



BICK FINANCIAL SECURITY CORPORATION

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May 29, 2008

John Stevenson
Secretary
Ontario Securities Commission
20 Queen St. West
19th Floor, Box 55
Toronto, ON
M5H 3S8

Re: Proposed National Instrument 31-103 Registration Requirements & CP

Dear Sir,

Thank you for the opportunity to comment on the proposed legislation. We support the initiative to harmonize the registration requirements across Canada but have a few comments/questions as illustrated below.

1. **Registration of Mutual Fund Dealers (section 2.1).** The language is very restrictive. Is it the intent to then exclude mutual fund dealers from dealing in deposit instruments such as High Yield Savings Accounts, GICs and PPNs? This would be of great disservice to clients. Please clarify.
2. **Exempt Market Dealer (section 2.1).** If exempt Market Dealers are to be permitted to sell Mutual Funds they should be supervised by one of the SROs (IDA or MFDA). The proposed legislation will create an unlevel playing field and a big concern will be that Salespersons dealing strictly in the high net worth arena will leave MFDA (or IDA) firms to a more unregulated regime, through the 'permitted client' clause (placing possible economic burdens on smaller firms). Furthermore it will make the client account opening and relationship experience different depending on the distribution model. We believe this is contrary to the intent of the legislation to harmonize and streamline. Either EMDs should not be permitted to sell mutual funds or, if allowed, they should be regulated by one of the SROs.
3. **Records – (section 5.22).** We feel that the CSA should reconsider the requirement to send out quarterly statements for clients with client name accounts. We understand the spirit of the legislation, in that it is a preventative measure to detect fraud and provide the client with a similar experience regardless of distribution model (i.e. Nominee), however we do not feel that the proposed legislation is reflective of the current climate of electronic reporting.



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Most, if not all, mutual fund manufacturers and Dealer firms provide online access, for clients to access real-time statements of account. Furthermore, clients receive confirmation of transactions from the Manufacturer, not the Dealer. We strongly feel that the quarterly statement must be the client's choice and they should be given the option of 'opting out' in the client name format given the electronic options available. BFSC Advisors currently provide quarterly portfolio summaries to clients, at the clients' choice. They have the option of opting out under our "Operation Green Planet" program and are provided with online access. The costs of quarterly mail outs will now be borne by the Dealer thus placing further economic burdens on small Dealers who will in turn have to download these forced, and unnecessary, costs back to the Advisor.

4. **Complaint Handling (section 5.29 & 5.31 & 10.8)** We note that there is an exemption for both the requirement for a dispute resolution service & reporting to the securities regulatory authority (reporting of complaints) will which will expire upon 6 months of the proposed legislation coming into force.(section 10.8).

We would like to see a permanent exemption for MFDA members for the client complaint reporting processes and ask that the CSA reconsider the requirement to submit biannual reports for members of the MFDA. We feel that this is already taken care of under our SRO's requirements to file client complaint reports to the MFDA through METS.

We would like some more clarity regarding the requirements of the dispute resolution service. Is it at time of complaint? Is it if the client does not feel that the complaint is handled to their satisfaction? Should the Dealer have the dispute resolution service as part of their registration requirements regardless of whether complaints are filed?

5. **Mobility Exemptions (sections 8.20 & 8.22).** We would like to see the definition of family members expanded to siblings and grandparents. The current restrictions do not account for the estate planning needs of clients. We would like some clarification about the timing of opening accounts of immediate family members. (For example, if the spouse of a client was not a client prior to their move out of the primary jurisdiction, does this mobility exemption permit account opening?).

Please clarify whether the Dealer is required to notify their principal regulator if dealing with a client in a non-principal regulated area.

Sincerely,

Marie Phillips
Chief Compliance Officer
Bick Financial Security Corporation



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