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The Secretary

Ontario Securities Commission

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**ONTARIO SECURITIES COMMISSION NOTICE AND REQUEST FOR COMMENT : PROPOSED  
ONTARIO SECURITIES COMMISSION RULE 81-502**

**RESTRICTIONS ON THE USE OF THE DEFERRED SALES CHARGE OPTION FOR MUTUAL FUNDS**

[https://www.osc.gov.on.ca//en/NewsEvents\\_nr\\_20200220\\_osc-proposes-rule-to-restrict-use-of-deferred-sales-charge-option.htm](https://www.osc.gov.on.ca//en/NewsEvents_nr_20200220_osc-proposes-rule-to-restrict-use-of-deferred-sales-charge-option.htm)

I greatly appreciate the opportunity to comment on this proposal. It valiantly attempts to mitigate the known negative investor outcomes associated with the purchase of deferred sales charge (DSC) mutual funds.

I would strongly recommend that the DSC-sold mutual fund be banned outright, and the earlier the better. This is a product only suitable for commissioned representatives. It has no redeeming value for Main Street clients saving for their retirement.

The other Canadian regulators are absolutely correct; their prohibition of DSC sold mutual funds should be respected by the Commission. The continued availability of DSC discourages the sale of other competitive products such as lower cost exchange traded funds or index funds to the detriment of families of modest income struggling to save for financial goals. I can only imagine the pain and anguish such families face when they must pay a penalty to acquire cash for basic living expenses during COVID-19.

The proposed restrictions to prevent other investors in a fund from cross-subsidizing costs attributable to DSC unitholders and to prevent brokerages from collecting multiple upfront commissions on the same source of funds sound like powerful constraints. They should increase the fund's costs and reduce the harmful fund churning that has been associated with DSC mutual funds.

If the Commission is insistent that this fund series be maintained for sale, I suggest the following in addition to the proposals put forward:

1. The implementation time period should be no more than 6-9 months. The demise of this toxic product should be quick if the Commission really believes in protecting investors. It definitely should not extend way out to 2022! That would be investor abuse.

2. People that sell DSC mutual funds should not be permitted to use the title "advisor" or "financial planner" or "Seniors Specialist"; they should be identified as "salespersons" so that investors know they are dealing with a commissioned salesperson and not a trustworthy professional advisor.

In addition to the ban on DSC sales to persons over 60 years of age, I would recommend that when a senior complains and there is a settlement, the brokerage firm should not be permitted to make the victim sign a gag order. These gags can affect the mental health of victims and can be life-altering for the elderly.

I agree for you to publicly post this letter on your website,

Sincerely,

Millie Jagdeo