

January 10, 2017

Subject: Embedded fees

My name is Debbie Hartzman, and I am a Certified Financial Planner, with Professional Investments, Kingston Ontario.

I have a client base of approximately 500 families in the eastern Ontario regions. I started my career in 1995, and have been active in the financial planning community since then. On the board of Advocis, on Financial Planning Standards council working group and the CFP exam board.

Over the passed few years I have surveyed every client I have come in contact with as to whether or not they would be in favour of paying out right for my services, I have explained the issues of embedded fees, and not one has agreed that they would like to pay me directly. The the overwhelming indication is that they want to be informed and would like choices but they do not want to billed independently of their investments.

Because I service a niche market, clients going through separation and divorce, I have to co-operate and liase with the legal and accounting professionals. I can not tell you how many times I have had one of these professionals tell me that they can not help the client in the way I am suggesting because they have no way of billing for that service. Conversely, I have clients contact me first because they know they are not on the clock with me, and I will help them as much as I can, but will refer them back to the appropriate professionals if it is outside my area of expertise.

If we are forced to bill for our time and services much of what we presently do to service clients will have to fall by the way side as clients will not be able to pay for services. Much like when I suggest a client have a "Will" written, the first thing they say, is "how much is this going to cost me"?

I implore you to listen to the people who engage in our services and hear what they say. Disclosure for sure, separate billed payments are not preferred and will solve no problem. Give the clients the power to choose. In the past two years, there have been shift towards, lower fees, no dsc, full disclosure of fees and more and more compliance. Give these measures a time to work and then see if in fact there are further requirements needed. Change for no good reason does not serve the clients you are trying

to protect. In the long run, studies show that a ban on fees, to be paid directly back fires on the very people you say you are trying to protect.

I for one would have to stop servicing the small client who couldn't afford to pay my fees. They would be relegated to deal with providers who do not offer the level of service that I do, regardless of how much money they have invested all my clients are treated with dignity and respect.

I am not the only advisor who uses our trailing commissions to subsidize the service for our smaller client who need us as much or more than our higher net worth client. Don't make a mistake and hurt the very public you say you are trying is to protect. This is Canada, not the US, or the UK, learn from their mistakes.

Regards

Debbie Hartzman.CFP.CLU.CDFA.TEP.RRC

Sent from my iPad

OSC Disclaimer

This message is intended only for the use of the addressee and may contain information that is privileged and confidential. If you are not the intended recipient or have received this