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May 1, 2006

Headnote

Mutual Reliance Review System for Exemptive Relief Application – National Instrument 81-105 s. 9.1 - Mutual Fund Sales Practices - A trade or industry association wants relief to allow a member of an organization of a mutual fund to sponsor certain educational conferences - The applicant provides professional development programs about financial planning and other matters relating to mutual funds and related financial products to its members; its members must be licensed to sell life insurance or certain other financial products or registered to sell or provide advice on mutual funds or other securities; none of the members of the organization of mutual funds will pay more than 10% of the total direct costs incurred by the applicant for the organization and presentation of the programs; the selection of representatives of participating dealers to attend the programs will be made exclusively by the participating dealer; the seminars will be held in Canada.

Applicable British Columbia Provisions

National Instrument 81-105 *Mutual Fund Sales Practices*, ss. 5.4(1), 9.1

**In the Matter of
the Securities Legislation of British Columbia, Alberta, Saskatchewan,
Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward
Island, and Newfoundland and Labrador (the Jurisdictions)**

and

**In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications**

and

**In the Matter of Independent Financial Brokers of Canada and
TD Asset Management Inc. (collectively, the Filers)**

MRRS Decision Document

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filers for a decision under section 9.1 of National Instrument 81-105 *Mutual Fund Sales Practices* (NI 81-105) exempting TD Asset Management Inc. (TD Mutual Funds) from the prohibition in subsection 5.4(1) of NI 81-105 to permit TD Mutual Funds to pay a

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portion of the cost incurred by Independent Financial Brokers of Canada (IFB) in organizing its regional summits to be held in April, May and November of 2006, and other conferences and seminars organized and presented by IFB in the future (collectively, the Summits) (the Requested Relief);

Under the Mutual Reliance Review System for Exemptive Relief Applications:

1. the Ontario Securities Commission is the principal regulator for this application, and
2. this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filers:

1. IFB is a not-for-profit association for financial intermediaries and advisors who sell life insurance, mutual funds and other related financial products and services. The head office of the association is located in Mississauga, Ontario. IFB has approximately 4,000 members. IFB serves its members primarily by providing specialized and comprehensive programs of professional development in financial services. In addition, IFB advocates policy and legislation before government, legislators and regulators at all levels, collaborates with other trade and industry associations in Canada and abroad, and administers a code of ethics that its members agree to abide by.
2. Members of IFB are required to hold a license to sell life insurance or certain other financial products that are ordinarily provided by life insurance companies, or must be appropriately registered to sell mutual funds or other securities or provide advice with respect to mutual funds or other securities. Approximately 70% of IFB members are registered to sell mutual funds and other securities. The common activity of IFB members may be described as providing financial advice to Canadians, using life and health insurance, mutual funds and other financial products to achieve financial objectives.
3. IFB proposes to hold six regional educational Summits in April, May, and November 2006 that will be open to registered members and non-members.

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4. The British Columbia Summits will be held in Vancouver on April 13, 2006 and mid-November, 2006. Approximately 150 members and non-members are expected to attend each British Columbia Summit, 90 percent of whom will be residents of British Columbia. Attendees will be able to earn 7 credit hours at each Summit toward the annual continuing education credits required for holders of certain designations administered by various provincial regulators.
5. The Alberta Summits will be held in Calgary on April 18, 2006 and November 21, 2006. Approximately 300 members and non-members are expected to attend each Alberta Summit, 80 percent of whom will be residents of Alberta. Attendees will be able to earn 7.5 continuing education credit hours at each Summit.
6. The Ontario Summits will be held in Toronto on May 30 and 31, 2006, and November 1 and 2, 2006. Approximately 1000 members and non-members are expected to attend each Ontario Summit, 90 percent of whom will be residents of Ontario. Attendees will be able to earn 15 continuing education credit hours at each Summit.
7. TD Mutual Funds is a member of the organization of a mutual fund family within the meaning of NI 81-105 and is registered in or may otherwise distribute mutual funds in each of the Jurisdictions. TD Mutual Funds has agreed to pay a portion of the costs of the afore-mentioned IFB Summits and wishes to sponsor certain future educational conferences.
8. Subsection 5.4(1) of NI 81-105 prohibits a member of the organization of a mutual fund from sponsoring the costs or expenses relating to a conference, seminar or course that is organized and presented by The Investment Funds Institute of Canada (IFIC), the Investment Dealers Association of Canada (the IDA) or another trade or industry association. Subsection 5.4(2) however provides an exemption to permit members of the organization of a mutual fund to sponsor conferences, seminars or courses organized and presented by IFIC, the IDA or their respective affiliates in accordance with the conditions set out therein.
9. TD Mutual Funds proposes to sponsor a portion of the costs of IFB Summits in accordance with the conditions set out in subsection 5.4(2) that are applicable to a conference organized and presented by IFIC or the IDA. In particular:
 - (a) the primary purpose of the IFB Summits will be the provision of educational information about financial planning, investing in securities,

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mutual fund industry matters and matters relating to mutual funds generally;

- (b) TD Mutual Funds will not pay in the aggregate more than ten percent of the total direct costs incurred by IFB for the organization and presentation of its Summits:
- (c) the selection of a representative of a participating dealer to attend any IFB Summit will be made exclusively by the participating dealer, uninfluenced by TD Mutual Funds; and
- (d) IFB Summits will be held in Canada,

(collectively, the Conditions).

Decision

Each of the Decision Makers is satisfied that the test contained in NI 81-105 provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under NI 81-105 is that the Requested Relief is granted provided that the Filers comply with the Conditions.

Carol S. Perry
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