

I have read and reviewed the CSA Discussion Paper and Request for Comment 81-407 Mutual Fund Fees. I am a Canadian Citizen and have invested in Mutual Funds for 25 years and currently have most of my lifetime savings invested in 9 different mutual funds comprised of both open and RRSP funds. I have historically owned about 20 different mutual funds over time. First let me say that the discussion paper is very well done, with excellent research and pretty much outlines the truth about the relationships between fund providers, so called advisors, and investors. In the paper it outlines a number of perceived conflicts of interest whereby the investor is not represented foremost. Let me say that this is definitely not a perception and is very much fact.

I have purchased mutual funds via- banks, direct from fund companies and advisors. Based on my experience please see my comments as follows:

- I was never directly informed about any charges- upfront, deferred, MER, trailing commissions etc until after the purchase and generally found out about these fees inadvertently. i.e. upon sale / transfer etc or upon further scrutiny of the prospectus. Yes, I was provided with the prospectus.
- I was never informed what any fee was for and what the fees would be used for and what service I could expect.
- Generally speaking I have received little service for what was paid and I have come to realize that the advice I have received from advisors was in their interest and not mine re. advice that puts more trailing commissions in their pocket

In summary, the proposed changes are long overdue, and an adoption of the legislative changes that are occurring in other countries need to be adopted as well. There is obviously problems and illegal activity (conflicts of interest) that need to be fixed. Frankly I am tired of paying MER fees that are one of, if not the highest, of all the developed countries in the world.

I have been thinking of getting out of mutual fund investments all together, for the very reasons that the information in the discussion paper outlines. Perhaps, if enough positive change occurs, that put me the investor first, I may reconsider?