

----- Message from "Brian Evans Financial Services" <brian@investsmart.ca> on Thu, 29 May 2003 00:05:24 -0400 -----

To: <spaglia@fsco.gov.on.ca>

cc: "Michael Harding" <mharding@hewmactoronto.com>, "David J. Newman" <mailroom@fiscalagents.com>

Subject: DOCUMENT FOUND

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Stephen:

I am sorry. Please disregard my last email. I found the document and reviewed it. Here are my comments and questions.

Could you please change the title to read "**Companion Piece - Examples for Deposit Brokers and Agents**" instead of just agents as you have it now?

I noticed that most of the examples that we had submitted for use in this document were not used. Many areas or sections of the Deposit Brokers & Agents examples do not include any examples at all. Once again you are using many examples from the Saskatchewan regulations which really only covers one province. We are aware that there are a couple of other provinces who are looking at regulations for our industry similar to Saskatchewan, but still it only represents one province. **Shouldn't we be more generic with our examples?**

Why were our examples left out in many sections completely?

Secondly, I noticed that you refer to a '6 Step' Financial Planning process. I have just completed some of the main industry FP courses and we have always been taught the 5 step program. (Establish Objectives, Gathering Data, Develop Plan, Implement Plan, Monitor Plan.) **What is the sixth step?**

Thirdly, under section 7 (Disclosure), I wonder if there is not a big difference between ' The intermediary has the responsibility to disclose...' and ' The client is entitled to disclosure...' I find in the practical realm of this business that most clients don't care to know. **They certainly are entitled to full disclosure, but does the Financial Planner need to proactively force this information on to the client in every case?** I guess the same comments could be made about the 'holding out' in 4(b). A financial planner can and should put their licenses and credentials achieved in full view of all clients, **but do they need to actively draw attention to them?**

Fourthly, I am wondering if there should be a better explanation of what a Conflict of Interest is (in section 6). I find that this is a very misunderstood and grey concept. **Is a conflict of interest in the perception of the client or the law?**

Finally, in 4(f), Financial Accountability, Is this referring only to having appropriate insurance in place to cover errors, omissions or frauds? **Or are we attempting to encourage bonding or personal or corporate resources available to compensate clients any loss they suffer?**

Having participated in the discussions at our last meeting about section 9, Compliance, I am still a little unclear of the power of this document. **Does every association need to adopt these principles into their professional standards, or is there still some choice on their part? Is it up to the associations perception how they develop these codes or is there a review process through your organization that ensures compliance?**

I would appreciate your responses to these questions. Please accept my apologies for the delay in getting this to you.

Brian Evans *on behalf of the Federation of Canadian Independent Deposit Brokers.*