

**From:** "William Lutz" <double.speak@verizon.net>  
**To:** <jointforum@fsco.gov.on.ca>  
**Date:** Mon, Jun 25, 2007 6:09 PM  
**Subject:** point of sale disclosure

Some time ago I worked as part of a team that submitted point of sale disclosure forms to the U.S. Securities and Exchange Commission. That project was never completed. I am attaching the two sample designs that we submitted. I am sending them to you as examples of what can be done using plain language and information design.

William Lutz

Emeritus Professor of English

Rutgers University

Camden, New Jersey

# Confirmation of Your Transaction

**Check this confirmation carefully.**

It covers your purchase price, fees, and whether your broker or brokerage firm received extra payments to sell you this security.

Prepared for  
**William Lutz**  
**104 North Second Street #103**  
**Philadelphia, PA**

Account number  
**1234-4556**

Date of transaction  
**Jan 01, 2004**

Prepared by  
**Acme Clearing, Inc.**

Brokerage firm  
**XX Brokerage**

## Details of your transaction

Amount you paid to buy <b>\$ 8,000.00</b>	Amount paid to buy per share <b>\$18.93</b>	Type of security <b>Mutual Fund</b>
Amount you invested in fund <b>\$ 7,580.00</b>	Amount invested per share (Net Asset Value or NAV) <b>\$17.94</b>	Security Issuer <b>BBB Equity</b>
Difference <b>\$ 420.00</b>	Number of shares bought <b>422.610</b>	Symbol <b>FGBHJ</b>
	CUSIP number <b>000000</b>	Class of shares <b>A</b>
	Type of transaction <b>Buy</b>	

Total fees you pay to buy and own this fund...	after 1 year	after 3 years	after 5 years	after 10 years
<b>Total fees you will have paid</b> to buy and own this fund assuming the fund increases in value by 5% a year and the fees identified below remain the same throughout the years.	<b>\$ 513.92</b>	<b>\$ 712.48</b>	<b>\$ 926.26</b>	<b>\$ 1,535.16</b>
Fund value after subtracting fees	\$ 7,865.08	\$ 8,467.82	\$ 9,116.75	\$ 10,965.05
<b>Total fees as a percentage of your investment</b>	<b>6.53%</b>	<b>8.41%</b>	<b>10.16%</b>	<b>14%</b>
<b>Similar funds charge</b>	<b>0.29% to 6.9%</b> \$ 25 to \$ 580	<b>0.94% to 8.94%</b> \$ 80 to \$ 757	<b>1.61% to 11.08%</b> \$ 147 to \$ 1,010	<b>2.75% to 14.59%</b> \$ 302 to \$ 1,600
<b>Where these fees go</b>				
Fees paid to broker/brokerage firm	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00
Fees paid to the fund	\$ 113.92	\$ 312.48	\$ 526.26	\$ 1,135.15

On the next page you will find a breakdown of your total fees.

## Facts you should know about conflicts of interest

*Can I transfer my shares in this fund to another brokerage account?*

**No.** You can hold these shares only in this brokerage account. If you want to close this account, you will have to sell your shares.

*Does my broker get paid more to sell me this fund?*

**Yes.** Your broker is paid more because you bought a fund offered by a company affiliated with XX Brokerage rather than another fund that may be better for you.

*Has the fund made other payments to my broker or XX Brokerage to sell me this fund?*

**Yes.** The fund paid your broker and XX Brokerage an additional \$X for selling you the fund. The fund will also make extra payments of \$X to them for each year that you own your shares in the fund.

The payment as a percentage of your investment: X%  
Similar funds pay: X% to X%

*Does the fund or its affiliates use XX Brokerage to execute trades?*

**Yes.** XX Brokerage receives trading business from the fund which may provide an incentive for your broker to sell you this fund instead of another fund.

## Breakdown of fees for the first year you own it

### What type of fees you pay

### Who gets the fees and why

### Compare these fees to what other people pay for similar shares

#### To Buy

The amount you paid to buy these shares (called a front-end sales load). This is a one time fee that will not recur.

**\$ 400.00** goes to your broker and the brokerage firm for advising you to buy it.

#### The fee as a percentage

of your investment: **4.18%**  
Similar funds cost: **1.45% to 4.56%**

**\$ 00.00** goes to the fund for X.

#### To Own

Here's what you are likely to pay to your broker, the brokerage firm, or the fund to own these shares. The fund will automatically deduct these fees from your shares, so you will not receive a separate bill.

You will pay these fees annually for as long as you own these shares. These fees will go up as the value of your investment increases.

#### Management fees

**\$ XX** goes to the fund's investment adviser who manages the fund and selects its portfolio of securities.

#### The fee as a percentage

of your investment: **X%**  
Similar funds cost: **X% to X%**

#### Trading costs

**\$ 96.61** goes to pay for trading by the fund's portfolio manager.

#### The fee as a percentage

of your investment: **X%**  
Similar funds cost: **X% to X%**

#### Service fees (12b-1)

**\$ 19.20** goes to your brokerage firm for keeping account records of your fund investment.

#### The fee as a percentage

of your investment: **X%**  
Similar funds cost: **X% to X%**

#### Other expenses

**\$ XX** goes to X for X.

#### The fee as a percentage

of your investment: **X%**  
Similar funds cost: **X% to X%**

#### Total fees for first year

**\$ 513.92**

## Save on large purchases – did you get the discount you deserve?

If you or your family members buy a large number of mutual fund shares, you may be entitled to a reduction in your purchase price. Make sure you discuss with your broker if and when you are entitled to a discount. The fund's prospectus and its Web site also have information on how discounts work.

**The records we have on your holdings, and any family holdings we know of, show that you should pay a sales load of 4.17%.**

**You were charged a sales load of 4.18% because rounding to the nearest penny caused the percentage to increase.**

# Consider these fees before you decide to buy

## Ask before you buy!

Your broker is required to tell you about all the fees you'll pay to buy, own, and sell this fund before you decide to invest in it. Your broker must also tell you if he and Acme Brokerage get extra payments to sell you this fund instead of similar funds that may be less expensive.

## Ask about sales fees!

Sometimes, if a mutual fund doesn't charge a sales fee when you buy its shares (called a front-end sales load), it charges you high fees while you hold the shares, making them more expensive if you're a long-term investor. Also, a fund may offer discounts on its sales fees if you invest over a certain amount. Ask your broker to tell you about any discounts to which you might be entitled.

## The investment you are considering...

Name	Security you are considering
<b>John Doe</b>	<b>BBB Equity Fund, Class A shares</b>
Account number	Amount you may buy
<b>1222-3456</b>	<b>\$8,000.00</b>
Date of transaction	
<b>Jan 01, 2005</b>	

## Total fees you pay to buy and own this fund...

**Total fees you will have paid** to buy and own this fund assuming the fund increases in value by 5% a year and the fees identified below remain the same throughout the years.

	after 1 year	after 3 years	after 5 years	after 10 years
<b>Total fees you will have paid</b>	<b>\$ 513.92</b>	<b>\$ 712.48</b>	<b>\$ 926.26</b>	<b>\$ 1,535.16</b>
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