

February 6, 2013

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British Columbia Securities Commission  
Alberta Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
New Brunswick Securities Commission  
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island  
Nova Scotia Securities Commission  
Office of the Superintendent of Securities, Newfoundland and Labrador  
Superintendent of Securities, Northwest Territories  
Superintendent of Securities, Yukon  
Superintendent of Securities, Nunavut

Ontario Securities Commission  
20 Queen Street West  
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Toronto, ON M5H 3S8

Me Anne-Marie Beaudoin  
Corporate Secretary  
Autorité de marchés financiers  
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C.P. 246, tour de la Bourse  
Montréal, Québec H4Z 1G3

Dear Sirs/ Madames:

**RE: Proposed Amendments to NI 31-103 Registration Requirement and Exemptions  
– Dispute Resolution Service**

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Thank you for the opportunity to provide comments to the Proposed Amendments (the "Proposed Amendments") to National Instrument 31-103 *Registration Requirements and Exemptions* ("NI 31-103") and to Companion Policy 31-103 *Registration Requirement and Exemptions* ("NI 31-103CP") regarding the Dispute Resolution Service.

Brandes Investment Partners & Co. ("Brandes") is registered in all jurisdictions in Canada as a portfolio manager (PM), exempt market dealer (EMD) and mutual fund dealer (MFD), exempt

from the requirement to become a member of the Mutual Fund Dealers Association (MFDA), and as an investment fund manager (IFM) in Ontario (with registration pending in Quebec and Newfoundland & Labrador).

Brandes operates primarily as an IFM, directing the business and operations of the Brandes Funds, distributed pursuant to a simplified prospectus, and the Brandes Canada Unit Trusts, distributed pursuant from exemptions from filing a prospectus. Brandes is the portfolio adviser in respect of the mutual funds and in respect of separately managed accounts which are comprised mainly of sophisticated institutional investors. The Brandes Funds are principally distributed to investors through third party registered dealers; Brandes is registered as a MFD in order to distribute units of the Brandes Funds directly to a restricted group of investors, mainly, employees and their families). Brandes utilizes the EMD registration in order to distribute units of mutual funds to accredited investors that are generally sophisticated institutional investors, such as pension plans and university foundations.

Overall, we would describe our client complaint experience as being relatively small. The volume of client complaints that Brandes has received has been generally less than 20 per year. We have reviewed the Proposed Amendments and we wish to provide the following comments.

Brandes recognizes and appreciates the benefits of having a common dispute resolution service provider to act on behalf of the securities industry as a whole. Further, mandating a dispute resolution service that has experience in resolving disputes between investors and registered dealers or registered advisors and one that adheres to an established set of standards is positive for investors and stakeholders. Brandes also recognizes that certain established statutes of limitations are reasonable and practical. However, the Proposed Amendments include additional restrictions to the mandate of the Ombudsman for Banking Services and Investments (OBSI), acting as *the* service provider in respect of dispute resolution or mediation services obligations. Specifically, the limitations include claims of no more than \$350,000 and provides OBSI with the ability to decline providing its services if it is “unwilling or unable to consider the complaint”. Under such instances, the registrant firm is still obligated to make another service provide available to the client.

It is our view that, should the Canadian Securities Administrators (CSA) mandate a specific dispute resolution service provider, such conditions or restrictions that would permit the mandated service provider from accepting and acting on behalf of a complaint be removed, including the dollar amount of the claim. By mandating a service provider, we believe, will limit the availability of alternative service providers. In addition, since OBSI would act in the majority of complaints, any alternative provider would have minimal exposure and experience in handling such disputes that may result in a poor outcome for both the investor and the registered firm.

Our responses to the specific questions noted in the Proposed Amendments are as follows:

**Issues for comment**

1. Would the time limit on complaints be more appropriate if it was counted from the time when the trading or advising activity that it relates to occurred, rather than from the time when the client knew or reasonably ought to have known of the trading or advising activity?

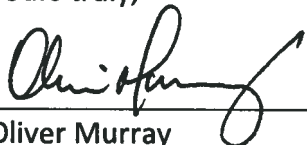
*Given our overall view that the mandated service provider should also accept all complaints, Brandes does appreciate that certain established statutes of limitations are reasonable and recommends that a time limit be applied from when the trading or advising activity occurred. A period of six years, as recognized in the judicial system should provide sufficient time for an investor to identify and raise a specific issue. In addition, this time limitation should equally apply to the obligation on registered firms having to provide the dispute resolution service.*

2. OBSI's current terms of reference require a complaint to be made to the ombudsman within 180 days of the client's receipt of notice of the firm's rejection of their complaint or recommended resolution of the complaint, subject to the ombudsman's authority to receive and investigate a complaint in other circumstances if the ombudsman considers it fair to do so. Should NI 31-103 include a deadline for clients to bring complaints to it? If so, is 180 days the appropriate period?

*We would agree that this time frame is appropriate for clients wishing to escalate complaints.*

In closing, we would like to thank you for the opportunity to provide our comments on the proposed NI 31-103.

Yours truly,

  
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Oliver Murray  
CEO

  
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Carol Lynde  
President & COO