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September 21, 2009

Jason Bennett
Corporate Secretary
Mutual Fund Dealers Association of Canada
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Toronto ON M5H 3T9

And-

Sarah Corrigan-Brown
Senior Legal Counsel
British Columbia Securities Commission
701 West Georgia Street, P.O. Box 10142
Pacific Centre
Vancouver BC V7Y 1L2

Sent by email: jbennett@mfd.ca; scorrigan-brown@bcsc.bc.ca

Dear Sir and Madam:

Subject: MFDA proposed amendments to By-Law No.1, Section 1 (Definitions) and Section 3 (Directors)

Independent Financial Brokers of Canada (IFB) has prepared the following comments on the above proposed amendments to MFDA By-Law No. 1.

IFB is a professional association comprised of some 4,000 licensed financial advisors. Many of our members are mutual fund registrants, conducting business as Approved Persons. They have an interest in, and are affected by, changes to the governance model. IFB is submitting our comments in support of the concerns expressed to us by a number of our members – some of whom also operate MFDA dealerships.

IFB has participated in the recent governance review through previously published requests for comments. While we respect the work the Governance Task Force did in preparing its final report, this

work was restricted by both the timeframe and mandate set for it. These restrictions did not permit the Task Force to fully explore all the options available to restructure the current governance model, or to deal with the full range of objections expressed by the MFDA members at the 2008 Annual Meeting. We find this most unfortunate, as a matter as serious as governance should not be dealt with in a fragmented or hurried manner. In this respect, we are concerned that members are being asked to approve the changes before them, at a special meeting in October, or return to the model in effect prior to the 2008 AGM – a model which they clearly objected to and voted against. For example, members are being asked to approve an amendment to permit Directors whose terms were to expire at the 2008 AGM to be eligible to be elected for a further one year term. It is our understanding that the members already voted against this at the 2008 AGM and wonder why this amendment is being presented to them again. Of further concern, is that those Directors, whose term of office expired in 2008 (under the rules in place at that time) appear to have continued in their role and we question whether this is not a contravention of the Board's powers.

With regard to the other amendments proposed, we agree with increasing the number of Directors provided that it results in better representation of the small and medium sized dealers, which make up the majority of MFDA members.

We do not concur that those individuals who were previously ineligible to serve as Public Directors should be permitted to qualify. There were sound reasons, in our view, for setting these restrictions and we are not convinced that removing these restrictions is necessary in order for the MFDA to attract suitable candidates to these positions.

As per our previous submissions on this subject, we do not agree with the proposal to increase the term of office for Board members to a maximum of 8 years, from the current 6 years. In our view, this is too long a term. Both the Board and the membership will benefit from a more frequent rotation of Directors.

In conclusion, we note that there has been extensive input from various parties on this subject, which clearly indicates a measure of unhappiness with the current governance model. We hope that this input will result in a revised governance structure that will address their many concerns. IFB looks forward to continuing to assist in this process by reflecting the views of our members.

Yours truly,

A handwritten signature in black ink, appearing to read 'John Whaley', written in a cursive style.

John Whaley
Executive Director
Email: jaw@ifbc.ca