A Voice for Small Investors



August 30, 2010

Mr. John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West, Suite 1903, Box 55
Toronto, ON M5H 3S8
Fax: 416-593-2318

e-mail: jstevenson@osc.gov.on.ca

Me Anne-Marie Beaudoin Corporate Secretary Autorité des marchés financiers 800, square Victoria, 22e étage C.P. 246, tour de la Bourse Montréal (Québec) H4Z 1G3

Fax: 514-864-6381

e-mail: consultation-en-cours@lautorite.qc.ca

NOTICE OF PROPOSED AMENDMENTS TO NATIONAL INSTRUMENT 81-102 MUTUAL FUNDS AND TO NATIONAL INSTRUMENT 81-106 INVESTMENT FUND CONTINUOUS DISCLOSURE AND RELATED CONSEQUENTIAL AMENDMENTS,

The Small Investor Protection Association is pleased to respond to the CSA's request for comments dated June 25, 2010.

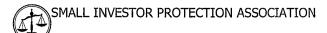
Currently, SIPA does not have the requisite resources to properly assess the proposed amendments in the permitted time frame.

Additionally, the number and scope of the proposed changes is such that we would need professional support to affect a responsible Commentary.

We do not see these amendments as a current priority for small investor protection. SIPA believe better results for retail investors would be obtained by focusing regulatory initiatives on fund governance (as recommended in the Stromberg Reports) , fiduciary standards for dealer representatives (as the FSA is doing) , improving Fund Facts disclosure (as recommended by SIPA) , addressing the issues of trailer commissions (as the SEC is doing) , resolving long -standing issues re KYC/suitability, applying more robust enforcement and consideration of a Investor restitution fund .

We can comment on the proposed changes to money market funds. Our experience during the ABCP fiasco supports the CSA's desire to address the regulation of this Category. The proposed

A Voice for Small Investors



changes on money market funds seem appropriate but we think the SEC standard would provide more robust investor protection.

As to all the other proposed changes, we recommend that the proposed amendments first be reviewed by the OSC's Investor Advisory Panel (and any other independent panel established by other provincial regulator's) and depending on the documented findings and identification of issues, exposed to public hearings. This may require extending the deadline for Comments. Mutual funds are after all, the preferred investment choice for the savings and retirement plans affecting approximately 10 million Canadians. These sweeping changes merit reflection and deliberation. After IAP review we should be in a better position to offer constructive Comments.

Should you require any additional information, do not hesitate to contact myself or Ken Kivenko, Chair of our Advisory Committee.

Sincerely,

Stan Buell President, Small Investor Protection Association www.sipa.ca