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VIA E-MAIL ONLY

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Ms. Pat Chaukos  
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Re: Ontario Securities Commission Staff Notice 31-712

In response to the questions iterated in the Ontario Securities Commission's (the "OSC") Issues Paper (the "Paper"), we have the following comments:

We are concerned with the focus of some of the questions posed by the Ontario Securities Commission (the "OSC") as they do not appear in essence, to be isolated to the issues surrounding joint service agreements and/or omnibus arrangements. We are also concerned with the short time frames provided, given the import of the issues at hand, and would appreciate an extension in order to respond more fully to each question.

Briefly then, with respect to joint service agreements as defined in the Paper, we do not believe that individuals registered in the category of mutual fund salespersons, should be entering into agreements where they are trading in the account of another dealer, nor should they be trading in securities without the appropriate license, even if the securities reside in an account held at a dealer who is licensed to trade in those securities. FundEX Investments Inc. has not entered into any of these agreements.

However, we believe that the OSC is moving towards disallowing Referral Agreements as contemplated by the Mutual Fund Dealers Association (the "MFDA") Rule no. 2.4.2 and we would object to that move. We believe that the responsibility to referral agreements is shared between the IDA member firm and its salespersons, the MFDA firm and its salespersons, and the client. It is each party's responsibility to educate them as to

what their individual expectations and limitations are and to respect those expectations and limitations.

Regarding question no. 16 “Does a restricted dealer registration category continue to be appropriate in the current business environment where clients want to have one consolidated account and be serviced by one sales representative?” the answer is unequivocally yes. The real question is whether or not regulators will ever be comfortable with a consolidated reporting structure, even with appropriate disclosure. Clients are desirous of consolidated reporting and we believe with the appropriate disclosure this should be feasible. In addition, to suggest in a questionnaire format, that the restricted dealer category may not be appropriate, we believe in and of itself, is inappropriate. At the very least this affects approximately 100,000 individual registrants, plus their dealers and their clients, along with their employees, service providers, etc.

We look forward to an extended period of comment on this issue in order to be able to respond adequately to each question individually.

Regards,

FundEX Investments Inc.

Sandra L. Kegie  
Chief Compliance Officer