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To: "Denis Lapointe" <dlapointe@dundeewealth.com>, <jointforum@fsco.gov.on.ca>
Date: Fri, Jul 6, 2007 4:36 PM
Subject: RE: Proposed Framework 81-406

In addition, forcing companies to mail out the Fund Facts in every case will ensure that the investor always gets a copy. At present, the industry relies on the adviser to be sufficiently well organized and willing to provide the prospectus (or any other legal document that might replace it). In many cases, advisers are either not well enough organized or unwilling, or both, to provide the document (even if they are breaking the rules).

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From: Denis Lapointe
Sent: Fri 7/6/2007 4:22 PM
To: jointforum@fsco.gov.on.ca
Cc: Frederic Dayan
Subject: Proposed Framework 81-406

Hello,

I strongly support replacing the traditional prospectus with the information sheet called Fund Facts. The latter is likely to be of much greater value to investors. However, I think the proposed regulation is wrong in requiring financial advisers to provide the investor with a copy before or during a purchase. It is important to note that there are currently over 4,000 different investment funds in Canada. This would create a storage requirement that would make compliance virtually impossible. As a result, it is very likely that the regulation will be ignored. Instead, I think that the financial services adviser should provide the client with a thorough explanation of the investment fund's features before or during the purchase, using a copy of the company's prospectus or information from the Web. Then the mutual fund company should be required to mail the Fund Facts document to the client as soon as an initial purchase is made. The client would then have 72 hours from the time he or she receives the Fund Facts to cancel the transaction. This would be a much more efficient approach, since it would avoid the situation where an adviser is forced to keep thousands of Fund Facts sheets in his office just in case he/she plans to recommend one of them to his/her clients. There is also the likelihood that some of the Fund Facts sheets may quickly become outdated or incomplete. The environment is a major concern today, and I think it is important to consider the impact of wasting paper. I hope that you will be able to introduce regulations that deal with this issue efficiently and address these practical concerns.

Regards,

Denis Lapointe
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