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## ***My investorism Sept. 1994 investment funds***

### **trailer / service fee commission [US 12b-1s]**

- ***“Tied Advice / Tied Sale” thesis***

Since Sept. 1994, I have been championing the call for the deserved and needed – the actual meaningful transparency

- the actual meaningful investor educating presentation

of the dollars and cents ( **,\$,\$,\$\$.~~cc~~** ) amount of the annual investment fund Management Expense Ratio (MER):

- that the **,\$,\$,\$\$.~~cc~~** amount of the investment fund MER **must** be disclosed to educate investors and enhance their safety protection

. . . that the actual **,\$,\$,\$\$.~~cc~~** amount of the investment fund MER that is deducted by the fund manager prior to unit value calculation (on an annual pro rata basis) and the **,\$,\$,\$\$.~~cc~~** amount of the trailer / service fee commission component of the MER that's paid to the financial advisor and / or securities distributor:

- **should** both appear
- **deserve** to both appear
- **must** both appear in a meaningful way that actually educates investment fund unitholders:
  - on fund investors' monthly, quarterly, semi- and annual statements.

**CAVEAT:** Since Sept. 1994, I have also been championing my investment funds:

- **"Tied Advice / Tied Sale" trailer / service fee commission [ US 12b-1s ] thesis**

... since Sept. 1994 – a full 10 years before John De Goey rightly labeled the annual investment fund trailer / service fee commission [ US 12b-1s ] with his most appropriate tattoo:

- **"embedded compensation – it's a bribe that the fund manager pays to financial advisors"**

Without the dollars and cents ( **,\$,\$\$,~~cc~~** ) transparency of both the MER and the trailer / service fee commission [ US 12b-1s ] component of the MER,

- the fund companies are allowed to affectively / effectually pay undisclosed **,\$,\$\$,~~cc~~** bribe amounts to financial advisors so that they will keep their "*sheeple*" uneducated in financial literacy consumer / investor clients invested in funds:
  - in the initial fund that was SOLD to them *or* the next *or* next *or* next advisor recommended Redemption / Switched to fund.
  - **Q.** are advisor Redemption / Switch recommendations actually advisor self-interest sales CHURNING transactions?

**The lack of dollars and cents ( \$, \$\$\$.¢¢ ) transparency amounts of both the MER and the trailer / service fee commission [ US 12b-1s ] component of the MER**

**equals (= 's)**

**the real underlying and defining "grist" that validates**

**my *investorism* "Tied Advice / Tied Sale" thesis.**

**Questions:** Who are the individuals who have failed their securities regulators' mandate to **EMPOWER** – which actually means to **PROTECT** and **EDUCATE** consumer / investors – to make their best informed investment decisions?

Who actually decides what “*sheeple*” consumer / investors:

- **should be told**
- **deserve to be told**
- **NO . . . must be told !!**

**WHEN, HOW** and in **WHAT** meaningful manner that actually educates every investor with their deserved critical care transparencies about their sacred – longer life funding – retirement well-being savings ?

***investorism's* 1994 "Tied Advice / Tied Sale" trailer / service fee commission thesis is:**

- **far more egregious & consumer / investor abusing than the banned practice of "Tied Selling" that was added to our Canadian Chartered Bank Act in 1998.**

**WHY?** because with "**Tied Selling**", the consumer was told and clearly saw all of the consumerism abusing terms and conditions that they had to meet in order to obtain the loan, mortgage or other chartered bank products or services:

- they had to indenture their mother-in-law to the bank
- they had to promise to cut the bank's lawn for a year
- they had to switch all of their credit cards to the bank's own VISA or MasterCard
- they had to transfer all of their RRSPs, RESPs, RRIFs [ US 401(k)s ], to the bank
- they had to have and use an account with hefty monthly fees at the bank
- they had to . . . . .

**Bottom line:**

the investment fund trailer / service fee commission [ **US 12b-1s** ] contains far more egregious investor abusing

- "**Tied Advice / Tied Sale**" caveats

than our 1998 Canadian Bank Act added and banned practice of "**Tied Selling**" which our banks and other marketers are now circumventing with their intertwined economies of scale products

**"bundling"**

sales practices that are a significantly more sophisticated form of what really and truly should be called "**Tied Selling**"

- when extremely sophisticated financial products are allowed to be "bundled" together and allowed marketing

and / or sales practices that our Bank Act laws drafting, and elected politician legislating bodies do not fully understand – and with no like Health Canada comprehensive product approval testing and approval processes, financial products like mutual funds, ABCP's, income trusts, etc., undermine and compromise the best interests of every consumer / investor.

Best regards,

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