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June 15, 2001

Ms. Barb Fydell
Capital Markets
Ontario Securities Commission
20 Queen Street West
Suite 1903, Box 55
Toronto, Ontario
M4H 3S8

Dear Barb:

Re: 11-901 Concept Proposal to Revise Schedule 1 (Fees) to the Regulation to the Securities Act (Ontario)

Further to our conversation last week, Leith Wheeler Investment Counsel Ltd. would like to submit our opinion on the above Concept Fee Proposal for your review. Firstly, the OSC's stated purposes to reduce overall fees charged to market participants; to simplify, clarify and streamline the current fee schedule; and to more accurately reflect the OSC's current estimates of future costs of providing services is very agreeable to our Firm.

What is very disturbing to us is that the new fee schedule appears to favor larger market players, especially those managing large pooled/mutual funds with various branches. Registrants such as Leith Wheeler, who rarely access the public markets, are expected to pay significantly higher fees in exchange for no incremental activities from the Securities Commission. To us, the proposed fee is counterintuitive. Market players, who have large volumes of activities and have larger asset base should proportionately take on more of both the participation and activities fees. Larger market players with larger asset base and activities tend to require more attention from the Securities Commission and collect more revenues from their clients. It appears that the flat fee and the tiered

participation fee schedules are too wide and the levels of fees charged are too high at the low end and too low at the high end.

In Appendix B, Examples of Fees for Reporting Issuers and Registrants under the Current Fee Schedule and Under the Proposed Fee Schedule, it is very obvious that there is a significant decrease in the fees paid by larger market players (whose revenue base is much larger and can afford the current fee base) and a significant increase in the fees paid by the smaller market players (whose revenue base is much smaller and less able to afford any large increase in fees). Specifically, in several of your examples, one of which Leith Wheeler would be categorized in, the increase in fees for the registrant is up to 300%. From a business perspective, a small market player such as ours cannot afford to absorb such large increases and these fees cannot be unfairly passed onto our clients.

We appreciate the ideals that the Securities Commission is striving for. However, we strongly encourage that you review the fees charged at the various levels and the threshold amounts for each level. We would be very happy to elaborate on the above and participate in any discussions that the Securities Commission might find helpful.

If you have any questions, please do not hesitate to contact me at 604-602-8360.

Yours truly,

LEITH WHEELER INVESTMENT COUNSEL LTD.

Cecilia Wong, CA
Chief Financial Officer