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August 30, 2000

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Montréal, Québec H4Z 1G3

Attention: Mr. John Stevenson
Secretary to the Commission

Attention: M^e Claude St Pierre
Secretary to the Commission

Dear Sirs:

Re: CSA Staff Request for Comment 13-401 - Request for Changes, Additions or Improvements for a Revised SEDAR System

We wish to respond to the above-mentioned CSA Staff Request for Comment 13-401 in which a proposal was made for a revised System for Electronic Document Analysis and Retrieval ("SEDAR II"). Please find outlined below our comments on the three general areas on which staff is requesting comment:

1. Changes, Additions or Improvements to SEDAR and SEDAR.com and Other Suggestions for Improvement or Change in SEDAR II

SEDAR II as Internet-based System

- (a) An Internet-based system seems feasible. It will provide access to more people and should facilitate the making of future updates and changes because they can be made from one central source. Once the system is in place, it would likely be more cost effective because of the resulting centralization and should reduce the need for technical support both internally and externally.

Current Functionality That Could Be Deleted

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- (b) We have never had an opportunity to use the e-mail function on SEDAR and would submit that it is not necessary since most firms or businesses already have e-mail systems in place. The more useful function is the SEDAR workspace for transporting files. It is useful to have this function as a back-up to e-mail file transfer. We found it useful for sending files back and forth for revision when the "I love you" virus shut down e-mail systems for an entire day.

Changes to the Filing Process

- (c) When attaching documents to a filing, it would save a great deal of time if the SEDAR program could remember the last folder from which documents were obtained. It can be very frustrating and time consuming to go through many subfolders particularly when there are a significant number of documents to be attached (such as in a long form prospectus filing).

Changes to the Fee Payment Process

- (d) It would be helpful if all jurisdictions could list the fees beside the fee description. This would allow the filer to confirm that they are putting the fee under the correct category.
- (e) In addition, it can take a significant amount of time to enter all of the fees for every issuer in a mutual fund group for all jurisdictions. It would be much more efficient if there was an option to copy or duplicate mutual fund fees.
- (f) Following one of the updates, the fee payment screen started to extend off the screen and this makes it very difficult to match up the fee payment with the category of filing. It would be helpful if the chart could be re-formatted to fit on one screen in its entirety.
- (g) If SEDAR II had the capability to calculate the fees payable to the CSA for various types of filings, it would resolve all of the current fee problems mentioned above and help to avoid mistakes that result in refund requests. Furthermore, it would save an enormous amount of time for the filer especially when certain fees can be difficult to determine.

Changes to Profiles and Profile Management

- (h) If SEDAR II is Internet-based, it may not be necessary to search profiles anymore. Perhaps all profiles can be available and posted in one section alphabetically by category (i.e. other issuer, mutual fund issuer, other filer). The profiles could be updated right on the system. This would eliminate the need to refresh profiles since the current profile is the only one available.
- (i) It does not seem necessary to search for a profile from one module and then manage a profile from another module. This could all be done under profile management. However, the profile management and filing management modules work well separately.

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- (j) A system for validation of profiles in order to avoid duplication may be beneficial. Duplication of profiles does not seem to be as big of a problem now that filers understand the criteria for producing a new profile. It may be easier to establish if a profile already existed if you could view them all on the screen, as mentioned in item h) above, rather than try to search for it.
- (k) Certain historic information should be included on a profile. For example, if a name change occurs many issuers will put the former name in brackets beside the new name on the profile but some do not. A section should be included on the profile for former names of the issuer.

Addition of Wizards for Common Tasks

- (l) We cannot think of a task that could benefit from the addition of wizards. Although it is currently useful for the quick searches, it really acts as more of a training function and would benefit new users more than those who are familiar with SEDAR.

Filer Manual or User Guides Maintenance

- (m) The filer manual or user guides are very useful but they cease to be helpful as a reference when they do not reflect the most recent updates in securities legislation. A filer has the most need for reference when changes occur. Although it is our responsibility to keep up with current securities legislation, sometimes the actual SEDAR filer is not as familiar with the requirements and may turn to the filer manual for help. If it is not up-to-date it can cause confusion and difficulty when the filer is trying to locate the correct category for filing. For example, National Policy 39 has been replaced by National Instrument 81-102 but the reference in the Filer Manual (and on SEDAR) to Compliance Reports (NPS 39) and Applications (NPS 39) has not been updated. The manuals and SEDAR are often reactive to a change but it would be more useful if they were proactive. If we are expected to follow the most up-to-date legislation then the system on which we are filing should reflect the current legislation as well.

Foreign Issuers

- (n) It would certainly make it easier for foreign issuers to access and file on SEDAR II if it was Internet-based. Many foreign issuers file through a Canadian affiliate, law firm or filing agency in any event so it may not cause any undue difficulty to make it mandatory for them to file on SEDAR II. If there was a move to eliminate paper filings altogether, it would make sense to make filings on SEDAR II mandatory for everyone, including foreign issuers.

Changes to Searches

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- (o) Most of the time searches are done on SEDAR.com it is to find precedents. Searches can be done by document type but the search is too general and the SEDAR system is too expensive to use for this purpose. It would be more useful if we had the ability to search for a specific document type. For example, searches can be done under the category proxy circular but it would be more useful if a search could specify proxy circulars relating to special meetings.

Paper Filings

- (p) There seems to be no reason to continue to have paper filings for exemptive relief applications and private placement forms. Most of these documents are on the public record, and for those that are not such as confidential offering memorandums, they can still maintain private status under SEDAR.

Elimination of Mutual Fund Groups

- (q) It can be time consuming to move mutual funds back and forth between groups but, because each fund shares several documents in common, it saves the time of filing the same document many times. The groups could be eliminated if the capability to file one document with many mutual fund issuers still existed.

Ability to Print Screens

- (r) There are times when it would be beneficial if certain screens could be printed. For example, sometimes on a prospectus filing no comment letter is issued and it is marked clear for final. It would be helpful if the status screen could be printed so that a copy could be provided to the client or lawyer.
- (s) For internal accounting purposes, it would be useful if the payment status detail report could be printed separately for each submission rather than cumulatively. The cumulative printout can be extremely long and is not necessary.

2. Changes, Additions or Improvements to SEDAR and SEDAR.com and Other Suggestions for Proposed Enhancements to SEDAR II that could Result in Additional Development and Filing Costs

Notification

- (a) The SEDAR workspace would definitely be used more often and be more useful if it contained notification that something had been sent to it. In addition, it would be useful if there was notification in filing management that something new has been sent and has not been opened. Most e-mail programs contain this kind of function. These functions would definitely be worth the additional development and filing costs.

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Tagging

- (b) The requirement to “tag” sections of documents would be more useful to the regulators and would likely create more effort on the filer’s part. The timing of a prospectus filing is often last minute. As long as the system for tagging was easy and user-friendly it may work but if tagging resulted in even more technical impediments and document problems it may be more of a detriment than a benefit.
- (c) In the prospectus offering over the Internet by e-minerals Exploration Corp. in 1999, a system of cross-referencing was created using the bookmark function in Adobe Acrobat. If a reader selected a topic in the table of contents, the document would show that section in the prospectus. The bookmarking only worked on the e-minerals web site, not on the publicly filed version. This form of bookmarking is also used in the SEDAR Filer Manual. If bookmarking were similar to the “tagging” idea, it would definitely make sense to start to tag sections especially if more Internet offerings were going to be contemplated in the future. It would be ideal if Adobe Acrobat could perform the “tagging” required, since Adobe Acrobat is the program most widely-used. The solution may be to make “tagging” optional with a view to becoming mandatory once the program has been finetuned. It would need to be inexpensive and require very little additional training or expertise on the filer’s side.

4. *Services For Which Some Users Charged a Premium Over Other Users of the System*

- (a) There are definitely some services that would be worth paying a premium. Although some capabilities may have added value, we would consider them to be special services that would not put those without them at a disadvantage. Enhancements are functions over and above the standard that is required for the system to run properly and effectively. It would be more appropriate for SEDAR II to charge premiums for services that could be used on a per-use basis. Like the search filing function, every filer could have access to the functions but would only be charged on a per-use basis.
- (b) The ability to perform full-text searches of documents or the ability to search for “tagged” items falls into the category of special services and may be worth paying a premium. However, it may not be a function that would be needed for every document. If fees could be charged on a per-use basis like the search filings, and everyone had access to such capabilities, it would be worthwhile.
- (c) Notification when certain documents are filed in filing management and in the SEDAR workspace would be high on our list of priorities and should definitely form part of the new system. This function always seemed to be a feature that the system was lacking and is not something that should be offered for a premium. It would put those without it at a distinct

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disadvantage. However, the cost/benefit trade-off would definitely be worthwhile for these two functions if they resulted in additional development and filing costs or if a premium was charged.

- (d) Accessing public documents on a near real-time basis does not allow for mistakes to be corrected and people may then be relying on incorrect documents. The one business day delay allows for mistakes to be caught and corrected before they are made public. This type of access does not seem viable, with or without a premium charge.

If you have any questions or concerns with respect to the foregoing, please feel free to contact the undersigned.

Yours very truly,

AIRD & BERLIS

Per: Lynda McLean
Securities Law Clerk

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Attachment