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To: <jstevenson@osc.gov.on.ca>
Subject: Mutual Fund Regulation Changes

Mr. John Stevenson,
Secretary, Ontario Securities Commission

I highly recommend that you and all of those involved in proposing changes to the regulatory framework governing mutual funds read Glorianne Stromberg's article of Sunday March 21/04 in the Toronto Star business section, and take what is said there very seriously to heart.

The title of the CSA's concept proposal "Striking a New Balance: A Framework for Regulating Mutual funds and their Managers" indicates that the Canadian securities regulators have been listening to the wrong people, or to only one side. Of course you are being pressured by the big banks and their brokerages who want to be less fettered by regulations and have the balance swing in favour of a more 'self regulatory' process. How miraculous that the new proposals should wish to abolish existing explicit rules and prohibitions on self dealing & related party transactions etc., to be replaced with a set of 'general governing principles' supervised by an 'Independent' Review Committee restricted in its powers and having its recommendations not binding on the mutual fund managers. If we are to have the choice of regulation by laws & rules, or regulation by non-binding committee recommendations enforced only by investor self awareness and the questionable shame of publicity - then I much prefer the former.

Just why should you be seeking to change and weaken the existing regulations anyway? If we should have learned anything from the past three years of corporate governance failings and investor grief brought on though the ineffectiveness of boards and committees, it is that 'self regulation is not regulation at all'. It is governance by self interest.

Why is it that the interests of the people whose money is at risk always seem to be secondary to the interests of the people who wish to get their hands on it. Shape up to God's sake and do your job in the interests of investors in this country. If there is to be a push for change, then make this goal the change!

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