



October 11, 2018

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

Dear Sir/Madam:

RE: Proposed amendments to National Instrument No. 31-103

As a certified financial planner, I would like to share my position on the proposed amendments to National Instrument 31-103 by the Canadian Securities Administration (CSA) - specifically the limitation on referral fees. In my opinion, the proposed changes will impose limits to the financial services industry and to the clients who entrust us to look after their best interests. I believe that a "referral fee" received for wealth planning activities mirrors that of a mutual fund arrangement. We, as the referring party, do not disengage our relationship with our clients after the referral – conversely, we continue our financial planning services with them.

We help guide clients to products and services that are most suitable (cost effective) and would discourage them from investments that no longer meet their objectives. It is my responsibility to provide products and services that benefit my clients and this is often accomplished through a referral arrangement. The referral model is very favorable to my clients as these products reduce fees and provide greater disclosure. I am not sure why, as a licensed advisor and a financial planner, that I should be given limited referral fees for the ongoing services that I continue to provide?

If the referral fees were paid to an unregistered representative who is no longer providing services, I believe that is when it would be appropriate to limit referral fees.

I truly hope you understand how the restrictions you are proposing could ultimately affect the well-being of the individuals you serve to protect.

Respectfully,

Kevin Brugger, CFP

/csw