



BY ELECTRONIC MAIL: jointforum@fsco.gov.on.ca

October 10, 2007

Mr. Neil Mohindra
Acting Policy Manager
Joint Forum Project Office
5160 Yonge Street
Box 85, 17th Floor
North York, Ontario M2N 6L9

Dear Mr. Mohindra:

Re: Proposed Framework 81-406; Point of sale disclosure for mutual funds and segregated funds (Proposed Framework)

Thank you for the opportunity to respond to the Proposed Framework 81-406; Point of sale disclosure for mutual funds and segregated funds (Proposed Framework).

Worldsource Financial Management Inc. (Worldsource), a subsidiary of Worldsource Wealth Management Inc., is a mutual fund dealer with a national network of more than 500 advisors and over \$5 Billion in assets under administration.

Worldsource supports the comments submitted by letter dated October 2, 2007 by the Investment Fund Institute of Canada (IFIC), except in so far as our position varies below.

Support Fund Facts Document

Worldsource supports the concept of a simplified two page disclosure document. We believe the content should be considered further, especially the discussion of fees; however in principle the document is a step forward.

Proposed Framework is Unworkable

The proposed framework is unworkable because the modern distribution model does not always permit delivery of a specialized fund facts document to the investor at the time when the investor requires completion of the sale. Sales by telephone or outside of the branch office comprised over 40% of our sales transactions last year. We expect this trend to increase in the future. There is no practical point of sale delivery mechanism that will permit the fund facts document to be delivered in an easily verifiable and timely manner for sales outside of the branch office or on the telephone.

Mutual Funds Sales Process

The discussion of point of sale disclosure must occur within the context of the highly regulated mutual fund sales relationship. The sales relationship between the dealer/advisor and the investor is unique because the vendor of the product is under a legal obligation to "Know the Product", "Know the Client", and to only sell to the client a suitable product. Dealers are legally obliged to review the sale and supervise the advisor to insure that suitable products are sold to clients. The advisory relationship and the fiduciary duties inherent in the relationship should be considered in any discussion of point of sale activity. It is our view that the investor is already adequately protected by the current legal/regulatory regime. It is not imperative to provide the point of sale document prior to the sale.

The real value of the point of sale document is to provide the investor with product information in a clear and accessible manner.

Worldsource's Position

We believe the point of sale document should be distributed with the trade confirmation. We agree that a "cooling off" period should be permitted; with the right to rescind lasting for 2 days (if the confirmation is mailed, 5 additional days should also be allowed for mail delivery).

In addition, the fund facts document should be continuously available through a SEDAR like website where all fund facts documents are housed.

Distribution with the trade confirmation together with continuous availability is the simplest and most practical solution for the investor and the industry for the following reasons:

1. The investor will not have transactions held up while waiting for delivery of the fund facts document.
2. Investors are protected by the advisor's and dealer's obligation to "Know the Product", "Know the Client" and to only sell to the client a suitable product.
3. Investors have a "cooling off" period and maintain the right to rescind.
4. Compliance tracking of the document will be simplified.
5. The cost of distribution will be contained, dealers and advisors will not have to print and/or maintain inventories of documents.

Cost/Benefit

There must be a cost/ benefit analysis of the proposed framework before any regulation is enacted. The current Proposed Framework is too vague for any meaningful cost analysis to be done. However the costs will be significant and will involve the creation,

maintenance, distribution and printing of the disclosure documents, and, compliance and monitoring of the distribution of the documents. It must always be remembered that the cost of any regulatory initiative will ultimately be paid by the investing public.

Discriminates Against Mutual Fund Product

Mutual Funds are highly regulated and are likely one of the safest investment products in the market today. It is illogical to impose regulatory requirements that make it more onerous to sell mutual funds as opposed to other securities products. An unintended consequence of the Proposed Framework will be to create an incentive for the investor to purchase other products that do not conform to the high regulatory standard of the Simplified Prospectus Mutual Fund. There is a risk that "product arbitrage" could happen; this will not serve the investing public's long term goals and objectives.

Integration with the Client Relationship Model (CRM) Initiative

Worldsource supports integrating the Point of Sale initiative with the CRM initiative. It is submitted that point of sale disclosure should be considered in the context of the entire client relationship. This will avoid duplication and permit the entire account opening and management process to be rationalized and simplified for the client. For example the fee disclosure is already part of the proposed Relationship Disclosure Document.

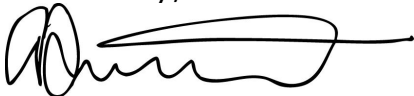
Steering Committee

Worldsource supports the immediate formation of a steering committee that will include representation from the Mutual Fund Dealers Association, IFIC and the industry (dealers and fund companies). This Steering Committee will review the comments on the Proposed Framework, conduct further consultations, perform a cost/benefit analysis and release a Revised Proposed Framework for comment as soon as possible.

Conclusion

Thank you for this opportunity to comment on this important initiative.

Yours Truly,



Andy Mitchell
President & Chief Operating Officer
Worldsource Financial Management

cc Joanne de Laurentis, President & CEO, IFIC
Jon Cockerline, Director, Policy Development, IFIC
Sandra Kegie, Executive Director, FMFD