



September 27, 2002

Mr. John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario M5H 3S8

Dear Mr. Stevenson,

Re: Ontario Securities Commission Proposed Rule 13-502 – Fees

We appreciate the opportunity to submit comments on the proposed Ontario Securities Commission Rule 13-502 Fees ("the Proposal") on behalf of Capital Guardian Trust Company ("CGTC"). CGTC is registered as a foreign investment advisor in various provinces in Canada including Ontario. CGTC serves institutional clients, including corporations, government accounts, public retirement funds, and nonprofit organizations. As of June 30, 2002 CGTC had approximately C\$176 billion assets under management for all of its clients.

We support the endeavor of creating a comprehensive fee structure that meets the needs of the OSC for providing services and that creates a fair assessment environment for all market participants. CGTC is particularly interested in addressing the method of determining assessment levels for participation in capital markets.

Our primary concerns are about the structure of the proposed tiered fee schedule. From our reading of the Proposal, the fee levels are inconsistent and disproportionate in relation to a firm's level of revenues and assets under management. This structure of the participation fee will, in our opinion, act as a disincentive to expand business and revenue generation. With the proposed levels a slight revenue increase could result in a dramatic participation fee increase. Accordingly we would suggest the Commission adopt a different fee schedule that would be more consistently proportionate and equitable.

As a foreign advisor managing substantial assets for Ontario based clients, we note under the Proposal that our participation fees would suffer a considerable increase. We further note that the proposed participation structure ignores other market participants such as insurance companies and pension funds who benefit from the regulation of Ontario's security markets but would not be bearing any cost for their market participation.

Thank you for allowing us the opportunity to comment on the Draft rule 13-502. If you have any questions, or require additional information, please do not hesitate to contact the undersigned at 213-486-9491.

Yours truly,

(original signed by: Andrew F. Barth, President,
Capital Guardian Trust Company
333 South Hope St., Los Angeles, CA 90071)