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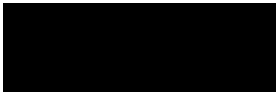
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I work for one of the big 4 brokerage firms in Canada. I have read your report on embedded fees. To clarify, I think deferred sale charge funds are not necessary in the industry. Low loads would also fall in that category.

Most of the mutual funds in my clients portfolios are sold as front end zero. In this case their costs are actually cheaper than fee based options with F class funds.

Banning embedded fees or trailers will actually increase costs to clients. Mutual funds have determined that the cost of advice for the most part is 1%. The cost of advice in fee based accounts for the most part is higher.

If your goal is to raise fees to clients, then go ahead.



Matt Morris

