

September 23, 2003

KATHRYN E. ASH
direct tel: 416-367-6746
direct fax: 416-682-2826
email: kash@blgcanada.com

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Ontario Securities Commission
Suite 1900, Box 55,
20 Queen Street, West
Toronto, Ontario
M5H 3S8

Attention: Mr. John Stevenson, Secretary

Dear Sirs:

Re: Proposed Amendments to Rule 13-502 Fees

We have had the opportunity to review the proposed Amendments to Rule 13-502 Fees, including the Forms and Companion Policy associated therewith.

It is proposed to amend Appendix C to add Item B(ii) to require a \$500 fee for the filing of Form 45-501F1 in connection with a distribution of securities of "an issuer that is not subject to a participation fee". As presently drafted, it appears that the amendment would require an investment fund that has an investment fund manager to pay the \$500 filing fee for each Form 45-501F1 filed despite the payment of a capital markets participation fee by the investment fund manager.

As you know, capital markets participation fees are paid by investment fund managers with respect to the revenue earned by them as a result of their activities whether as a result of exempt distributions or otherwise. The capital markets participation fees essentially replace the corporate finance participation fees for investment funds that have an investment fund manager.

The current Rule 13-501 does not require capital markets participation fees or corporate finance participation fees to be paid with respect to exempt distributions of issuers, including investment funds that do not have an investment fund manager. We understand that, accordingly, the intention of the proposed amendments is to levy an activity fee with respect to those exempt distributions. However, where an investment fund has an investment fund manager, capital markets participation fees would be being paid by the investment fund manager in connection with the exempt distributions of the investment fund. Therefore, it is not appropriate for such investment funds to be required to pay an activity fee with respect to the exempt distributions.

We request that the proposed Item B(ii) of Appendix C be amended to read as follows:



**BORDEN
LADNER
GERVAIS**

"Filing of a Form 45-501F1 for a distribution of securities for an issuer, other than an investment fund that has an investment fund manager, that is not subject to a participation fee".

Thank you very much for your consideration. Please do not hesitate to contact us should you wish to discuss this issue further.

Yours truly,

BORDEN LADNER GERVAIS LLP

Kathryn E. Ash

c.c. E. Hemingway Reinbergs, Legal Counsel, Corporate Finance,
Ontario Securities Commission

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