

ROGAN

INVESTMENT MANAGEMENT

November 9, 2005

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, ON
M5H 3S8

Dear Mr. Stevenson:

Re: Proposed Revocation and Replacement of OSC Rule 13-502 Fees (Proposed Materials)

We commend the OSC for responding to concerns of smaller investment counsel firms regarding the participation fees in light of the very high fee increases which were introduced two years ago.

We strongly support the addition of an extra tier for participation fees for registrants with revenue between \$1 million and \$3 million. This responds to the concerns we raised in our letter of March 11th to Charlie McFarlane.

We feel that the existing fee structure, which ranges from 6.5 basis points to 1% of revenues, imposes undue burdens on firms who move between the bands. While we understand the need for a minimum fee level and the need to decrease the percentage fees for larger registrants, the application of set dollar amounts to very wide bands has resulted in significant disadvantages to firms with revenues of just over \$500,000 (moving from 20 basis points to 1%) and just over \$1,000,000 (moving from 50 basis points to 1%). No firms with revenue over \$2,000,000 pay more than 50 basis points even where larger firms move up to the next tier. By splitting the existing tier which covers \$1 - \$5 million of revenue, some of this inequity is addressed and small firms are no longer included with firms up to five times their size.

Thank you for considering our comments and we hope that you will implement the proposed changes. We continue to support the OSC in its efforts to regulate the capital markets and to advocate for a national regulator.

Sincerely,

William E. Rogan, CFA
President