



Butler Financial

October 16, 2018

TO: British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorite des marches financiers
Financial and Consumer Services Commission of New Brunswick
Superintendent of Securities, Department of Justice and Public Safety, P. E. I.
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Superintendent of Securities, Nunavut

comments@osc.gov.on.ca and consultation-en-cours@lautorite.qc.ca

RE: **Proposed Amendments to National Instrument 31-103**

As a financial advisor for the past 22 years, I feel it necessary to provide my comments on the proposed amendments noted above.

To begin with, the term “referral agreement” must be misunderstood by the people who have drafted the proposed amendments. It is not as if we, as advisors, are referring a restaurant or a vacation destination to our clients. We do not make a referral to an Investment Company and then move on; this is a part of a long list of services we provide our clients and will continue to provide them. This list includes, but not limited to: providing retirement planning, estate planning, providing insurance needs, assisting with estates, tax discussions and guidance, ongoing reviews of their plans, discussing changes to the financial industry, arranging annual meetings with the portfolio manager and many more day to day services.

We have offered these services for a number of years to our clients and throughout this time, have not only assisted in helping them build their wealth to a point where they can now invest

with a Private Wealth Management Firm, but we have also built strong personal relationships with these clients.

- A. Reducing our income to 25% of the total commission fee.
- By having worked with our clients to put them in a position to invest with a PWM company such as BCV Asset Management, we have done a number of very positive things to enhance their investment experience such as: No longer having to deal in the mutual fund world with high MERS, deferred sales charges, redemption fees, cloudy disclosure, and the list goes on.
 - We continue to offer all our services to our clients with their investments now providing: Low fees, their own individual portfolio designed specifically for them, full disclosure, personal access to the money managers; no DSC, no redemption fees and many other benefits of a PWM platform.
 - Our client services have not and will not change; we have referred our clients to a much superior investment platform and we have substantially reduced our client's investment costs. Our overhead costs will continue to increase and yet, National Instrument 31-103 proposes we take a substantial reduction in our income. Who possibly benefits from the reduced income? Certainly not the client, but these proposed changes can put good advisors out of business.
- B. Delete our commissions after 36 months.
- This is very simple. If people don't get paid for their services, their services will no longer be provided. The client who, in most cases, will have a long history with his advisor will be left as an orphan, be forced to look at other inferior investment options such as mutual funds, or possibly handle their own investments. These are very poor choices for the client. The client/advisor relationship will deteriorate or disappear.
 - By eliminating ongoing trailing commissions, the value of our businesses, that we have spent years building will be decimated. We are being punished for providing our clients with excellent service and advice. This proposal will severely hurt the client, the advisor and the industry.

In my opinion, these proposals are very mean spirited, have absolutely no merit, gain nothing for the investor, and hurt many people and companies if they are put in place. It appears you want to punish the portion of the financial industry that has provided their mature and financially successful clients with excellent investment alternatives. Makes absolutely no sense to me!!



Dale Butler
Owner, Butler Financial