

April 30, 2004

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

Dear Sir:

Re: Fair Dealing Model Concept Paper

I am writing on behalf of MacDougall, MacDougall & MacTier Inc. with respect to the Fair Dealing Model. We are a relatively small Canadian brokerage firm with between \$25 million to \$30 million in revenues. We are a member of the IDA. While our head office is in Montreal, we have significant operations in Ontario through branches in Toronto and London.

We support the core principles of the Fair Dealing Model; the clear allocation of responsibilities, transparency in dealings with retail investors and conflict management. Our concern is in the details and application of the rules. More rules will not result in increased investor protection. Greater emphasis should be placed on enforcement of existing regulations. These regulations have been built up over years of consultation with the Industry. In our opinion, proceeding with the Fair Dealing Model without reference to the existing SRO rules would be counter productive to effective and practical regulation.

From our perspective, the primary concern we have as a smaller participant in the Canadian capital markets, is the additional cost that the Fair Dealing Model would impose on us. We fear that these costs would conceivably contribute to greater consolidation in the industry, and ultimately result in increased costs to the client.

One of the biggest challenges facing our industry as we try to operate our business efficiently and profitably is the lack of harmonization of security regulation and

oversight. The inefficiency that we have to deal with as a result of the regulatory structure in Canada is truly unacceptable. Without a uniform approach to regulation in Canada, our capital markets will continue to be challenged.

We look forward to continuing dialogue to refine security regulation in Canada. We hope that our comments are taken into consideration as discussions continue over the Fair Dealing Model.

Yours sincerely,

Timothy E. Price
President & CEO

TP/ca