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VIA E-MAIL

September 26, 2002

Ontario Securities Commission
20 Queen Street West
Suite 1903, Box 55
Toronto ON
M5H 3S8

Attention: John Stevenson, Secretary

Dear Mr. Stevenson:

Re: Notice and Request for Comments - Proposed Rule 13-502 - Fees

We are making this submission in connection with the Notice and Request for Comments in respect of Proposed Rule 13-502 - Fees (the “**Proposed Rule**”), issued on June 28, 2002.

While we are in principle supportive of an initiative to reduce, simplify and clarify the current fees charged to market participants, we are concerned about the corporate finance participation fee proposed to be charged to issuers with a significant market capitalization. For instance, we are of the view that an annual fee of \$85,000 which would be payable by issuers with a market capitalization of over \$25 billion is unfair, placing a disproportionate amount of the cost of the capital markets regulation on these and other large cap issuers simply because they have “deep pockets”.

This is especially true in respect of issuers with a large market capitalization that have not, or do not, access the capital markets very often, or at all. For such issuers, requiring them to pay an annual fee on the basis of continued “benefit from participating in Ontario’s capital markets” is questionable. Although these comments have been made in the past, we would suggest that the annual fee paid by issuers that do not access the capital markets often be reduced from those set out in the Proposed Rule.

We also express serious concerns about the appropriateness and fairness of the “late fees” imposed on issuers in Section 2.9 of the Proposed Rule of 1% of

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the participation fee for each business day on which the participation fee remains due and unpaid, up to a maximum of 25% of the participation fee otherwise payable. The legality and enforceability of such late penalties should be carefully considered.

We also have one technical comment regarding Part 5 - Currency Calculations of the Proposed Rule. Section 5.1 of the Proposed Rule refers to “the exchange rate posted by the Bank of Canada website on the date for which the calculation is made”. You may want to be more specific, as a “daily noon rate”, “daily rate” and various monthly averages, are all posted by the Bank of Canada on its website daily.

Thank-you for your consideration of this submission. Please do not hesitate to contact me at 416-869-5654 with any questions.

Yours truly,

“William J. Braithwaite“
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