

October 19, 2009

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorite des marches financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Registrar of Securities, Nunavut

Attention: John Stevenson, Secretary
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Fax: 514-864-6381
Email: consultation-en-cours@lautorie.gc.ca

Dear Sir/Madame:

**RE: CSA NOTICE AND REQUEST FOR COMMENTS - IMPLEMENTATION OF POINT OF SALE
DISCLOSURE FOR MUTUAL FUNDS**

We are writing to provide you with comments on behalf of IPC Investment Corporation and IPC Securities Corporation ("IPC") in response to the request for comments published by the Canadian Securities Administrators (CSA) on June 19, 2009 regarding the proposed Implementation of Point of Sale Disclosure for Mutual Funds (the "Point of Sale Proposal") and accompanying amendments to NI 81-101 (the "Rule").

IPC submitted letters to the Joint Forum of Financial Market Regulators in 2007 and 2008 in response to the first and second requests for comments regarding Proposed Framework 81-406 Point of Sale Disclosure for Mutual Funds and Segregated Funds.

Our comment letter addresses the issues that IPC as an independent dealer, are most concerned about and include two appendices supporting such concerns, one that provides a series of flowcharts illustrating the complexity of implementing the proposed rule (please see Appendix 1) and a second that illustrates the time, expense and complexity imposed on investors, advisors, dealers and manufacturers (please see Appendix 2).

IPC

IPC is a leading independent dealer firm with \$11.5 Billion in assets under administration as of September 30, 2009. IPC distributes its products through a diversified network of over 700 independent MFDA and IIROC registered financial advisors. IPC advisors serve over 150,000 Canadians. IPC is a member of the IGM Financial Inc. group of companies

Investment Funds Institute of Canada (IFIC)

IPC is a member of IFIC and staff has been very active contributors to IFIC working groups, including those reviewing and commenting on the Point of Sale Proposal. We have actively participated in the research, flowcharting and drafting of IFIC's comment letter on the Point of Sale Proposal and are fully supportive of its contents.

A. Implementation and Mutual Funds Disclosure Regime

1. Staged Implementation

We are appreciative and thankful that the CSA has adopted the IFIC recommendation for a staged approach to implementation of the Point of Sale Proposal permitting manufacturers to voluntarily prepare and deliver Fund Facts documents to the dealer community in lieu of the simplified prospectus during a transition period.

2. Rationalization of the Mutual Fund Disclosure Regime

We are very pleased that the CSA is planning on reviewing the overall disclosure regime for mutual funds in order to reduce unnecessary duplication. Although we strongly support the adoption of the Fund Facts document as the primary investor-facing disclosure document, we also feel very strongly that the CSA should move as quickly as possible to rationalize the overall disclosure regime.

B. General Comments and Concerns

1. Money Market Trades

We agree with the principle of exempting money market funds from the requirement to deliver or send Fund Facts before entering into an agreement to purchase. We believe, however, that the requirement

for the client to elect not to receive Fund Facts prior to the sale for each Money Market fund transaction would add unnecessary complexity and would result in significant client frustration. We recommend applying the Money Market fund exemption universally to all Money Market fund sales.

2. Delivery Issues

We agree with the Rule as drafted with respect to the delivery requirements for subsequent purchases and recommend no further revisions.

We agree with the proposal to allow delivery of the fund facts document with the confirmation of trade in instances where the investor expressly communicates they want the purchase to be completed immediately and it is not reasonably practicable for the dealer to deliver or send the fund facts document before the purchase is completed.

3. Operational Challenges and Cost Considerations leading to unfair Playing Field

IPC urges the CSA to consider the operational, compliance complexities and stakeholder cost impact of implementing this requirement as illustrated in Appendix 1 – Independent Dealer Process Flows (Client and Nominee Name and Appendix 2 (POS Cost Estimates by Stakeholder). Given the differing operating models in the independent channel, the means of transacting in rural areas and complications associated with the methods of delivery versus other distribution models, we believe that independent dealers will be put at a significant operating disadvantage versus other distribution channels. A level playing field should exist for this new requirement.

4. Investor-Initiated Trades

Investor initiated trades are generally not common in the independent dealer channel vis-à-vis the discount brokerage channel. The channel primarily acts as “advice giving” and as such, there is a low frequency of investor initiated transactions. The opportunity to elect post transaction delivery for investor-initiated trades is unfair versus advisor initiated trades because this assumes that the client has performed the necessary due diligence of a particular fund which may or may not be accurate. IPC strongly recommends that the CSA adopt a Fund Facts delivery regime that ensures that investors understand that the information is available to them, but respects their choice about whether to receive it before or after making their investment decision.

5. Adopting a Feasible Plan for Transition

We have the following recommendations in respect of a feasible transition plan:

1. We recommend that discussions regarding a transition period for delivery of the Fund Facts be deferred until such a time as the final form of the Rule is known and the timeframe for the development of a fully functioning, universally available, cost effective Fund Facts clearing house/central repository/delivery mechanism has been established.

2. We recommend that the Rule be reviewed for potential duplication or conflict with other National Instruments (e.g. NI 81-101, NI 81-105, NI 81-106, NI 81-107, and NI 31-103) and that this review take place simultaneously with the development of the Rule.
3. We recommend that the CSA work with the SROs to ensure that SRO guidance as to the evidence of delivery, waivers etc. is available to their members prior to the effective date of the Rule.
4. We recommend that the CSA conduct additional investor research in assessing the benefits and any aggravations experienced by investors due to this regulatory initiative.
5. We recommend that a final review of the Rule be undertaken after all policy directions are determined and prior to publication to assess their implications from a cost and compliance standpoint for all stakeholders.

Thank you again for the opportunity to comment on the Point of Sale Proposal and would be very happy to discuss further any of the issues raised in this letter.

Sincerely,



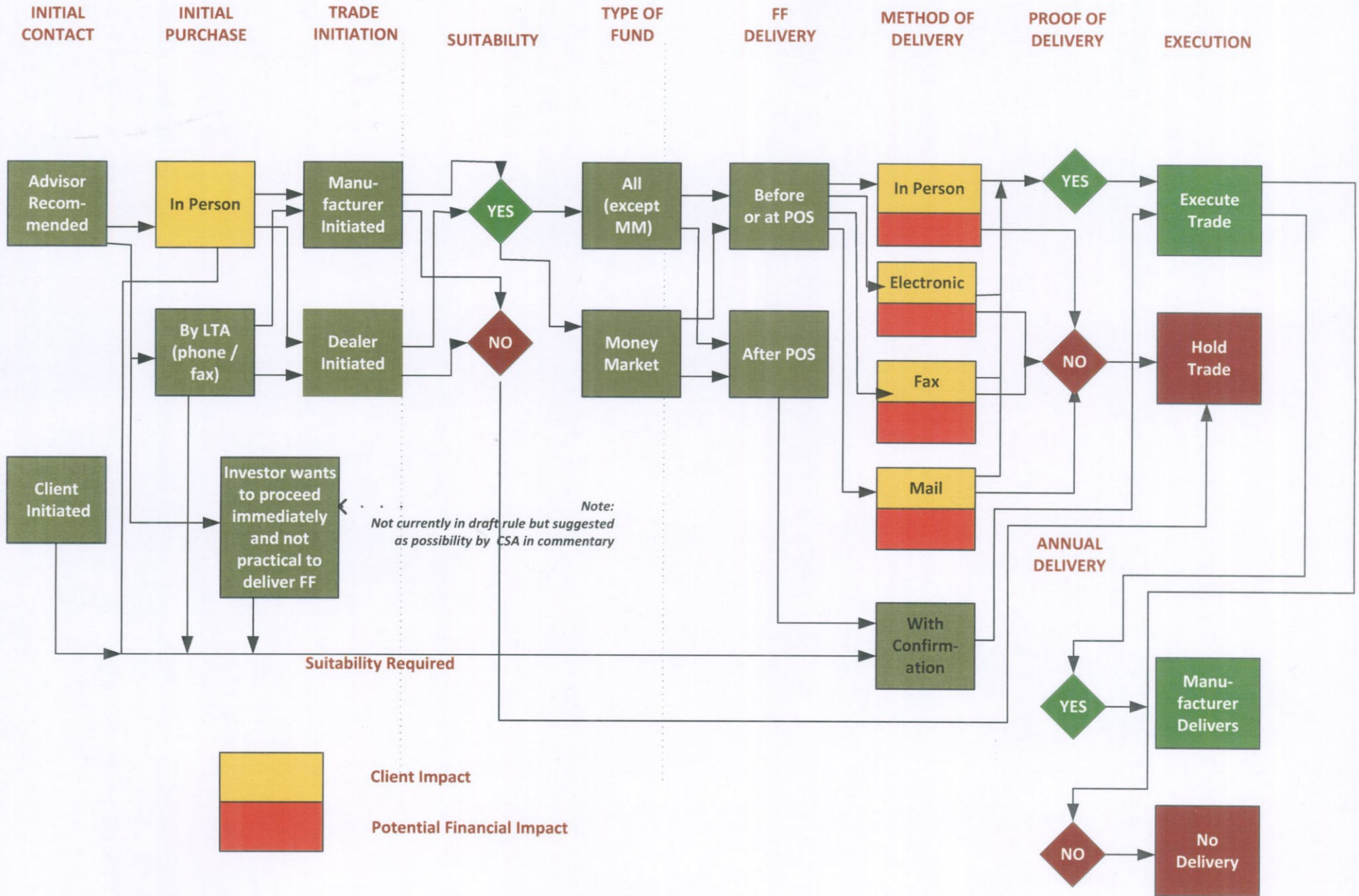
John G. Novachis
President and CEO
IPC Investment Corporation
IPC Securities Corporation

Appendix 1 – Independent Dealer Process Flows (Client and Nominee Name)

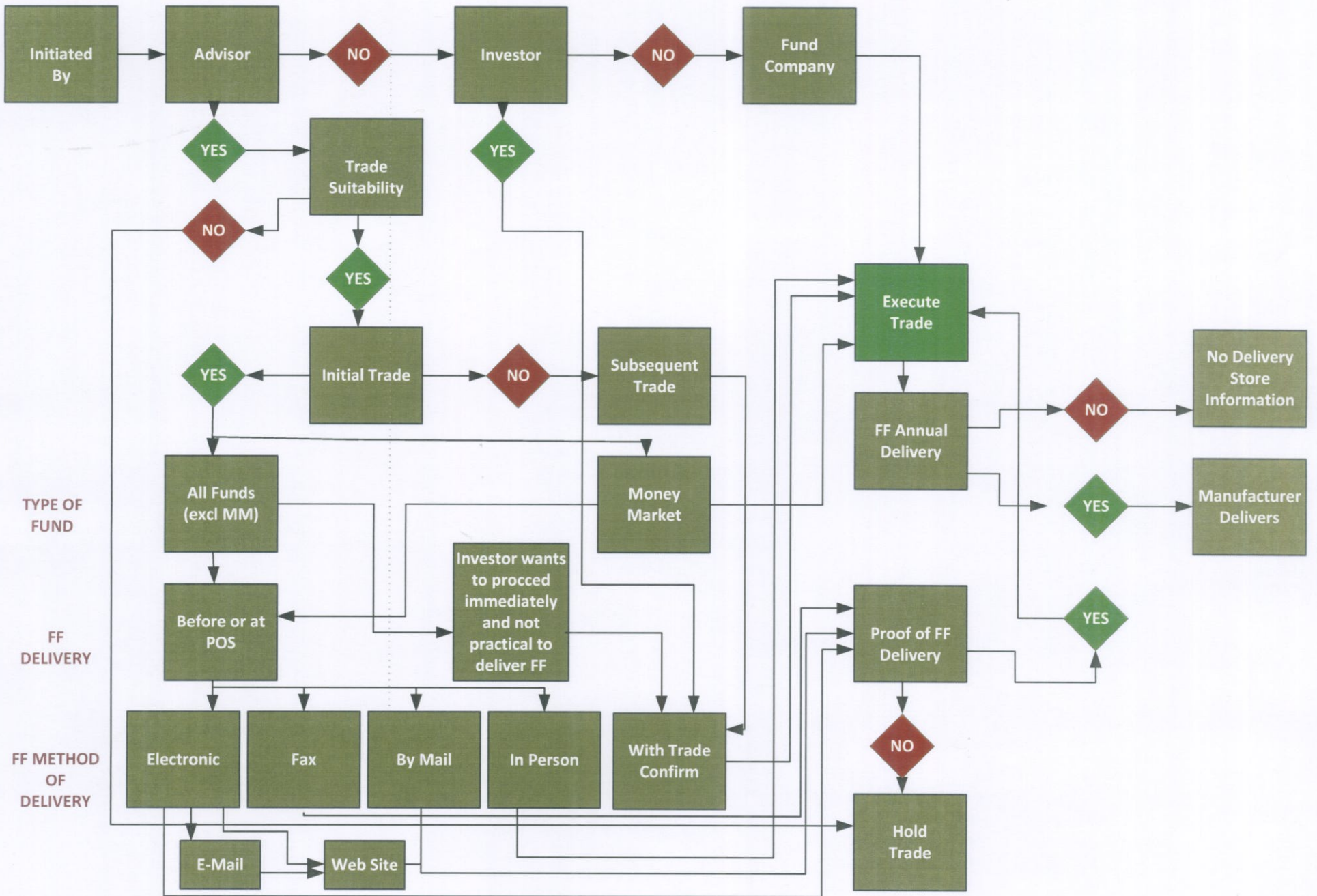
As an independent dealer, this Attachment illustrates the most representative process flows at IPC that would be associated with implementation of the Rule. Client name business allows for accounts to be set up with a manufacturer directly in the clients' name. This impacts several aspects of the transaction flow, including account opening, trade initiation and trade confirmation delivery, as illustrated in the chart "Independent Dealer Process Flow – Client Name".

Comparable processes for participants involved in a mutual fund sale fulfilled through the independent dealer in a nominee account are shown in the flowchart titled "Independent Dealer Process Flow - Nominee".

Independent Dealer Process Flow – Client Name



Independent Dealer Process Flow – Nominee



Appendix 2 (POS Cost Estimates by Stakeholder)

As described in IFIC's submission letter, it is clear from the analysis presented in Appendix 1 of this submission that new processes and systems not existing today will need to be created for the implementation of the Rule as drafted.

This will create costs for stakeholders. While an accurate dollar accounting of these costs must await greater clarity in the Rule, and whether or not there will exist for example an industry repository for Fund Facts, there will be costs, time and complexities involved in the implementation of this Rule for investors, advisors, and dealers.

Some of these costs are identified in this Appendix, together with our assessment as to whether they would be of high, medium or low concern to the three stakeholder groups.

APPENDIX 2
COST/TIME/COMPLEXITY ISSUES BY STAKEHOLDER

# Activity	INVESTOR			ADVISOR			DEALER			MANUFACTURER		
	Time	Expense	Complexity	Time	Expense	Complexity	Time	Expense	Complexity	Time	Expense	Complexity
1 Transaction Processing / Execution	High	High	High	High	High	High	High	High	High	N/A	Low	Medium
2 Mutual Fund Product Shelf Selection	Low	Low	High	Medium	Medium	High	High	High	High	Low	Low	Low
3 Methods for Fund Fact Delivery by Client												
Electronic (Web or Email)	High	Medium	High	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mail	Medium	Medium	Low	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fax	Medium	Medium	High	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
In Person	Low	N/A	Low	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4 Annual Delivery Mailings	Medium	Medium	Medium	Medium	Low	Low	High	High	High	High	High	High
5 Education of new delivery requirements	High	Low	Medium	High	High	High	Medium	Medium	Medium	Low	Low	Low
6 Fund Fact Preparation (Initial)												
Development	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	High	High	Medium
Infrastructure	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	High	High	Medium
Systems Development	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	High	High	Medium
External Systems / Data Interfaces	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	High	High	Medium
Create online repository on website	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Medium	Medium	Low
Links to PDF document creation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Medium	Medium	Low
Content Creation for Initial Fund Fact	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Medium	Medium	Low
Review, Approval and Filing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Medium	Medium	Low
7 Fund Fact Preparation (Post Implementation)												
Maintenance of Fund Fact Versions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Medium	Medium	Medium
Content Management	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Medium	Medium	Low
Review, Approval and Filing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Medium	Low	Low
Print	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Low	Low	Low
Website updates (internal)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Medium	Medium	Low
Website updates (industry repository)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	High	High	Medium
Mail/Courier to Dealers or Mailing Vendors	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Low	Low	Low
8 Delivery and Receipt of Fund Facts												
Initial System Build	N/A	N/A	N/A	N/A	N/A	N/A	High	High	High	Medium	Medium	Medium
Create tracking and receipt mechanism	N/A	N/A	N/A	N/A	N/A	N/A	High	High	High	High	High	High
Vendor Costs	N/A	N/A	N/A	N/A	N/A	N/A	High	High	High	N/A	N/A	N/A
Actual Delivery Costs	N/A	N/A	N/A	N/A	N/A	N/A	High	High	High	N/A	N/A	N/A
Ongoing Production Costs	N/A	N/A	N/A	N/A	N/A	N/A	Medium	Medium	Low	Medium	Medium	Medium
Legal Fees/Costs	N/A	N/A	N/A	N/A	N/A	N/A	Medium	Medium	Medium	Low	Low	Low
9 Central Repository Inventory of Fund Facts												
Establish inventory standards/protocol	N/A	N/A	N/A	High	High	High	N/A	N/A	N/A	Medium	Medium	Low
Create links to Fund Co's and Dealers	N/A	N/A	N/A	High	High	High	N/A	N/A	N/A	Medium	Medium	Low
Develop charge back system - industry solution	N/A	N/A	N/A	High	High	High	N/A	N/A	N/A	Medium	High	Medium
Create dealer inventory management facilities	N/A	N/A	N/A	Medium	High	Medium	N/A	N/A	N/A	N/A	N/A	N/A
Hard copy creation	N/A	N/A	N/A	Medium	Medium	Medium	Medium	Medium	Medium	Low	Low	Low
Identify manufacturers	N/A	N/A	N/A	Low	Low	Medium	N/A	N/A	N/A	N/A	N/A	N/A

