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BY TELECOPIER July 17, 2001

Ontario Securities Commission
20 Queen Street West
Suite 1800
Toronto, Ontario M5H 3S8

Attention: Mr. John Stevenson, Secretary

Dear Mr. Stevenson:

Re: Proposed NP 51-201

This letter represents my personal comments (and not those of the firm) with respect to proposed NP 51-201: Selective Disclosure.

First, I wish to commend the CSA for a thoughtful, well-written document which will assist companies in this difficult and evolving area.

I have only a few specific comments, as follows:

(a) I find it difficult to understand rationally how disclosure to credit rating agencies (which analyze and comment on a company's debt for public consumption) can be "in the necessary course of business", while disclosure to equity analysts (who analyze and comment on a company's equity for public consumption) is not.

(b) Footnote 15 suggests that the CSA agree with the "principles expressed by the OSC" in the George decision. In my view, this decision, which in addressing the question of whether an issuer should disclose information to analysts was *obiter*, is worthy of some doubt in this regard. To the extent that the George decision can be viewed as suggesting that the necessary course of business defence is never available for issuer-analyst communications, it strikes me as strange. What Mr. Peters appeared to have been doing was asking analysts to hold off on issuing new research reports in a case when the company was trying to get a grip on the nature and extent of the problem in its Venezuelan operations. Assuming that to

be the case, I would have thought that the warning in NP 40 against premature announcements might have applied until the company knew with reasonable certainty what the problem was. However, in the meantime, it seems quite reasonable to ask analysts, on a confidential basis, to hold off issuing new research reports that might overvalue the shares and mislead the marketplace. None of these issues were canvassed in the decision, however, because they were not at issue.

(c) Insider trading black-out policies restrict the persons subject thereto from engaging in activity which others are permitted to. They may also result in economic losses, particularly in volatile markets or for departing employees. Accordingly, it appears to me that they should perhaps be restrictively applied. NP 51-201 suggests that all employees should be subject to a black-out policy. A complete prohibition should perhaps be limited to those likely to have access to material undisclosed information. In any event, it seems preferable to generally provide for a release valve based on prior approval.

(d) Disclosure of material undisclosed information to private placees should be considered as being in the necessary course of business, since this may be essential to raise financing.

(e) The policy should in my view expressly acknowledge that the "generally disclosed" time parameters of yesteryear (i.e. footnote 18) may be excessive given modern communications methodologies.

I hope that these comments are helpful.

Yours truly,

Simon Romano

SAR/he

cc. Denise Brosseau, Quebec Securities Commission