



Via Post and Email

February 10, 2010

Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario
M5H 3S8

Attention:
Robert Day
Manager, Business Planning
rday@osc.gov.on.ca

Dear Sir:

RE: OSC Notice 11-753 (Revised) Request for Comments Regarding Statement of Priorities for Fiscal Year Ending March 31, 2011

The members of the RESP Dealers Association of Canada (RESPDAC) are pleased to provide the Ontario Securities Commission (OSC) with comments on the above-noted draft Statement of Priorities for the OSC's current fiscal year ending March 31, 2011.

We are writing to provide our continued support for the OSC's proposed plan to address *disclosure and operational rules applicable to scholarship plans*, as outlined under the OSC's third priority – *Address Adequacy of Regulatory Coverage*. As you know, RESPDAC commented on the OSC's draft Statements of Priorities for each of the past two fiscal years, and provided its support for this initiative, which has been identified as a priority for the OSC in each of the Statement of Priorities for those fiscal years. We look forward to reviewing and commenting on the proposed rule amendments relating to plan disclosure that we understand will be published for comment sometime during the first part of 2010.

Background - RESPDAC

The members of RESPDAC are the four leading providers of group (or pooled) registered education savings plans (RESPs) in Canada, each of which offer various types of scholarship plans, all of which are offered by prospectuses filed in each province and territory of Canada:

- C.S.T. Consultants Inc.
- Children's Education Funds Inc.
- Heritage Education Funds Inc.
- USC Education Savings Plans Inc.

Together, these four companies represent over \$7.2 billion in assets under management. In total, our members paid out over \$160 million in Education Assistance Payments to more than 63,000 Canadian post-secondary students in 2009. More than 3,500 Canadians work with or for our member companies in various executive, sales, support and administration capacities. Subscribers in the scholarship plans operated by our members live in each province and territory of Canada. A large proportion of our subscriber base is made up of low-and middle-income families—a segment of the Canadian population that we believe is underserved by mainstream financial institutions. We are very proud of the work we do, and, more importantly, of the beneficial services that we provide to thousands of Canadian families and to the overall Canadian economy.

RESPDAC was formed in 2000, to represent its members in dealings with provincial and territorial securities regulators and federal agencies that oversee the RESP and CESG legislation. We have established rules and procedures for our members and we strive to increase the understanding of scholarship plans among regulators, governments, the media and the public.

RESPDAC Support for the OSC’s Plans to Modernize Scholarship Plan Regulation

RESPDAC and its members completely support the OSC’s goal to modernize securities regulation of scholarship plans, as issuers of securities. In particular we are in complete support of the OSC’s plans to enhance the disclosure given to scholarship plan holders. In our view, clearer, more concise disclosure to subscribers at the point of sale, in substitution for today’s cumbersome, voluminous prospectus is key to enhancing better understanding by subscribers of their options concerning scholarship plans.

During 2008 and 2009, RESPDAC members met with the staff of the various members of the Canadian Securities Administrators (CSA)¹, both with a view to enhancing staff’s understanding of the scholarship plan industry and to present RESPDAC’s proposals for an ideal modernized regulatory regime for scholarship plans.

With the encouragement of, in particular, OSC staff, we provided the staff of the various CSA members with an outline of a proposed point of sale document that would have many of the characteristics of the CSA’s proposed point of sale document intended for mutual funds. The scholarship plan point of sale document would recognize the existence of the relationship disclosure document that has been mandated for scholarship plan dealers with the coming into force of National Instrument 31-103. We have also provided staff with an outline of RESPDAC’s suggestions for revising the investment restrictions that would be applicable to the management of the assets of scholarship plans.

As we have noted in our past letters in support of the OSC’s and the CSA’s initiatives relating to scholarship plans, our members are fully prepared to assist staff and provide feedback as requested on staff proposals as the OSC works towards meeting the OSC’s goals for its fiscal year ending March 31, 2011.

¹RESPDAC members have met on several occasions with the staff of the OSC, but have also met with staff and executive of the CSA members of the following provinces: New Brunswick, Nova Scotia, Quebec, British Columbia, Alberta and Manitoba.

We thank you for providing our Members with the opportunity to comment on the draft Statement of Priorities. Should you have any questions or wish to discuss our comments, please contact James Deeks, the Executive Director of RESPDAC at 416-689-8421 or jdeeks@respdac.com.

Yours very truly,
THE RESP DEALERS ASSOCIATION OF CANADA

Paul Renaud
Chair
RESPDAC

James Deeks
Executive Director
RESPDAC