

Sept 30Th 2016

Attn: Josee Turcotte, Secretary
Ontario Securities Commission
20 Queen Street West, 22nd floor
Toronto, Ontario M3H 3S8
Via Fax 416-593-2318
Dear Ms. Turcotte,

Re Consultation Paper 33-404

As a IA for over 30 years I am very concerned about the extra workload that these new proposals would entail and I feel many of them would take away from the time I could be better spent reading research reports , contacting clients, meeting new clients etc. As I have had a limited time to review the entire 144 page report as I am very busy rebalancing portfolios after the second longest bull market in US history I will only address some of the proposals.

A) Part 13.2 ensure that the KYC include Basic Tax position

In my opinion this is outside the mandate of an IA ... we are not tax accountants and therefore this is not a good idea as it could give the clients the impression that we are tax experts which we are not.

B) Update KYC once every 12 months

I feel that this would eat up a tremendous amount of time. If one had 200-300 clients one would need to dedicate probably 1 hour a day just to update KYC's . Some clients are already questioning why we are asking these probing questions when there is a material change. The other day I had a lawyer complain why I was needing to know his balance sheet after he downsized. He told me he was tired of being grilled for this information and if my compliance dept. had a problem that he would talk to them directly & if they still had a problem he would defend his right to privacy to the regulators if need be. He said he understand the need to know his objectives but not to all of his financial holdings. In my opinion the current status quo is more than adequate.

C) To understand & consider the structure, product strategy, features ,costs & risks of each security on their firm's product list.

In my experience there is no " firm product list" as such. There are stocks that are considered outperform. The issue I have is that often when I was At ScotiaMcleod these " top " ideas would fare much worse than my own ideas. Case in point they were very constructive on Nortel during the dot com bubble only to have that collapse. With thousands of stocks, thousands of mutual funds this is in my opinion is unworkable to know all the features etc. of each stock or mutual fund in the Canada and the USA.

D) Identifying whether there are any other basic financial strategies, such as paying down debt or directing cash into savings account that are more likely to achieve the client's investment needs & objectives than a transaction in securities.

This in my opinion is way too far reaching for example If one had purchased TD bank in Oct 1996 the stock was \$7.84 now \$58.23. I think that would have been a smarter investment than probably paying down debt. I know if I had been less aggressive at paying down my mortgage and put more money in the market I would be worth more.

E) Identifying a target rate of return.

When one looks at the unpredictable nature of the stock market this seems wrong. When one looks at the "lost " decade with the dot com bubble and then the banking crises I don't think many financial plans got that one correct.

F) When accepting instructions from the client... to perform a suitability test of the security. I think it is reasonable to warn a client that it is unadvisable and possibly imprudent to do a trade in a unsolicited security(I have in one case refused to purchase Nortel @ 140 or so a share) but ultimately is it not the client's money? Who would do the suitability test? This seems to far reaching and should not be implemented.

G) Client's should in my opinion not receive a copy of the representatives analysis regarding the client's target rate of return.

H) Best Standard of Care

The proposed best interest standard of conduct will create an unmanageable degree of regulatory, compliance and legal uncertainty. I am opposed to anything that implies a fiduciary relationship as a IA where it already doesn't exist. That current status quo is more than adequate under common law.

In conclusion I think there should not be any more regulatory changes until we see what the impact of CRM2 is.

Sincerely

David Van de Sande

CC Sarah Corrigan-Brown