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VIA E-MAIL

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West, Suite 1903, Box 55
Toronto, ON M5H 3S8
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Dear Mr. Stevenson:

RE: REQUEST FOR COMMENT – PROPOSED FRAMEWORK 81-406

BMO Investments Inc. (“BMOII”), a member of the Mutual Fund Dealers Association of Canada and fund manager of BMO Mutual Funds, welcomes the opportunity to provide submissions on the implementation of Proposed Framework 81-406, *Point of Sale Disclosure for Mutual Funds and Segregated Funds* (the “Framework”).

We strongly support the principles at the heart of this proposal and we believe that certain aspects of the Framework will make the mutual funds disclosure regime more meaningful to investors. The purpose of this letter, however, is to identify and provide context to some of specific concerns BMOII has with the implementation of the Framework.

I. Fund Facts

We agree that investors should be provided with disclosure information that conveys the salient features of an investment product and aims to better inform their decision to invest.

We believe, however, that fundamental to a client’s decision to invest is the availability of accurate information delivered in a format that permits ease of comparison between investment products. We submit that allowing preparation of the Fund Facts at the level of each fund instead of for each class or series associated with a fund where there is no material differences between them would still achieve this goal, as the investment objectives, strategy and structure of a fund are set at this level. We believe that a document prepared at the Fund level would be contextual and ultimately more helpful to investors.

II. Time of Delivery

We support the proposal to replace the delivery to clients of the simplified prospectus with a fund summary document.

We believe however that the proposed pre-sale Fund Facts delivery requirements will present major difficulties to mutual fund managers and dealers. This prescriptive approach to delivery does not accommodate the variety of investor types and investment styles that exist and we fear that this will have negative implications for consumer choice if advisors and investors alike begin to direct their attention away from the mutual fund industry, toward less heavily regulated products.

Some of our concerns regarding delivery pertain to the different methods of transacting. For example, a significant proportion of mutual fund sales are conducted by telephone, which raises obvious questions as to how contemporaneous delivery of the Fund Fact documents could be done without needlessly inconveniencing our clients. Even the possibility of simultaneously delivering the Fund Fact sheets via e-mail has inherent complications, especially in the case of clients that do not have access to the internet. This method could also raise privacy concerns surrounding an investment transaction, as it involves sending private client financial information via the internet.

We believe that allowing industry stakeholders an extended transition period in which to implement the delivery requirements would allow for all of the practical implications and concerns of this requirement to surface. The research that would result from actual testing of this requirement would permit a better understanding of how this delivery requirement can permanently and successfully be built into the mutual funds sales process.

III. Method of Delivery

We believe that the 'access equals delivery' approach, achieved by directing the investor's attention to the relevant Fund Facts documents on the fund manager's website and which appears to have been contemplated by the Framework would be the most efficient way to ensure that the goals that underpin this Framework are met. Clients would always have access to the Fund Facts sheets, since resources would never be an issue, and it would not compromise the information that the investor has access to. This method of delivery would also spare clients who choose to transact over the telephone from having their transaction delayed while they wait for delivery of the Fund Facts document, a compromise in the quality of service that conflicts with the spirit of the Framework. We request that the regulators clarify the parameters of what would be permitted in terms of electronic delivery.

We at BMOII also have concerns relating to the compliance tracking of delivery of Fund Facts documents. Although the Framework does not require that dealers receive a written acknowledgement of receipt from investors, we request that the regulators provide guidance as to what would constitute best industry practices.

We would also request further guidance regarding the distinction between investor-initiated and advisor-recommended trades and the difficulty in ensuring compliance with these delivery requirements. In this regard, an adequately long implementation period for industry stakeholders to integrate Fund Fact document delivery into their sale process would also have the benefit of allowing enough time to develop sufficient compliance tracking systems.

BMOII wishes to thank the Canadian Securities Administrators for the opportunity to provide feedback on Proposed Framework 81-406. We are in favour of a comprehensive, standardized fund summary document and we look forward to receiving guidance from the CSA regarding its implementation into the sales process so that it can enhance the investors' experience with our products. Please do not hesitate to contact the undersigned regarding any of these comments.

Yours very truly,

Darcy M. Lake

Chief Compliance Officer

BMO Investment Management & Mutual Funds