDAQ       | 18%         |  |  |
| Other        | ____%       |  |  |
| <b>Total</b> | <b>100%</b> |  |  |

**FIXED INCOME \_\_\_\_\_ %**

|               |             |  |  |
|---------------|-------------|--|--|
| Strips        | 35%         |  |  |
| MBS           | 30%         |  |  |
| Bonds         | 20%         |  |  |
| Income Trusts | 5%          |  |  |
| Other         | ____%       |  |  |
| <b>Total</b>  | <b>100%</b> |  |  |

**SHORT SALES \_\_\_\_\_ %**

**OPTIONS, DERIVATIVES, FUTURES \_\_\_\_\_ %**

|               |             |
|---------------|-------------|
| Covered Calls | 100%        |
| Futures       | NIL%        |
| All Other     | ____%       |
| <b>Total</b>  | <b>100%</b> |

**LIMITED TAX PARTNERSHIPS \_\_\_\_\_ %**

**REAL ESTATE INVESTMENT TRUST'S \_\_\_\_\_ %**

**INSURANCE PRODUCTS \_\_\_\_\_ %**

|               |             |
|---------------|-------------|
| Annuities     | 55%         |
| Life & Health | 25%         |
| Property      | 10%         |
| Disability    | 5%          |
| Other         | ____%       |
| <b>Total</b>  | <b>100%</b> |

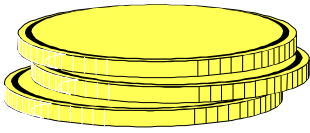
**TOTALS 100% 100%**

**FROM # \_\_\_\_\_ Names of Insurance Companies Where Policies Are Placed. The Lion's Share Are With:**

|                  |             |                          |             |                 |             |                   |             |
|------------------|-------------|--------------------------|-------------|-----------------|-------------|-------------------|-------------|
| <u>Annuities</u> |             | <u>Life &amp; Health</u> |             | <u>Property</u> |             | <u>Disability</u> |             |
| Ind. Alliance    | 45%         | TransAmer                | 65%         | ABCD            | 80%         | Paul Rev          | 100%        |
| Crown Life       | 30%         | Canada Life              | 25%         | EFGH            | 15%         |                   |             |
| Standard         | 20%         |                          |             |                 |             |                   |             |
| Other            | ____%       | Other                    | ____%       | Other           | ____%       | Other             | ____%       |
| <b>Total</b>     | <b>100%</b> | <b>Total</b>             | <b>100%</b> | <b>Total</b>    | <b>100%</b> | <b>Total</b>      | <b>100%</b> |

**"Better disclosure induces 'investorism' and enhances industry integrity!"**

**DON'T** trust advice until you autopsy the **PROFILE** of the practitioner!      /      /     



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## PROFILE: Financial Products Salesperson or Fee Advisor

NAME: \_\_\_\_\_ LICENCE(S): \_\_\_\_\_ ( \_ / \_ / \_ )

TOTAL Client Assets: \$ \_\_\_\_\_ GROSS Annual Comm.: \$ \_\_\_\_\_ Yr: \_\_\_\_\_

|  |  |   |
|--|--|---|
| TOTAL Client Assets By Dollar (\$) Amounts<br>Within The Following Investment Categories | TOTAL Client \$\$<br>Assets By % Per<br>Asset Category | TOTAL Annual<br>Income by %<br>Yr. Ending _ / _ / _ |
|--|--|---|

**FUNDS: Mutual, Index, Pooled, Wrap, Labour (# \_\_\_\_\_ ) \_\_\_\_\_ %**

\_\_\_\_\_ %  
 \_\_\_\_\_ %  
 \_\_\_\_\_ %  
 Other \_\_\_\_\_ %  
 Total 100% = Mutual \_\_\_\_\_ % + Index \_\_\_\_\_ % + Pooled \_\_\_\_\_ % + Wrap \_\_\_\_\_ % + Labour \_\_\_\_\_ %

**COMMON STOCKS (# \_\_\_\_\_ ) \_\_\_\_\_ %**

ETF's \_\_\_\_\_ %  
 TSE \_\_\_\_\_ %  
 NYSE/AMEX \_\_\_\_\_ %  
 NASDAQ \_\_\_\_\_ %  
 Other \_\_\_\_\_ %  
 Total 100%

**FIXED INCOME \_\_\_\_\_ %**

Strips \_\_\_\_\_ %  
 MBS \_\_\_\_\_ %  
 Bonds \_\_\_\_\_ %  
 Income Trusts \_\_\_\_\_ %  
 Other \_\_\_\_\_ %  
 Total 100%

**SHORT SALES \_\_\_\_\_ %**

**OPTIONS, DERIVATIVES, FUTURES \_\_\_\_\_ %**

Covered Calls \_\_\_\_\_ %  
 Futures \_\_\_\_\_ %  
 All Other \_\_\_\_\_ %  
 Total 100%

**LIMITED TAX PARTNERSHIPS \_\_\_\_\_ %**

**REAL ESTATE INVESTMENT TRUST'S \_\_\_\_\_ %**

**INSURANCE PRODUCTS \_\_\_\_\_ %**

Annuities \_\_\_\_\_ %  
 Life & Health \_\_\_\_\_ %  
 Property \_\_\_\_\_ %  
 Disability \_\_\_\_\_ %  
 Other \_\_\_\_\_ %  
 Total 100%

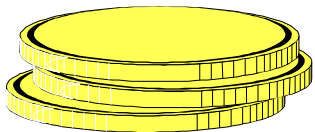
**TOTALS 100% 100%**

FROM # \_\_\_\_\_ Names of Insurance Companies Where Policies Are Placed. The Lion's Share Are With:

|                  |                          |                 |                   |
|------------------|--------------------------|-----------------|-------------------|
| <u>Annuities</u> | <u>Life &amp; Health</u> | <u>Property</u> | <u>Disability</u> |
| _____ %          | _____ %                  | _____ %         | _____ %           |
| _____ %          | _____ %                  | _____ %         | _____ %           |
| _____ %          | _____ %                  | _____ %         | _____ %           |
| Other _____ %    | Other _____ %            | Other _____ %   | Other _____ %     |
| Total 100%       | Total 100%               | Total 100%      | Total 100%        |

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**AN: Educating, decision facilitating, advice validating, safety enhancing .**



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©  **FUND\$: “Redemption/Switch Disclosure Document!”®**

## FUND BEING REDEEMED/\$OLD

## NEW FUND BEING PURCHASED

FUND NAME: \_\_\_\_\_

FUND NAME: \_\_\_\_\_

Managed By: \_\_\_\_\_ Since: \_\_\_\_\_

Managed By: \_\_\_\_\_ Since: \_\_\_\_\_

Cost(s) to \$ELL: \$ \_\_\_\_\_ Admin., \$ \_\_\_\_\_ D\$C

I’m being advised to Redeem & \$witch funds:

IF taxable money: Capital gains \$ \_\_\_\_\_

\_\_\_\_\_ Yes \_\_\_\_\_ No WHY? \_\_\_\_\_

## PREVIOUS PERFORMANCE COMPARISON

|                   | <u>6 Mo.</u> | <u>1 Yr.</u> | <u>3 Yr.</u> | <u>5 Yr.</u> | <u>7 Yr.</u> | <u>10 Yr.</u> |
|-------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Fund Being \$OLD: | ____%        | ____%        | ____%        | ____%        | ____%        | ____%         |
| BUYING NEW Fund:  | ____%        | ____%        | ____%        | ____%        | ____%        | ____%         |

## LOOKING BACKWARD - COMPARING PORTFOLIOS

Apples to Apples (circle) Comparison Period:

1 Year    2 Years    3 Years    4 Years    5 Years

The 5 holdings that contributed the MOST portfolio GROWTH in declining order from BEST - contributed MOST to the 5th BEST.

The 5 holdings that contributed the LOWEST portfolio gains in ascending order from WORST LOSS - LEAST GAIN - to the 5th WORST.

FUND BEING \$OLD    NEW FUND

FUND BEING \$OLD    NEW FUND

BEST: \_\_\_\_\_

WORST: \_\_\_\_\_

2nd Best: \_\_\_\_\_

2nd Worst: \_\_\_\_\_

3rd Best: \_\_\_\_\_

3rd Worst: \_\_\_\_\_

4th Best: \_\_\_\_\_

4th Worst: \_\_\_\_\_

5th Best: \_\_\_\_\_

5th Worst: \_\_\_\_\_

BEST  
\$  
T  
VER  
\$  
C  
\$  
U  
\$  
W  
R  
\$  
O  
R  
\$  
T

**“Better disclosure induces ‘investorism’ and enhances industry integrity!”**

# LOOKING FORWARD LARGEST PORTFOLIO HOLDINGS

## FUND BEING REDEEMED / SOLD

- |          |           |
|----------|-----------|
| 1. _____ | 6. _____  |
| 2. _____ | 7. _____  |
| 3. _____ | 8. _____  |
| 4. _____ | 9. _____  |
| 5. _____ | 10. _____ |

Morningstar Rating: \_\_\_\_\_

## NEW FUND BEING PURCHASED

- |          |           |
|----------|-----------|
| 1. _____ | 6. _____  |
| 2. _____ | 7. _____  |
| 3. _____ | 8. _____  |
| 4. _____ | 9. _____  |
| 5. _____ | 10. _____ |

Morningstar Rating: \_\_\_\_\_



## NEW FUND: ASSET MIX, RISKS versus REWARDS and SALIENT DETAILS

I / We understand that \_\_\_\_\_ fund investment strategies range from conservative low to aggressive high risk. I / We have \_\_\_\_\_ personally determined and established or I / we have discussed, determined and established with \_\_\_\_\_ my / our investment advisor, my / our overall investment needs, objectives and \_\_\_\_\_ fund **RISK/REWARD** tolerances as follows:

| ASSET MIX          | RISKS vs. REWARDS    |
|--------------------|----------------------|
| ____ % Value       | ____ % Invest. Grade |
| ____ % Growth      | ____ % Good Quality  |
| ____ % Income      | ____ % Speculative   |
| ____ % Momentum    | ____ % High Risk     |
| <b>100 % Total</b> | <b>100 % Total</b>   |

**Sales Acquisition Commissions**  
**Paid:** \_\_\_\_ % Front-End Load \$ \_\_\_\_\_  
 \_\_\_\_ % F-E Low-Load \$ \_\_\_\_\_  
 \_\_\_\_ No-Load No-Fee \$ **ZERO**  
 \_\_\_\_ % Rear-End D\$C\* \$ \_\_\_\_\_

\*a Deferred Sales Charge begins at \_\_\_\_ % on: \_\_\_\_ Price Paid or \_\_\_\_ NAV falling to zero in \_\_\_\_ Yrs.

① D\$C Rebate \_\_\_\_\_ %  
 ② Admin. Cost To Buy: \$ \_\_\_\_\_  
 ③ Monthly Acc. Fee: \$ \_\_\_\_\_  
 ④ Early Withdrawal Penalty: is \_\_\_\_ % within \_\_\_\_ days.  
 ⑤ Directions To Sell Must Be: \_\_\_\_ in Person and / or by: \_\_\_\_ Fax \_\_\_\_ Phone \_\_\_\_ Writing \_\_\_\_ E-mail \_\_\_\_ Other before \_\_\_\_: \_\_\_\_ M to receive same day closing price.  
 ⑥ Admin. Cost To Sell: \$ \_\_\_\_\_

**Management Expense Ratio (MER):** The fund manager deducts an annual MER of \_\_\_\_ % on a pro-rata basis before the fund's NAV is calculated. **The fundmanager pay\$ a Trailer Fee Commission of \_\_\_\_ % from the MER to your salesperson / advisor / distributor.**

① MER/Trailer Fee Rebate \_\_\_\_ %  
 ② EXTRA Advisory Fees: Fund of funds/Wrap: \_\_\_\_ %  
 ③ MER Performance Bonus: \_\_\_\_ % above \_\_\_\_ benchmark.  
 ④ This is an \_\_\_\_ Arm's Length or a \_\_\_\_ Proprietary Fund.

**\$tmt of Investment Policy:**  
**Asset Mix Guideline Ranges**

|                     |                |
|---------------------|----------------|
| Cash                | ____ to ____   |
| Fixed Income*       | ____ to ____ % |
| CDN Equities        | ____ to ____ % |
| Intern. Equities    | ____ to ____ % |
| Real Estate         | ____ to ____ % |
| Derivatives         | ____ to ____ % |
| Max. Short Sales    | to ____ %      |
| Max. Leverage       | to ____ %      |
| Portfolio Turnover: | ____ % / Yr.   |

|                         |                       |
|-------------------------|-----------------------|
| <b>Unit Values</b>      | <b>*Fixed Income</b>  |
| Book \$ _____           | Av. Term _____        |
| NAV \$ _____            | Duration _____        |
| % Capital Gains _____ % | Min. Cr. Rating _____ |

**As At** \_\_\_\_ / \_\_\_\_ / \_\_\_\_  
 \_\_\_\_ %  
 \_\_\_\_ %  
 \_\_\_\_ %  
 \_\_\_\_ %  
 \_\_\_\_ %  
 \_\_\_\_ %  
 \_\_\_\_ %  
**Fund's Sharpe Volatility Rating** \_\_\_\_\_

----- Original Message ----- **From:** [Joseph Killoran](#)

**To:** [Hon. Paul Martin Jr., M.P.](#) ; [Hon. Brian Tobin, M.P.](#) ; [Hon. James Flaherty, M.P.P.](#) ; [Hon. Jim Peterson, M.P.](#)

**Cc:** [Ed Waitzer](#) ; [Arthur Labatt, O.C., C.A.](#) ; [Glorianne Stromberg](#) ; [Andrew Allentuck](#) ; [Angela \(ROB\) Barnes](#) ; [Paul \(Schwab\) Bates](#) ; [Robert \(NP\) Benzie](#) ; [Paul \(LFP\) Berton](#) ; [Richard \(ROB\) Blackwell](#) ; [Bob \(CSA\) Bouchard](#) ; [Patrick \( ROB \) Brethour](#) ; [David \(OSC Chairman\) Brown](#) ; [Stan \(SIPA\) Buell, P.Eng](#) ; [Hon. Senator Catherine Callbeck](#) ; [John Campion](#) ; [Canadian Democracy and Corporate Accountability Commission](#) ; [Rob \(ROB\) Carrick](#) ; [CBC Markeplace](#) ; [fifth estate CBC](#) ; [Jon \(The FP\) Chevreau](#) ; [Terry \(FP\) Corcoran](#) ; [Sandra \(CP\) Cordon](#) ; [Rebecca \(OSC\) Cowdery](#) ; [John \(advisor.ca\) Craig](#) ; [Barry \(The FP\) Critchley](#) ; [Dean Ron \(MFDA SRO\) Daniels](#) ; [James \(STAR\) Daw](#) ; [Derek \(FP\) DeCloet](#) ; [Paul \( Gazette \) DeLean](#) ; [Dave \(ROB\) Ebner](#) ; [Hon. Janet \(M.P.P.\) Ecker](#) ; [Rob \(STAR\) Ferguson](#) ; [Diane \(The FP\) Francis](#) ; [Jack \(OSC\) Geller](#) ; [Ned \(Dynamic\) Goodman](#) ; [J. \(The FP\) Greenwood](#) ; [Ivan B. Grose, M.P.](#) ; [Jonathan \( FP \) Harris](#) ; [Michael \(SUN\) Harris](#) ; [Susan \(The FP\) Heinrich](#) ; [John \(G&M\) Heinzl](#) ; [Mark \(Dow Jones\) Heinzl](#) ; [Hon. Thomas \(IFIC\) Hockin](#) ; [Karen \(ROB\) Howlett](#) ; [Robert \(BC-CSA\) Hudson](#) ; [Joe \(RCMP\) Hull](#) ; [Joan \( CCC \) Huzar](#) ; [Doug \(BCSC\) Hyndman](#) ; [Michael \( Southam \) Kane](#) ; [Signe \(CBC\) Katz](#) ; [David \(fifth estate\) Kaufman](#) ; [Don \(RCMP\) Kerr](#) ; [Ken \(STAR\) Kidd](#) ; [Hon. Senator Michael Kirby](#) ; [Bill \(FCAC\) Knight](#) ; [Hon. Senator Leo Kolber](#) ; [Michele \( Star \) Landsberg](#) ; [James \(IE\) Langton](#) ; [R. Michael Lauber, FCA](#) ; [Shelley \(LFP\) Lawson](#) ; [Linda Leatherdale](#) ; [Rudy Luukko](#) ; [Linden MacIntyre](#) ; [Katherine \(Macleans\) Macklem](#) ; [Hon. John Manley, M.P.](#) ; [Garry \(The FP\) Marr](#) ; [Keith \(ROB\) McArthur](#) ; [Shawn \(G&M\) McCarthy](#) ; [Barrie \(G&M\) McKenna](#) ; [Hon. Dennis Mills, M.P.](#) ; [Canadian Moneysaver](#) ; [David \(EthicScan\) Nitkin](#) ; [Dean Margot \(MFDA SRO\) Northey](#) ; [Stephen Northfield](#) ; [Joe \(IDA\) Oliver](#) ; [Dina \(BMO NB\) Palozzi](#) ; [John \(G&M\) Partridge](#) ; [Dr. John, Pattison, Sr. V.P. Compliance CIBC](#) ; [Janet \(MFDA SRO\) Pau, CFA](#) ; [Don \(CBC\) Pittis](#) ; [Gordon \(ROB\) Pitts](#) ; [Alex \(IDA\) Popovic](#) ; [Gordon Powers](#) ; [Eric \(G&M\) Reguly](#) ; [Ellen \(STAR\) Roseman](#) ; [John \(G&M\) Saunders](#) ; [Daniel Stoffman](#) ; [Theresa Tedesco](#) ; [Alan \(The NP\) Toulon](#) ; [J. \(CP\) Valorzi](#) ; [Michael \(G&M\) Valpy](#) ; [David \(IC\) Waite](#) ; [Larry \(MFDA SRO COO\) Waite](#) ; [Michael \(OSC\) Watson](#) ; [Doug \(advisor.ca\) Watt](#) ; [Andrew \(G&M\) Willis](#) ; [Tessa \(IE editor\) Wilmott](#) ; [Shirley \(G&M\) Won](#) ; [Bob \(MFDA SRO\) Wright](#)

**Sent:** November 9, 2001 9:37 AM

**Subject:** **PRESS RELEASE: My gift to educate all Canadians**

**PRESS RELEASE DATED:** Oshawa, Ontario, Canada, November 9, 2001

**TO:** Hon. Paul Martin Jr., GOC Minister of Finance  
Hon. Brian Tobin, GOC Minister Industry Canada  
Hon. James Flaherty, ON Minister of Finance  
Hon. Jim Peterson, GOC Secretary of State for Financial Institutions

**FROM:** Joseph W.A. Killoran, 1979 Ethical Western ( now Ivey monikered ) MBA

**SUBJECT:** **My gift to all Canadians of my investment funds  
J-i-T point-of-sale interactive educating one-pagers**

In the memory of my late father, Cameron J.L. Killoran Q.C., who was seriously injured in the Second World War fighting with the Canadian Regiment of 48th Highlanders in Italy to preserve our Canadian political freedoms and democracy, I would like to donate to all Canadians ( via my Governments of Canada and Ontario ) my investment funds Just-in-Time ( J-i-T ) point-of-sale interactive educating Checklist, Redemption / Switch Disclosure and Advisor PROFILE one-pagers plus my related [www.investorism.com](http://www.investorism.com) URL web site.

I have been told that the man that I had and knew as a father was a fraction of the man who went to Europe to fight in the Great War to preserve our Canadian political freedoms and democracy. Dad's 95% Department of Veterans Affairs ( DVA ) pension never healed his war injuries, it never make him the whole man who went to war to fight for Canada's political freedoms and democracy.

I was honoured and humbled when Glorianne Stromberg adopted, validated and recommended the need for a consumer/investor best interests investment fund educating Just-in-Time point-of-being SOLD/purchase Checklist and Redemption / Switch Disclosure documents in Sections 17.8 & 17.9 and 21.1 & 21.2 respectively of her 1999 "**Investment Funds in Canada and Consumer Protection: Strategies for the Millennium**" Report, a report that was commissioned by the Hon. John Manley, our then GOC Industry Canada Minister. <http://strategis.ic.gc.ca/SSG/ca01120e.html>

I now trust, hope and pray that my Governments of Canada and Ontario will accept my most sincere and genuine offer and that they understand their mandates to provide every Canadian consumer/investor with their deserved and needed "4th 'R' in Investing" education in "financial literacy", an education that must begin during our core curriculum Junior Kindergarten to Grade 12 education and that is completed through the use of interactive [ **the adult continuing education key is the process of filling-in the blanks** ] J-I-T point-of-sale documents that, besides educating, also:

1. **facilitate decision making,**
2. **validate independent advice,**
3. **enhance safety protection, and**
4. **make the playing field fairer and more level.**

With **ABC Canada Literacy Foundation** ( [www.abc-canada.org](http://www.abc-canada.org) ) identifying how serious the identified literacy disability malaise really is amongst adult Canadians:

- 26% of adult Canadians have a problem understanding simple documents like an owner's manual , and**
- 5 million adult Canadians have serious problems with reading, writing and math,**

these identified learning disabilities effectively negate the age old "**caveat emptor**" excuses when it comes to the degrees of safety and protection that must be given to our sacred retirement savings, especially amongst our learning disabilities identified adult Canadians who are uneducated and unknowing when it comes to having received their deserved and needed core curriculum education in "**Financial Literacy**".

**I trust that my Governments** of Canada and Ontario will accept my genuine and most sincere gifts of my investment fund Just-in-Time point-of-sale interactive educating systems. They can be used not only to educate every Canadian about what they should know, deserve to know, must know about investment funds in order to preserve their sacred retirement savings, but that my Governments will have the wherewithal to clone their J-I-T point-of-sale educating:

**Tell me and I forget.  
Show me and I remember.  
Involve me and I understand.**

thesis so that it can be used to educate consumer/investors about their RESP's, Retirement Options: Annuities, RRIFs, LIF's LRIF's, Reverse Mortgages, Term versus Universal Life Policies, regular Mortgages, etc.

**I trust that my gift** of my interactive educating investment funds J-I-T point-of-sale documents and systems process will allow my Governments of Canada and Ontario to achieve their mandates to provide all Canadian consumer/investors with their missed and now very much needed and deserved education in financial literacy. We will naturally have to immediately benchmark investor knowledge. This can be done by cloning the very successful annual Education Quality and Accountability Office testing procedures that our Hon. Janet Ecker, ON Minister of Education, uses annually to test our grade 3, 6, 9 and 10 students. We won't have to recreate the wheel when it comes to testing and benchmarking financial literacy amongst consumer/investors.

## **I have two realizable dreams that I would like to share with you.**

My **first dream** can be realized very quickly. My goal of Canada achieving a Jack Welch GE "six-sigma" standard of 3.4 or less dummy, uneducated and unknowing consumer/investors per 1,000,000 investors is not just a dream. It can be achieved using my interactive point-of-sale educating systems and processes. By educating all Canadian consumer/investors to a doable "six-sigma" standard, Canada will not only enhance our sovereignty, we will achieve a standard of economic stability that will be the envy of our global investment community. Please remember, it's not how old an idea is, it's how new it becomes that counts!

The process of "financial literacy" education is one of the ways for Canada to effectively kill and forever eradicate what economists call "**asymmetric information**": the symptom that received the Nobel related Economics Award during the of Fall 2001:

- when sellers know more about the nature of financial products and what the financial services are than the buyers generally do, and**
- the malaise where uneducated and unknowing consumer/investors end up paying more for goods and services ( their sacred retirement savings ! ) than educated, knowledgeable and informed consumer/investors.**

The outcome result when Governments don't provide everybody with their deserved and needed education in "Financial Literacy" is a marketplace that's filled with "**informational asymmetry**": **low quality financial products at too high a price!**

My **second dream** can't be realized without the help and education enlightenment of all Canadians so that we can bring democracy to capitalism. I need everyone's help so that we can finally and forever enhance and preserve the memories of our finest and most courageous Canadians who have risked and / or paid the ultimate sacrifices of their lives fighting to preserve our Canadian political freedoms and democracy. Without the sacrifices of our finest Canadians, we wouldn't have the opportunity and / or be allowed today to have the opportunity to bring democracy to capitalism in Canada. Specifically, I'm speaking about the present undisclosed practice of material fact voting of common stocks by third party institutional ( includes mutual fund, pension plan, insurance company, etc. ) money managers. To bring democracy to capitalism, we must require the voting of stocks philosophies of third party institutional money managers to not only be disclosed in the fund prospectuses, pension plan documents,



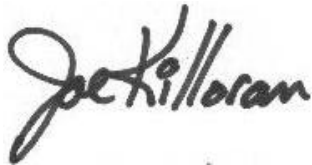
etc., but to also be transparent on specially designated votes. Our third party institutional money managers have a moral and ethical obligation:

- they must be required to disclose to the beneficial unitholder owners of the money, the pension plan recipients, etc., how many shares they voted, how they voted and of course, the governance accountability reasons why they voted how.

Thank you Canada for providing me with the freedom and the privilege to give my genuine and most sincere gift to all Canadians so that my dreams of achieving a "six-sigma" goal of consumer/investor education and democracy in capitalism through the implementation of better transparencies can be realized.

**"We can easily forgive a child who is afraid of the dark;  
the real tragedy of life is when men are afraid of the light."  
—PLATO, 427 - 347 B.C.**

Best regards,



Joe Killoran, Investor Advocate, 1979 Ethical Western MBA  
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Oshawa, ON, Canada, L1H 5Z2  
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### **April 30, 2003, ADDENDUM:**

There is something terribly horribly badder rotten than bad happening in Canada when so many people, including Rebecca Cowdery at the OSC, received my most sincere and genuine November 9, 2001, Press Release and to quote Toronto Mayor Mel Lastman, NOBODY, not even our most courageous business writers had the courage:

- ◆ to proactively acknowledge my offer to give my work to the GOC and ON, and / or
- ◆ to connect the similarity dots to the OSC's February 2003 launch of its own similar [www.investored.ca](http://www.investored.ca) ( rhymes with "gored" and "bored" ) web site that Teri Williams, the President, recently subtly regigged its spelling pronunciation and needed marketplace impact by using two capitals, voilà [www.InvestorEd.ca](http://www.InvestorEd.ca) , and / or
- ◆ to connect the similarity dots to the February 13, 2003, joint FSCO / OSC "Point-of-sale Disclosures for Funds" paper that the OSC's Rebecca Cowdery released with no mention whatsoever on Pages 8 or 11 in their References section to either my 8¾ years young funds point-of-sale Checklist, my 11-09-01 Press Release, etc. [http://www.fSCO.gov.on.ca/FSCO\\_UW\\_MainEngine.nsf/0/310fa35cd006278485256ccc004e4785/\\$FILE/jfconsult-en.pdf](http://www.fSCO.gov.on.ca/FSCO_UW_MainEngine.nsf/0/310fa35cd006278485256ccc004e4785/$FILE/jfconsult-en.pdf)

Canadians must show understanding, compassion and forgiveness to our securities regulators for their breaches of academia plagiarism practices ( Hon. Janet Ecker is our former ON Minister of Education ! ) and their lack of accountability priorities: **"breaches of trust and public endangerment"** failures to proactively protect consumer/investors!