

August 18, 2004

Mr. Pat Hoy, MPP, Chatham-Kent-Essex  
Chairman, Standing Committee on Finance and  
Legislative Assembly of Ontario  
Room 1405, Whitney Block  
Queen's Park  
TORONTO, Ontario  
M7A 1A2

cc: TREVOR DAY  
EXHIBIT No. 1106/038  
AUG 19/04

AUG 23 2004

Dear Mr. Hoy:

It was with great interest that I watched today the live telecast of your committee's important re-examination of the *Ontario Securities Act*. I have a few modest observations which I like your committee to consider and be part of the public record.

As a retired person, this review is of particular interest because my life's savings are tied up in mutual funds and therein lies the problem. The securities industry lacks accountability and transparency.

This lack of reporting is not on the performance of my funds, but rather how much does the management of these portfolios cost me annually. I usually get performance reports on a quarterly basis. However, never once have I received a yearly statement that would account for annual fees, commissions and other sundry charges. The only up front cost is an administrative fee billed annually by the securities company, and that's on top of the various other payments that no one tells me about.

A securities company will argue that they are forthcoming about charges. However, this is all fine print information only found while rummaging through a complicated prospectus. The information is never volunteered because it would make financial planners uncomfortable because the charges can be quite excessive.

I believe the most important issue being raised before your review of the *Ontario Securities Act* is the incontrovertible need for much more consumer protection. We want more accountability and transparency from the securities industry.

I get itemized monthly statements for every service being provided and purchase made. The securities industry must be required by law to do the same.

Thank you for allowing me the opportunity to be part of this important discussion.

Yours truly,



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