

Barristers & Solicitors
Patent & Trade-mark Agents

McCarthyTétrault

McCarthy Tétrault LLP
The Chambers
Suite 1400, 40 Elgin Street
Ottawa ON K1P 5K6
Canada
Telephone: 613 238-2000
Facsimile: 613 563-9386
mccarthy.ca

Robert D. Chapman
Direct Line: 613 238-2111
Direct Fax: 613 563-9386
E-Mail: rchapman@mccarthy.ca

August 15, 2005

Ontario Securities Commission
20 Queen Street West, Suite 800
P.O. Box 55
Toronto ON M5H 3S8

Attention: John Stevenson
Secretary

Dear Sirs:

Re: OSC Rule 13-502 Fees - Request for Comment

We write with respect to the activity fee in the amount of \$500 for the filing of a Form 45-501F1 (and proposed to also be applicable to the filing of a Form 45-106F1 upon implementation of proposed National Instrument 45-106) for a distribution of securities of an issuer that is not in an investment fund and is not subject to a participation fee. Non-reporting issuers are not subject to participation fees.

As set forth in a number of places in the Request for Comment, activity fees are designed to represent the direct cost of the Commission where staff has undertaken certain activities for market participants. Examples given are the reviewing of a prospectus or a registration application. In the case of a non-reporting issuer filing a Form 45-501F1, we are not certain what activities are undertaken by staff except for the clerical activities of capturing the information and including the same in the Commission's Bulletin.

After the Commission moved to its current fee structure designed to have market participants bear the costs of the operation of the Commission, there was a series of approaches with respect to the fee for filing a Form 45-501F1. Initially, the fee was set at \$2000 and for a period there was no fee. The fee is currently set at \$500.

In connection with the proposed National Instrument 45-106, there will also be an explicit requirement that an issuer located in the Province of Ontario which sells securities to a purchaser located in another province or territory or outside of Canada, file a notice and pay a fee to the Commission where there are no Ontario purchasers. This may result in a fee being paid in more than one jurisdiction by a non-reporting issuer.

August 15, 2005

- 2 -

Ontario Securities Commission

We suggest that this activity fee be eliminated in the case of a non-reporting issuer or be reduced to reflect the level of activity required to process the filing of a Form 45-501F1 or Form 45-106F1.

Yours very truly,

Robert D. Chapman

RDC/jf