

February 11, 2020

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission of New Brunswick
Superintendent of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Nunavut

CSA Consultation Paper 51-405

Consultation of an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers

Dear Sir/Madam

We are commenting on the above from a retail investor perspective.

**1. Do you think it is appropriate to introduce an access equals delivery model into the Canadian market?
Please
explain why or why not.**

As small retail investors, we think it is extremely important to introduce 'access equal delivery ". We would go so far as to say it has been long overdue. Our reason for this opinion is as follows:

From Stats Can site- *According to the 2016 Census, 65.2% of Canada's 14 million households contributed to at least one of these three types of registered savings accounts in 2015.*

When we calculate, that is 9,128,000 households holding at least one account. And this is not including NON-registered accounts so the number is higher.

Each issuer sends out a notice "*choice of delivery options for management reports of fund performance and financial statements*" for every account that holds it shares.

If we assume an average of 5 securities of different issuers per account, and one account per 9,128,000 household that equates to **45,640,000** notices sent, postage paid to deliver and if we choose to opt for delivery of hardcopy financial statements, the return postage is also paid.

Canada post advertises \$1.07 per stamp but .92 per stamp for a booklet. If we are conservative and assume companies get a bulk discount for stamps, and we price the stamp at .50, (for illustrative purposes only), the companies pay \$1.00 because they have paid for return postage whether or not I return the offer. So given my assumptions above (45,640,000 notices sent x \$1.00 postage and prepaid

postage) that is a massive cost across all companies, that ultimately trickles down to us,,, the investing public.

From the website:

<https://www.accountingtools.com/articles/users-of-financial-statements.html>

The following list identifies the more common users of financial statements, and the reasons why they need this information:

- Company management. ...
- Competitors. ...
- Customers. ...
- Employees. ...
- Governments. ...
- Investment analysts. ...
- **Investors.** ...
- Lenders.

Investors, who are receiving these notices, appear to be the ones who least use financial statements, MD&A etc.

2. In your view, what are the potential benefits or limitations of an access equals delivery model? Please explain.

In our opinion the benefits vastly outweigh any limitations.

As above, cost is a significant consideration.

The waste of paper and environmental issues is also paramount. In our situation, we toss these notices in the recycle bin with no further consideration. They go from mailbox into recycling- I open one, I know immediately what is in the other 6 and out they go. Paper, postage and all. And we have invested at least **14 different issuers**, all of whom send us notices for each and every account their shares are in.

As retail investors we don't see any limitation because if one is savvy enough to want paper hard copy financial statements, one is savvy enough to access the internet and read all online

3. Do you agree that the CSA should prioritize a policy initiative focusing on implementing an access equals delivery model for prospectuses and financial statements and related MD&A?

yes, as for all the reasons above

4. If you agree that an access equals delivery model should be implemented for prospectuses:

a. Should it be the same model for all types of prospectuses (i.e. long-form, short-form, preliminary, final, etc.)?

Yes

b. How should we calculate an investor's withdrawal right period? Should it be calculated from (i) the date on which the issuer issues and files a news release indicating that the final prospectus is available electronically, (ii) the date on which the investor purchases the securities, or (iii) another date? Please explain

We think (ii) the date on which the investor purchases the securities, because from a retail investor's point of view that is when the prospectus and the right to withdraw would become relevant to him/her.

c. Should a news release be required for both the preliminary prospectus and the final prospectus, or is only one news release for an offering appropriate?

In our opinion, as retail investors, only one news release for the final prospectus. If one is knowledgeable enough to know the purpose of a Preliminary prospectus, one is knowledgeable enough to know how to find it online. The final prospectus has the price and other final details that are not available in the Preliminary Prospectus so that should be what the new release announces.

5. For which documents required to be delivered under securities legislation (other than prospectuses and financial statements and related MD&A) should an access equals delivery model be implemented? Are there any investor protection or investor engagement concerns associated with implementing an access equals delivery model for rights offering circulars, proxy-related materials, and/or take-over bid and issuer bid circulars? In your view, would this model require significant changes to the proxy voting infrastructure (e.g. operational processes surrounding solicitation and submission of voting instructions)? Please explain.

Once again, We reiterate from the perspective of small retail investors, everything should be available via the 'access equals delivery' model. Investors who are experienced and knowledgeable of the markets, rights offering circulars, proxy-related materials, and/or take-over bid, and issuer bid circulars are certainly aware of the availability of all online.

If they are interested, they are already online at various sites, company sites, research sites, they will know how to find and access these documents.

6. Under an access equals delivery model, an issuer would be considered to have effected delivery once the document has been filed on SEDAR and posted on the issuer's website.

a. Should we refer to "website" or a more technologically neutral concept (e.g. "digital platform") to allow market participants to use other technologies? Please explain.

From our perspective, small retail investor, website is fine however if you are targeting the more advanced investor, we cannot comment, other than to reiterate, the knowledgeable, experienced investor, professional investor ought to know what "website" would mean and ought to be able to navigate the internet to obtain the information he/she seeks no matter the semantics.

b. Should we require all issuers to have a website on which the issuer could post documents?

Yes, any legitimate issuer ought to have a website

7. Under an access equals delivery model, an issuer would issue and file a news release indicating that the document is available electronically and that a paper copy can be obtained upon request.

a. Is a news release sufficient to alert investors that a document is available?

Yes, once again, if an investor is savvy enough to want to read financial statements, MD&A and the like, they already would know how to access or how to set up alerts in research sites. If the investor is not interested in reading or obtaining this information, they will not care about a news release. Many uninterested investors rely on advisors for advice, not wanting to be involved in reading of prospectuses or MD&A or not being knowledgeable enough to understand the content, thus relying on advisors.

b. What particular information should be included in the news release?

Include the name of the document and that a paper copy can be obtained upon request.

8. Do you have any other suggested changes to or comments on the access equals delivery model described above? Are there any aspects of this model that are impractical or misaligned with current market practices?

We have no other suggestions except that this model be put to the fore and implemented as quickly as possible because it has been a long time coming. It is a cost saving, environmentally responsible and highly practical in this computerized age.

We would like to thank the CSA for this opportunity to express our opinions on this topic.

Sincerely,

S. Morrison/ M. Snidal