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**BY TELECOPIER**

November 18, 2004

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

Attention: Mr. John Stevenson, Secretary

Dear Mr. Stevenson:

**Re: Comments on Proposed NI 58-101/58-201 and on OSC Staff Notice 15-703 re Guidelines for Staff Disclosure of Investigations**

This letter represents my personal and without prejudice comments (and not those of the firm or any client) with respect to the above matters.

*OSC Staff Notice 15-703*

While I am not providing comments at this time on the contents of this Notice, as none have yet been requested, I believe it to fall clearly within the definition of a "policy" under section 143.8 of the Act, which means that it should be published for public comment.

*NP 58-201*

1. First, I wish to commend the CSA on producing a harmonized set of instruments.

2. I am concerned with the emerging plethora of charters, codes, mandates, position descriptions, policies and the like. The CSA are encouraging (and in some cases more than encouraging) a board mandate, an ethics code, written position descriptions, a charter for the audit committee, a charter for the nominating committee, a charter for the governance committee, a communication or disclosure policy, an insider trading policy, and the like. In my view, the key focus should not be on procedures and paperwork, but on substance, and I fear

that the push for such documents is leading to a focus on paperwork and procedures over substance. I recommend a statement in the policy that says that substantive good governance, not procedure and paperwork, is what is important, and that if issuers choose not to adopt charters and the like, that is their prerogative.

3. The required nominating committee disclosure suggests that companies have much discretion and a wide slate to choose from in selecting board nominees. In fact, for many small to mid-sized companies, that is not the case, and it is hard to find both suitable and willing candidates.

4. I would recommend that, given their very important capital markets role, the Commission publish its own corporate governance practices with the final rule and policy. This would allow the Commissioners to assess the requirements first-hand for reasonableness and appropriateness, as well as providing an example of good disclosure.

5. Query whether the Commission's investor protection-related jurisdiction is sufficient justification to suggest, as s. 3.8 of the Policy does, an obligation of "fair dealing" with "customers, suppliers, competitors and employees". For example, just because a company is a public company, should it have an obligation to deal fairly with customers, suppliers or competitors who may be private companies who have no similar obligation to it, or is that better left to competition laws? Similarly, fair treatment of employees should probably better be left to labour and employment laws and human rights regulators.

6. Re s. 3.9 of the Policy, since the Commissions' have no idea what may be in any particular code, it seems difficult to see on what basis they could reasonably have concluded that material departures would likely constitute material changes?

*NI 58-101*

7. The "or"(at the end of clause (a)), coupled with the "and" (in clause (b)), in s. 1.2(2) re the situation in B.C. is a bit hard to decipher. Is it "and" or "or"?

8. S. 1.2 should be amended to clearly exclude the application of section 1.5 of MI 52-110, as it is currently ambiguous as to whether it is intended to diverge from the U.S. practice of only applying the heightened independence standards to the audit committee. We understand that it is intended to mirror the U.S. approach. Furthermore, I understand that the NYSE has a broader "family member" test than that contained in s. 1.5(2)(a) of the proposed amendments to MI 52-110. Again, you may wish to conform. In addition, the Canadian approach to controlled companies is different than that of the NYSE, which may not be desirable.

9. In s. 5(a)(i) of Form 58-101F1, who is an "interested party"? In s. 5(a)(ii), "ensuring compliance" is not in my view appropriate language. A director is not an insurer, and cannot guarantee compliance. "Seeks to ensure compliance in all material respects" would be a more reasonable formulation.

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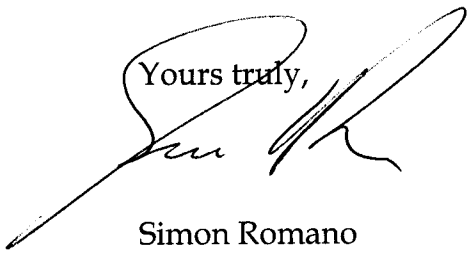
Thank you for considering these comments.

Yours truly,



Simon Romano

SAR/he