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Subject: Further Comments & Suggestions re: 81-406

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October 12, 2007

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Comments and Suggestions on POS Framework Proposal 81-406

Ref: Fund Facts “How does my advisor get paid?” “trailing commission”

Subsequent to my previous comment dated June 29, 2007, I have become more aware of the complexities involved in the various methods used to calculate trailing commissions by various mutual fund companies. I have also become more aware of the reluctance, in some cases, of fund companies to provide me with information on trailing commissions specific to my account. In one case, an individual at a fund company outright refused to provide me with information on trailing commissions specific to my individual fund held in my name, even though this information was available from the fund company to the dealer on an individual account basis. The reason given for this refusal was a concern about how this may affect the relationship between the fund company and the dealer.

Full disclosure of trailing commissions both at POS and on an ongoing basis is critical information for the investor to have in order to minimize the potential for advice to be given on the basis of dealer compensation rather than on the basis of what is best for the investor.

The problem is a lack of a clear requirement for full disclosure of trailing commissions, as well as a lack of an enforced and simple standard method of calculation.

Suggested Solutions

1.. Standardize and simplify the method of calculation of trailing commissions. Whether it is calculated from calendar days of NAV or business days of NAV or monthly averages or quarterly averages, irrespective of what method is chosen, all fund companies should be required to use the same method of calculation. This formula should be made public and available to all investors upon request. Comparing rates at POS would then be meaningful and not misleading.

2.. Require dollar amounts paid in trailing commissions for each individual fund be included in statements on an ongoing basis. This would allow an investor to verify the costs of trailing commissions as indicated at POS. It would also alert him to any subsequent changes to trailing commission rates.

In conclusion, standardizing and simplifying the calculation of trailing commissions will reduce costs. Also, it will facilitate full disclosure of trailing commissions in a concise manner that is easy to understand. It is imperative for an investor to have an accurate understanding of trailing commissions to minimize the potential for dealer compensation influencing advice given. From my experience, the status quo is clearly unacceptable. It is my hope that the Joint Forum will make recommendations, which result in a solution to this serious problem.

Sincerely,

Bill Braithwaite Private Investor