

Cyril Fleming

2529 Frankfield Road
Mississauga, Ontario
L5K 2A5

March 28, 2013

The Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario M5H 3S8

Me Anne-Marie Beaudoin
Corporate Secretary
Autorite des marches financiers
800, square Victoria, 22e etage
C.P. 246, tour de la Bourse
Montreal, Quebec H4Z 1G3

Good day/Bon jour

CSA Request for Comment 81 - 407

This letter and its attachments are intended for each of our thirteen Securities Regulators. Thank you for the opportunity to comment on your belated initiative. This submission is largely an echo of all that I have written to you over the past eleven years. What I have said has been limited to what I consider to be the biggest Regulatory weakness of the industry – lack of transparency in client Statements. On that there is nothing NEW for me to add. Your failure to act to try to curb the abuses allowed, indeed I might say ENCOURAGED, by this lack of transparency is puzzling and disappointing. And so I can only ask that you read or in most cases reread the enclosed information. These abuses to which you appear to have been oblivious until recently have gone on for too many decades and should be addressed without further delay. Frankly I cannot figure out just what you hope to learn about the fund industry after you have looked at submissions like this, that you don't already know – and have known for many years. Hopefully your paying some attention to what fund owners are continuing to say, coupled with the flak from the media plus the ever-present danger of legal class action will cause you to act soon. However, I note from this Request for Comment that “This discussion paper is the first step in the consultation about the project.” I now envision the last “step” in the “consultation” being taken two/three years from now followed by another two/three years of study, and probable industry intervention, for you to digest again all the stale information you are now re-gathering. And after all that the industry will have to be handled with kid gloves and be given two/three years to adapt to any change/s you might mandate. Meantime the suffering fund owner can be placated by being allowed to continue sucking the hind tit. C'est la vie. Immediately below is a list of our attached documents.

Cyril Fleming

2529 Frankfield Road
Mississauga, Ontario
L5K 2A5

1. Our submission of eleven years ago (Mar. 09/02) which included our letter of March 05/02 to Mr. Orr of Investors, now with parent Power.
2. My letters of Feb. 22/05 and May 01/12 to Mr. Krystie of OSC.
3. My letter of Sept. 18/09 to then Ontario Finance Minister Dwight Duncan.
4. My memo of Nov. 20/12 to each Regulator with my letter of Oct. 28/12 to Mr. Flaherty.
5. And perhaps most important in support of my main suggestion, a sample Quarterly Statement of Steadyhand Investment Funds Inc.

Recognizing the time limits for reading by you and your support staff I have underlined the portions that I feel are most important.

Outside the investment community much has been written in recent years to support the view that Canadian savers/investors have been victimized for decades by excessive fees extracted by our fund management companies. And sad to say, that victimization continues right up to this day, and largely unnoticed by the victims, until it is too late. For several years before first approaching Regulators in March/2002 I tried in vain to convince two of our large, and then respected fund managers, to spell out in plain dollar/cents amounts their charges in Quarterly Statements. Both of them made it abundantly clear that divulging such information in plain, client-understandable language was not going to happen. And, of course they were simply confirming what their protective union, The Investment Funds Institute of Canada had told me in a letter dated Aug. 02/01 from it's then President, Hon. Thomas Hockin when he wrote as follows: "MUTUAL FUND DEALERS ARE NOT LEGALLY REQUIRED TO REPORT INFORMATION ABOUT FEES IN CLIENT STATEMENTS." And then he added "YOU MIGHT FIND IT OF INTEREST THAT IFIC's MEMBERS MANAGE ASSETS REPRESENTING ALMOST 100% OF ALL OPEN-END MUTUAL FUNDS IN THE COUNTRY." Ah yes, and I might add that for decades the Mutual Fund operators that own IFIC have legally and purposely failed to divulge their charges in client Statements in a way that can be easily understood – in other words, in plain dollar/cents amounts. And to make matters worse for the ordinary worker, who is scrounging every month to save a few dollars for retirement, that disgraceful situation could continue for ever.

It might be a bit late to try to put right the abuses of past years but CSA members are now to be complimented for this effort to try to ensure that a little more fairness and respect will be extended to Canadian savers/investors. Even a reduction of one-half of one per cent in management fees over the long haul would bring substantial increases to monthly pension cheques. That suggestion will, of course, will be fought tooth and nail by fund managers but even that small, more equitable/ethical sharing of fund earnings diverted to clients will be welcome and long-overdue good news for about twelve million Canadians who own mutual fund shares. Also it might make them a little more forgiving of any transgressions over the last three/four decades. And, as already demonstrated by a small handful of our Canadian funds(Phillips, Hager & North is one example) and many funds in the U.S., the owners/managers would still ethically make a decent profit.

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Here are my thoughts for your consideration: First, take a look at the attached Steadyhand Quarterly Report copied from Google. See the right-hand column – nothing hidden here. I wonder if they are the first and perhaps the only Canadian fund manager to make full disclosure in client-meaningful dollar/cents amounts? And, I wonder if any other managers will follow their example of fairness/transparency/honesty? I doubt it. Unless, of course you as Regulators deem it wise to mandate these qualities for the protection of the people you serve. This type Statement clearly debunks the OSC pronouncement referred to in my attached letter of Feb. 22/05 that “the cost of calculating these amounts would be complicated and costly.” And second, at your first get-together after your April 12 deadline tell the industry in no uncertain terms that effective _____ all funds will be required to divulge all charges in dollar/cents in client Quarterly Statements. And third, at the same time announce that CSA is recommending that U.S. funds be encouraged to be more aggressive in the sale of their products in Canada, subject to the same regulations as our own funds.

The fund Establishment will scream like a stuck pig that our Regulators could ever be audacious enough to even think about, much less dare to utter such heresies. That’s fine. Let them scream for a while but don’t let them cow you. They will pull out their big guns. And that’s fine too. Just give them, say sixty days, to allow their PR firms, accountants, lawyers and political cronies some time to concoct excuses why they should be allowed to continue their deliberate hiding of their management charges from millions of Canadians – their clients, your constituents. Then do your thing/s.

In closing I would like to stress my long-held belief that the lack of transparency in client Statements is our most damaging Regulatory weakness. MERs, percentages and “Simplified Prospectus” mean nothing to most fund buyers. Dollar/cents amounts do. It reminds us that nothing is free. It makes us sit up and wonder if we shouldn’t pay more attention and perhaps look for alternatives. It reminds us that we have to be more careful in looking after our own financial affairs. Fund managers are very conscious of all these factors and do/will continue to do, their utmost to ensure that client costs for money management be kept to the lowest possible profile. And so they will scream to keep their fees hidden and profits thereby enhanced by insisting that Statements not be made transparent.

I have no problem with business making a reasonable profit. I admire it and practiced it for many years. But there has to be some ethical balance between the return to clients on client’s investments and the profits flowing to fund operators for their management services. I don’t like government at any level interfering with business and so I suggest that such balance can be achieved by regulating more competition into the distribution system. For as long as funds are allowed to continue hiding their charges there will be no competition, simply because clients will never be allowed to realize just how excessive most management fees really are.

Thank you

Cyril W. Fleming

cyril.fleming@sympatico.ca

905 855 5363

Cyril Fleming

2529 Frankfield Road
Mississauga, Ontario
L5K 2A5

Cyril W. Fleming

cyril.fleming@sympatico.ca

905 855 5363

PS: Any documents referred to directly or indirectly but not attached are available on request. CWF

Cyril Fleming

2520 Franklin Road

Mississauga, Ontario

L5K 2A5

(805) 855-8878 5363

March 09, 2002

Canadian Security Administrators:

The enclosed information is being mailed to each of our thirteen Administrators after reading their CONCEPT PROPOSAL dated March 01, 2002.

At his time we are going to deal with two matters only. The first relates to the subject of our letter of January 09 to The President of Investors Group and our follow-up letter dated March 05 acknowledging receipt of the note from his executive assistant. They are self-explanatory.

Also enclosed is a copy of a letter dated August 08 past to the President of The Investment Funds Institute of Canada and the reply from that union in which in which it's President, Hon. Thomas A. Hockin states that "Mutual fund dealers are not legally required to report information about fees in client statements." - to which we say for consideration by each Administrator: They should be legally required to do so.

In order to demonstrate to each Administrator the difficulty in determining just exactly what a consumer pays for the services of mutual fund managers we are going to sincerely ask that you participate in the following exercise: attached is a copy of fairly simple client statement for the last quarter of last year. Only the names of the owner and financial planner have been removed. Give it to a Chartered Accountant or someone similarly qualified and ask them to tell you exactly how many dollars and cents the client paid directly or indirectly for all the services during that three month period. In this case your calculator should be aware that this account is part of a family of accounts and that at the end of the quarter the combined asset value of the "family" was slightly more than \$[REDACTED]. We would further ask that you send the results of the exercise to your two CSA secretaries and perhaps even to the writers. We are assuming that your local Investors rep. will be pleased to provide your calculator with a copy of the not-so-simple "simplified prospectus" so that he/she will be equipped with the same tools available to a client. Both parts A and B will be needed. The "service fee rebate" shown in the statement is listed in Part A at page 24 under the heading "Service fee refunds".

Notwithstanding any negative overtones that his letter may leave with you we hasten to add that the mutual fund concept is great one. We have done very well by them and cannot imagine a better system for most Canadians - but please, please tell us in plain language what you charge us for your services. And, just to assure you that we have no bias against Investors we are enclosing copies of some 1999 correspondence to/ from Clarica. We never did get the information requested but remain clients and shareholders.

Cyril Fleming

2539 Franklin Road
Mississauga, Ontario
L5K 2A5
(905) 855-8878-5363

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The second matter we would like to address is related directly to your Concept Proposal 81-402.

This is a great initiative and clearly is intended primarily to benefit the most important person - the client/consumer. However, reference to making it easy for them to make any contribution to this process is not exactly highlighted in these forty pages. It has taken some fifty years for us to reach this point in the development of rules/regulations/statutes to protect all concerned in the mutual fund industry. Wasn't it about a half century ago that Theodore Oscar Petersen et al incorporated Investors Mutual of Canada as the first home-grown fund - or am I wrong? Whatever is put in place as a result of all this effort is likely to be around for the next half century. So lets get it as right as possible now by ensuring that more consumers can say their piece. We just happen to know about Concept Proposal because of an article in the Toronto Star. How many fund owners are out there between Conception Bay and the Queen Charlottes who never heard about it?

Your last line on page 09 reads "The reality is that Canadian Investors have neither the resources nor the inclination to effectively oversee the managers of their mutual funds." The same can be said about their participation in this effort but we feel it is grossly unfair to them that the invitation for them to participate has not been shouted louder and wider.

We urge you to now invite them to speak. Change your deadline from June 07 to late November. Prepare a common notice and ask IFIC member funds to co-operate by including them with their second and third quarter statement mailings and for that exercise forget about the "two copies of your letter, together with a diskette." This too will provide IFIC with a beautiful PR opportunity by showing how anxious they are for their clients to have their say in this important process.

Copies are being sent to the same list shown in our letter of March 05 to Investors.

We will be writing you further particularly in Pillar 2 - Mutual fund governance.

Thank you for listening.

Cyril W. Fleming

Mary C. Fleming

Cyril Fleming

2588 Frankfield Road
Mississauga, Ontario
L5K 2A5
(905) 855-8878 5263

March 05, 2002

R. Jeffery Orr
President & Chief Executive Officer
Investors Group
One Canada Centre, 447 Portage Avenue,
Winnipeg, Manitoba R3C 3B6

Good day Mr. Orr,

Your Executive Assistant acknowledged receipt of our letter of January 09 and advised she was "forwarding your correspondence to Mr. Brian Jones, Vice-President Services, Client Services, for immediate attention." She also wrote that "Mr. Orr takes the concerns of our clients very seriously, and as soon as he returns to the office, I will ensure that he review your letter."

We have not heard from you nor from Brian Jones. And so we can only conclude that the note from your assistant plus a telephone call from your sales rep./our financial planner constitute the complete reply of Investor's Group to our pleas for information we feel should be detailed in every statement from your Head Office.

Mark de Hart telephoned around the date your assistant's letter arrived to say that he would personally calculate and provide us with the information requested in the first sentence of our letter, that was "statements showing in dollars and cents the exact amounts charged to each of our accounts by you for all of your management services for last year." In his usual efficient manner he promptly returned my telephone call today and reassured us that he will personally provide this information as soon as he has determined from you Head Office just how the calculation is done. He also advised that he would share this information with us so that it can be passed along to our accountants who will be doing their own calculations of your last year's charges. We are assuming that Mark will provide that information in such written form that it will be meaningful to our accounting firm. We have the feeling that the information provided in your no-so-simple "simplified Prospectus" is not crystal clear to the accounting profession when it attempts to determine exactly what we are paying Investor's Group for their management services. We read a lot about "transparency" lately - could that word have some application here?

We would now ask that you re-read the second paragraph of our letter of January 09 and personally provided the answers to our questions. In our conversation today, Mark kindly offered to provide that information at the end of each quarter with no fee for that extra service. While we sincerely appreciate his offer, we would like to make it abundantly clear to you and the members of your Board

TYPO
CWF.

~~mailto:cmf@sympatico.ca~~
CYRIL.FLEMING@SYMPATICO.CA

Cyril Fleming

2528 Frankfield Road
Mississauga, Ontario
L5E 2A5

(905) 856-8078-5363

Page 2

of Directors that the information we are requesting should come directly from your Head Office in your regular quarterly statements - not from a client's local sales rep.

Apart from the fee on Investors Mortgage Fund we have no reason to believe that your management fees are exorbitant but we have no reason to believe that they are not. And, until you spell out in a meaningful way just what they are, we will always be suspicious. The current industry method which purports to disclose management fees/charges by referring clients to a not-so-simple "simplified prospectus" is tantamount to hiding them. This hiding of true costs is being perpetrated by your industry association/union, The Investment Funds Institute of Canada with the collusive and perhaps unwitting blessing of Canadian Securities Administrators and the Investment Dealers Association.

We look forward to hearing from you in the near future.

Thank you,

Cyril W. Fleming

Mary C. Fleming

CC: Mark de Hart
Provincial/Territorial regulators
Honourable Alan Rock
Investment Funds Institute of Canada
Investment Dealers Association
CSA secretaries (re Concept Proposal 81-402)

Cyril Fleming

2529 Frankfield Road
Mississauga, Ontario
L5K 2A5

February 22, 2005

Allan Krystie,
Lead Inquiries Officer,
Ontario Securities Commission,
P.O. Box 55, 19th Floor,
20 Queen Street West,
Toronto, Ontario, M5H 3S8

Hello Mr. Krystie:

I apologize for the delay in acknowledging your letter of Sept 02 past in reply to mine of July 20. Unfortunately I have been away from my desk since last August and started catching up on correspondence only yesterday.

Like your reply of May 25 it is indeed disappointing. There were two main points raised in my letter. One was my contention that the present form of so-called disclosure is meaningless and borders on dishonesty, all with the blessing of all Provincial/Territorial securities watchdogs. The other was my contention that the fund industry with the blessing of these same so-called protectors of investors excluded the ordinary fund owner from participation in Concept Proposal 81-402 by failing to insist that fund managers advise clients about its very existence.

With regard to my first point I have this to say: Your last paragraph on your page 1 is meaningless. You write "a simplified prospectus and annual information form shall be prepared using plain language and in a format that assists in readability and comprehension". I cannot help but ask if you and your staff members have recently read a "simplified prospectus" and easily determined from that reading exactly how much your/their fund manager charged for it's services in the last quarter? If not I now invite you once again to do so. By copy of this letter I am asking each Provincial/Territorial administrator to answer the same question and have every member of their staffs perform the same exercise. Hopefully that exercise will drive home to regulators the uselessness of the existing so-called disclosure of management costs.

With regard to my second point above: In your first paragraph on page 2 you write "Staff have reviewed the OSC web-site with respect to your inquiry as to the number of non-industry comment submissions to "Concept Proposal 81-402" Other than your submission, there was one from an investor advocate, one from a student and one from the Schulich School of Business". I note that you do not comment on the large number of submissions received from parties with vested interests in the fund management business. Does it occur to OSC that the industry with the encouragement of the OSC and our regional watchdogs could have elicited a much more balanced input if fund investors had been

Cyril Fleming

2529 Frankfield Road
Mississauga, Ontario
L5K 2A5

informed of the process by fund managers and by regulators? As pointed out in our letter of March 02/02 this could have easily been done at virtually no expense to fund managers or regional regulators. Once again I would like to record my feeling that the ordinary investor was intentionally excluded from the process by the fund industry with the tacit blessing of regulators.

It is noted that in your reply of September 02 you did not comment on the last paragraph on page 1 of my letter of July 20. I presume that was an oversight? For the benefit of others reading this letter I had written as follows: In paragraph four you confirm that "Currently no proposals are under consideration requiring funds to calculate the dollar amount of these fees for individual unit holders" and you add "The cost of calculating these amounts would be complicated and costly." I would challenge that statement and ask that you share with me the information on which it is based. With regard to your remarks that unit holders are concerned about "imposing additional costs" and "are concerned about high MER's, my reaction is that they might be even more concerned if their quarterly statements spelled out in a meaningful way just what their managers fees amount to.

* 1
* 2

Once again Mr. Krystie I am asking that you share with me the above information requested in my letter of July 20. I wonder if the accounting and computer industries will agree that "The cost of calculating these amounts would be complicated and costly" and so input from both will be requested.

I understand from your last paragraph that correspondence is not posted on the OSC web-site unless a "Request for Comment" notice has been issued. My I respectfully suggest to your Directors that this policy be reviewed with a view to posting all correspondence from mutual fund unit holders and in particular that which offers constructive criticism of the financial industry and its regulators.

I look forward to a reply in the near future

Thank you,
C.W. Fleming
C.W. Fleming

CC:SIPA,CARP, CICA, Regional Regulators, Paul Szabo, C.A., M.P. and others.

*1. THE ATTACHED STEADYHAND INVESTMENT FUNDS INC WOULD SEEM TO DEBUNK THAT PRONOUNCEMENT. C.W.F. MAR. 21/13

*2. THIS REQUEST AND A FOLLOW-UP WERE IGNORED - C.W.F. MAR 20/13

Cyril Fleming

2529 Frankfield Road
Mississauga, Ontario
L5K 2A5

REGISTERED DOMESTIC CUSTOMER RECEIPT		RECOMMANDÉ RÉGIME INTÉRIEUR REÇU DU CLIENT	R
Name: Allan Krystie		Date: MAY 01/12	
Address: OSC		City / Prov. / Postal Code: Ville / Prov. / Code postal	
Declared Value: \$		1 888 550-6333	
38-088-084 (11-04)		RW 872 150 261 CA	

May 01, 2012

Allan Krystie
Senior Administrator, Investor Advisory Panel
Ontario Securities Commission
20 Queen Street West, Suite 1900, Box 55
Toronto, ON M5H 3S8

Good day Mr. Krystie

IAP Request for Comment

Thank you for this opportunity of sharing some thoughts with you. As in previous correspondence with the Commission and others, my comments today will be mostly limited to my long-standing bitch with our mutual funds management companies and by extension with our regulatory organizations from our Federal Department of Finance down: THEIR REFUSAL TO SPELL OUT EXACT CLIENT COSTS IN DOLLARS/CENTS IN THE QUARTERLY STATEMENT.

In the Saturday (April 28) National/Financial Post there was an article by Michael Nairne headed Personal Finance. His first and last sentences should prove interesting to regulators. In opening he writes "There is one subject that the Canadian investment industry avoids like the plague – the costs associated with investing." and his closing sentence reads "While investment costs are a fact of life, investors should know how much they are paying and the impact on their returns. Ignorance can be expensive." HOW TRUE.

Today I can only repeat what I have been saying to OSC and everyone else for many years. There is no meaningful record provided to clients of how much they pay for management. There is no transparency, a word which the industry and those who would regulate it, seem to have forgotten after the post Enron days. The standard ploy/ruse of the industry to avoid divulging costs to those pesky clients has been to refer them to the "not-so-simple" Simplified Prospectus and/or to various other industry publications. That is absolutely useless even to the most sophisticated/informed client. The industry knows this and fully realizes that as long they are allowed to continue the practice, investors will never know just what they are paying. This is about the same as our so-called Sin taxes on booze and cigarettes – as long as they are not spelled out in dollar/cents amounts the gougees will not scream too loudly. Why spoil a good thing 'till we are forced to do so by independent Regulators. Long live our SROS!

I firmly believe that intervention by Governments (and their creations such as Securities Administrators) in business should be kept to a minimum. However, we have here a situation where the SROS which have been created and are owned by the fund management industry have done a good job for their sires at the expense of their children/clients. Has the time not come for OSC to step in

Cyril Fleming

2529 Frankfield Road
Mississauga, Ontario
L5K 2A5

and say Enough is Enough? - Tell Your Clients In Their Own Language On A Regular Basis Exactly How Much They Pay For Your Services. Someone once wrote something like "If you are not part of the solution you are part of the problem. I wonder if he /she had our Canadian Securities Administrators in mind?

NO
REPLY

In closing I would ask the IAP to answer my question which all others, including our vaunted accounting fraternities and their self-appointed watchdog have refused to answer: IN THE OPINION OF YOUR ORGANIZATION IS THE PUBLIC INTEREST BEING AS WELL SERVED AS POSSIBLE BY THE FUND INDUSTRY'S PRESENT METHOD OF DISCLOSING (I would say, refusing to disclose) THEIR CHARGES TO CLIENTS?

I look forward to your early acknowledgement of this letter and in due course to your reaction to my remarks and in particular the Panels answer to my last oft-asked but never answered question.

Thank you and Good day.

Cyril W. Fleming

Copies to various interested parties

NO REPLY. CW F. APR 02/13

100 Copies

Cyril Fleming

2529 Frankfield Road
Mississauga, Ontario
L5K 2A5

September 18, 2009

Honourable Dwight Duncan
Minister of Finance
Government of Ontario
Queens Park, Toronto, ON M7A 1A1

Hello Mr. Duncan;

An article in the Globe & Mail yesterday by Karen Howlett prompts this letter. This is the first time that I have ever heard a political leader admit that there might be just a little lack of transparency when fund management companies pretend to keep clients informed. I congratulate you and hope that under the fund industry's pressure to shut up that you will not cave in. I think that most voters are aware of the substantial contributions to elections funds by the financial industry. Millions of Canadian savers/pensioners investing billions of dollars need political leadership to help get action in requiring fund managers to become honest and divulge in plain dollar and cents, in quarterly client statements, their exact management costs.

Reporter Howlett says: "—Duncan's office said they are prepared to release a document on the negative impact of management fees for investors if executives (that is fund managers-CWF) continue to complain in public" (about the proposed new tax on the fees that fund owners pay to their (A.S.T.-CWF) managers)

That really bothers me. If Howlett's report is indeed accurate you are in effect telling the fund management industry: Look you little boys and girls, be nice, shut up and go home and if you obey me I won't tell Canadian fund owners about how much you have gouged them over the past fifty years. And I promise to not hang your dirty drawers on any clothesline from Conception Bay to the Queen Charlottes. I will hide that document like you hide your costs to fund owners. DO WE HAVE A DEAL? (and, let us not forget that this gouging continues with the tacit approval of governments at all levels and their/our so-called thirteen securities regulators at the behest of our Self Regulating Organizations of the fund industry and of our vaunted self-regulated accounting fraternities such as CICA and its self-appointed watch-dog, CPAB). I suspect that the "document on negative impact" referred to by Howlett is the Khorana-Servaes-Tufano July 2007 break-thru report of fund management gouging, particularly in Canada. If my suspicion is wrong will you please provide me with a copy of the document in question and make it available to all Ontario owners of mutual fund shares? Mr. Duncan you are duty bound to make public any document which suggests abuse of investors/savers by any organization and/or their self appointed protectors such as CICA and CPAB.

In support of my ten-year argument with the industry and our so-called regulators that fund operators become honest and divulge their costs to clients on a regular basis I am attaching copies of a few

Cyril Fleming

2529 Frankfield Road
Mississauga, Ontario
L5K 2A5

letters on the subject as follows: Our letter of March 2002 to Investors Group; March, 2002 to all Provincial/Territorial regulators; (both available by putting Cyril Fleming in Google); July, 2004 to Allan Krystie of OSC; February, 2005 to Mr Krystie; September, 2005 to CPAB; July 24, 2009 to the SRO, IIROC deemed not acceptable and my sanitized replacement dated August 08, 2009 which was deemed fit for their (the industry) website; and last, the only glimmer of hope until you spoke up, page 5 of a speech to American mutual fund leaders by Christopher Cox of the SEC before his fall from grace. No doubt, your advisors have the full text and a record of his remarks when questioned by a reporter from the L.A. Times.

Two important things to keep in mind Mr Duncan. The hiding of fund charges is coming to an end whether the industry and our lame-duck government/regulators like it or not. It will probably start with the new broom at the SEC and, within a few years the people who live in igloos will shout that someone to the South named Shapiro showed some leadership in stopping mutual fund gouging UP HERE. How refreshing it would be if the Government of Ontario took that first logical step and then watched the SEC aping their leadership? Secondly, the success of the industry in keeping Canadians in the dark (one only investor submission on Concept Proposal 81-402 – see my letter of February 22/05 to Allan Krystie of OSC and my sanitized letter of August 08/09 to IIROC) is very evident. Just two submissions from one fund investor? Does that fact send a message? Simply put, there is no room at the table for those pesky fund owners because the industry thru their SROS such as IFIC/IIROC refuse to invite comment except from their own ilk.

In closing I would like to ask your Government the same question that the accounting fraternity has refused to answer: In the opinion of your organization is the public interest being as well served as possible by the fund industry's present method of disclosing (I would say, refusing to disclose) their charges to clients?

I look forward to you reaction to my comments.

Thank you and Good Day,

C. W. Fleming
Cyril W. Fleming

CC: Various interested persons/groups

LETTER NOT ACKNOWLEDGED
CWF
Nov 20/12

Cyril Fleming

2529 Frankfield Road
Mississauga, Ontario
L5K 2A5

300 Copies

November 20, 2012

To each Provincial /Territorial Securities Regulator

Attached is a copy of a letter dated October 28 to The Honourable James Flaherty, our chief Financial Officer. You will note from its last paragraph that I have delayed writing you in the hope his reply could be included here.

You will note that my letter to Mr. Flaherty is an echo of the memo I addressed to each of you on March 09, 2002. You will also see that my message in that memo is summed up in the last paragraph of a letter dated March 05, 2002 to R. Jeffery Orr of the then Investors Group. Further, I would ask that you re-read the second paragraph of my memo re correspondence to /from IFICs then President, Hon. Thomas A. Hockin. Instead of going back to your 2002 files it might be easier for you to see my memo and my letter to Mr. Orr at Google. Just type in cyril w fleming.

I don't know if my letters to OSC are shared with CSA members and so I am enclosing copies of my letters dated February 22, 2005 and May 01, 2012 to their Mr. Allan Krystie. Notwithstanding the pointed requests made in my final sentence of the latter, the common courtesy of a reply has not been granted. I am still waiting for meaningful comments/answers to my letter of February 22/05, particularly on its last three paragraphs.

And so the gouging of the Canadian trying to save for retirement continues , with your blessing. The biggest single factor allowing the gouging is the fact that the ordinary person has not a clue about nor the extent of that gouging on his /her nest egg. And until fund managers are required to divulge their charges by spelling them out in plain dollar/cents in client statements nothing will change. The industry's deliberate hiding of their charges is quite legal and equally dishonest. Don't you think its time you stepped in? Hope springs eternal and so I look forward to your replies.

C. W. Fleming
Nov 26/12

Thank you

C. W. Fleming
Cyril W. Fleming

In time copies will be sent to all MPs, selected MPPs/MLAs/MHAs, some media and interested persons/groups

300 copies

Cyril Fleming

2529 Frankfield Road
 Mississauga, Ontario
 L5K 2A5

October 28, 2012

Honourable James Flaherty,
 Minister of Finance,
 Government of Canada,
 Ottawa, Canada, K1A 0G5

Good day Mr. Flaherty:

Thank you for a letter dated October 17/12. It refers in the opening sentence to "your correspondence of September 2, 2012 regarding securities regulations" and was, I presume, sent by one of your junior clerks. For the record it is pointed out that there was no "correspondence of September 2, 2012". What I mailed you on that date was a copy a letter addressed to you three years earlier – September 22, 2009. On it I had penned the admonition "Mr. Flaherty The common courtesy of a reply is still in order. CWF, Sept. 02/12." The/your letter is a disappointment to put it mildly and does not reflect well on your office. It is clear that your writer did not pay much attention to what I wrote you three years ago. Certainly my opening line might have caused an intelligent person to suspect that perhaps I had some knowledge of organizations such as OSC and IROC and perhaps even had their addresses. If my opening line did not arouse such a suspicion then perhaps the last paragraph in which I referred to my letter to Dwight Duncan and it's "supporting fourteen pages of my correspondence on this glaring unfairness/dishonesty/disregard for clients and its cry for statutory regulation." just might have led your correspondence clerk to glance at and perhaps respond meaningfully to my sixteen page submission of three years ago. Your writer's filler information about creating a "common securities regulator" has no real bearing on my bitch with the abuses of the fund management industry at least for the time being. Hopefully your efforts in that direction will, in time, be rewarded but in the meantime the Canadian investor/saver should not be left to continue sucking the hind tit. Mr. Flaherty I wonder if a mild admonition not unlike that sometimes directed at opposition members would be in order for your correspondence staff?

I am now asking that this matter be referred to a senior official. That should preferably be an accountant with some specialized knowledge of the fund industry in Canada and abroad and in particular in the U.S. It should also be a person with no relationship past or present to any mutual funds SRO. In responding it would be appreciated if you also comment on the following observations:
 1. Self Regulating Organizations are working very well for their organizers/owners and financiers. They have also done an excellent PR job for their Masters by actually convincing many Canadians that their primary goal is to protect the interests of investors. Not so – it is to protect the interest of their owners/masters - the investment industry. I refer in particular to IROC and its first cousin, Fair Canada. Let us never forget the old saw that The Ones That Pays The Fiddler Calls The Tunes.

2. Now and then, if one is watching the investment industry very carefully we learn about organizations like OSC and IIROC asking for comment from the public on regulatory matters. I invite your officials to examine their lack of effort to attract ordinary investors to participate. Further, I invite them to find a single case where a fund manager has ever divulged to clients that such opportunities are available. I suggest further that they look at the records of both OSC and IIROC and see how many ordinary investors have made submissions/appearances compared with those who wish to protect the status quo for fund managers to the detriment of the guy who is trying to save for retirement. Please note my comments on this exclusion abuse in the attachments which form the guts of my letter to you in September/09.

You 3/6/12

My two main bitches with the fund management industry and in turn with our would-be regulators who should be trying to keep the industry honest and fair are these: First, the gouging (which is well documented) by many operators (not all) and second, the hiding of their gouging by refusing to divulge client costs in plain dollar/cents amounts in client statements. Plain, honest divulging of the latter should be a giant first step in bringing that gouging under control. The mutual fund concept is a great one for the ordinary Canadian saver/investor. I love the concept. But the industry has become greedy. There is (to approximately quote a well-known regulator personality) "just too much skimming off the top". This National disgrace is abetted by the inaction of our regulators, seemingly with the blessing of your Government and our Provincial/Territorial Governments. AND THAT MR. FLAHERTY IS WHY I AM AGAIN WRITING TO YOU. Since our Regulators cannot or will not protect Canadians from these abuses it is the duty of our Chief Financial Officer to step in, perhaps at first with a not-so-gentle admonition to properly do their jobs. You and your Government are doing a very good job overall and as one of your tax-paying employers I would like to keep you on our payroll. Under your leadership the World looks up to us particularly when it comes to financial matters. Unfortunately this is one of our major problems that has slipped thru the cracks. On the bright side, that unfortunate situation presents to you a golden opportunity to once again show that Canada is a real leader with the well-being of our constituents uppermost in our minds/actions. Much of the same problems exist in other jurisdictions although the gouging appears to be most fragrant in Canada. Witness the U.K., Australia and especially the U.S. who seem to be attacking the problem with more vigor than we are. I am sure that your officials are well aware of the recent move by the U.S. Labor Department regarding detailed transparency for 40 (k) participants and of the increasing rumblings out of the SEC to extend the same divulging to ALL mutual fund shares buyers. (see my letter to the Washington Post copied to you and Stella Ambler on Sept.02) Why should Canada not continue to show the rest of the World our usual leadership in matters financial by being the first nation to tackle this problem head-on and come up with a solution that they can copy? The ball is in your court Mr. Flaherty – do us proud once again. Millions of Canadian struggling to save for retirement will thank you and the flagging confidence in our fund industry will be restored.

In closing I would like to ask you to answer the question that I have put to numerous individuals/organizations over the past ten years. Unfortunately, all have refused to answer it publicly, including the vaunted fraternities such as CICA and their own SRO, mis-named The

Canadian Public Accountability Board. I fail to see how their refusal to answer squares with their public avowal to have the public good always in mind. Their refusal to answer does not reflect well on the accounting profession. Individual accountants who are members of these fraternities will answer truthfully with a resounding NO, but "strictly off-the-record of course". The question appears in some of my attachments and is repeated here: IN THE OPINION OF YOUR ORGANIZATION IS THE PUBLIC INTEREST BEING AS WELL SERVED AS POSSIBLE BY THE FUND INDUSTRY'S PRESENT METHOD OF DISCLOSING (I WOULD SAY REFUSING TO DISCLOSE)

THEIR CHARGES TO CLIENTS? Most respond with the lamest excuse - "but we don't make the regulations so how can we have an opinion on them?" Puzzling - neither you nor I make these regulations but I don't seem to have any problem in forming/voicing an opinion on them. Do you, Mr Flaherty? *Do you MR/Ms.MP? CWF, Nov 26/12

As you already know, my correspondence is normally sent to anyone I feel will bother to read it - even to opposition members. Until about November 15 I will be away from my desk most of the time. Until my return any mailings will be delayed and will then be sent out on a staggered basis as time and mailing costs dictate. There will be one exception, my M.P. Stella Ambler. Thank God mailings to M.P.'s don't require postage. By that date I am hoping to have your response so that it can be included in these mailings.

Thank you and good day,

C. W. Fleming

Cyril W. Fleming

PS: Mr. F., Maybe, just maybe, your public answer to the unanswered question will encourage just one honest fund manager to re-think the industry policy on transparency. No thinking person objects to paying fees for service if these fees are not deliberately hidden. I want my fund manager to make a profit so that they can stay in business and make money for me. CWF CWF,

NOT ACKNOWLEDGED
CWF Nov 18/12
CWF MAR 15/13



PORTFOLIO STATEMENT
From January 1 to March 31, 2012

STEADYHAND INVESTMENT FUNDS INC.
1747 W. 3RD AVE
VANCOUVER, BC, V6J 1K7
PHONE: 1-888-888-3147
FAX: 1-888-888-3148
<http://steadyhand.com>

Client since: May, 2009

Your Accounts

Type	Number	Owner	Market Value at March 31, 2012 (\$)
[REDACTED]	[REDACTED]	[REDACTED]	450,000.00
[REDACTED]	[REDACTED]	[REDACTED]	200,000.00
[REDACTED]	[REDACTED]	[REDACTED]	850,000.00

Consolidated Holdings

Fund	Market Value at March 31, 2012 (\$)	% of Total	One Simple Fee (%)	Your Fee (%)	Your Fee (\$)
Steadyhand Savings Fund	85,000.00	10.0	0.65	0.48	77.75
Steadyhand Income Fund	78,000.00	12.0	1.04	0.78	149.25
Steadyhand Founders Fund	97,500.00	15.0	1.34	1.00	240.37
Steadyhand Equity Fund	149,500.00	23.0	1.42	1.06	390.58
Steadyhand Global Equity Fund	78,000.00	12.0	1.78	1.33	255.44
Steadyhand Small-Cap Equity Fund	182,000.00	28.0	1.78	1.33	596.03
	\$850,000.00	100.0		1.07%	\$1,708.41

Fee Rebates:

Handwritten: \$256.40
- MAR 28/13
CWT

Handwritten: TAXES (PST, GST, HST, TST) SHOULD BE SPELLED OUT
DART FIRST NOTED AS INCLUDED IN THEIR
"ONE SIMPLE TAX" e.g. T. Bennett, MAR 28/13

Notes: 'One Simple Fee' is our standard fee before reductions, if applicable. 'Your Fee' is the estimated fees you paid during the statement period. For more information see our website. Fee rebates are reinvested in additional units of the funds you hold.

Statement date: April 7, 2012

Steadyhand Investment Funds Inc.



PORTFOLIO STATEMENT
From January 1 to March 31, 2012

Holdings by Asset Class

Asset Class	Market Value (\$)	% of Total
Cash and Cash Equivalents	117,740.28	18.1
Fixed Income	87,499.04	13.5
Canadian Equity	279,260.34	43.0
U.S. Equity	79,825.08	12.3
International Equity	85,673.88	13.2
	\$650,000.00	100%

Consolidated Performance

Performance Period	Rate of Return (%)
Three Month	2.8
One Year	7.4
Two Year	8.2
Three Year	3.1
Since Inception	3.4

Note: performance numbers are for illustrative purposes only

Annualized compound rates of return on periods over one year. Consolidated performance is calculated using the aggregate return method for the accounts in the portfolio.

Statement date: April 7, 2012

Steadyhand Investment Funds Inc.

