

May 6, 2005

Mr. John Stevenson,
Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1903, Box 55
Toronto, Ontario M5H 3S8

RE: Question 12 of Concept Paper 23-402 – Best Execution and Soft Dollar Arrangements

Dear Mr. Stevenson,

I am certainly very pleased that consideration is being given to improving practices relating to the use and transparency of soft dollars. Our comments are specific to section 5 – Potential Barriers to Achieving and Measuring Best Execution.

From a best practice point of view I would like to encourage additional direction on the use of commissions by the Plan Sponsor / Administrator. As noted in section 5(c) commission recapture dollars are often treated as soft dollars. Currently there are no guidelines as to how these commission dollars are to be treated or used.

The OSC definition of adviser is a person or company engaging in or holding himself, herself or itself out as engaging in the business of advising others as to the investing in or the buying or selling of securities. Within the proposed statement of eligibility being defined as: third-party research services or technology services which provide direct input to the decision-making process of the adviser, there does not appear to be an appropriate role for Sponsor/ Administrators to direct payments on behalf of a Fund.

Therefore clarification of the Sponsor / Administrator role is critical in establishing best practices going forward. Are Sponsors to be restricted to commission recapture programs which deposit commissions back to the specific account which initially generated the commissions or are they to be included in the definition of the adviser?

I look forward to the final draft of the proposal and applaud the commission in its efforts to provide clarity in the evolving soft dollar arena.

Yours truly,

Nicole White
Manager, Trading and Money Market
Aurion Capital Management