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April 17, 2006

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission – Securities Division
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scoita Securities Commission
Newfoundland and Labrador Securities Commission
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon
Registrar of Securities, Nunavut

c/o Rosann Youck, Chair of the Continuous Disclosure Harmonization Committee
British Columbia Securities Commission
PO Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia
V7Y 1L2

Anne-Marie Beaudoin, Secretary
Autorité des marchés financiers
Stock Exchange Tower
800 Victoria Square
PO Box 246, 22nd Floor
Montréal, Québec
H4Z 1G3

To the CSA member commissions:

This comment letter is being submitted in connection with the proposed amendments to National Instrument 51-102 (the "Rule"), in response to the request for comments released on December 9, 2005. Specifically, this submission responds to question 4 posed in the introduction to the amendments regarding possible amendments to Part 12 of the Rule, which requires that reporting issuers make public material contracts, an obligation which existed prior to the implementation of the Rule. Given the March 9, 2006 deadline for submissions, we apologize for the late timing of this submission.

Amaranth Advisors (Canada) ULC is a hedge fund advisor based in Toronto and is registered as an advisor in Ontario in the categories of Investment Counsel and Portfolio Manager. We are responsible for the Canadian equity and debt investment activities of two private investment funds in the Amaranth group – Amaranth LLC and Amaranth Global Equities Master Fund Limited. Together, these two Amaranth private investment funds have in excess of US$8 billion of equity capital and are currently engaged in a variety of investing strategies on a global basis, with a view to identifying, and efficiently capturing, disparities between value and price in financial markets throughout the world.

As a registered investment advisor advising investment funds which participate in Canadian capital markets, we feel the that the requirement to disclose material contracts is a critical component of a sophisticated public company investor's toolkit, for several reasons:

- *UNDERSTANDING A SECURITYHOLDER'S RIGHTS*: The legal obligations of a reporting issuer to its securityholders for essentially all securities are documented in some form, either in share conditions, trust indentures or other similar documents. At a minimum, any effective continuous disclosure regime must ensure that investors have timely access to those legal documents, in a manner which does not require the issuer's involvement. Our experience has been that issuers often fail to file these documents on SEDAR, particularly trust indentures for debt instruments and for equity convertible securities such as warrants (notwithstanding section 12.2 of the companion policy of the Rule).

- *CAPITAL STRUCTURE*: A sophisticated investment analysis of an issuer includes understanding its capital structure, including its financial obligations and any other securities distributed by the issuer. For a holder of junior debt or equity, a detailed knowledge of the prior claims against the issuer's assets and cash flow is important, particular for issuers experiencing financial difficulty. However, our experience is that issuers frequently refuse to file all material agreements relating to their capital structure on SEDAR (especially their credit facility documents), on the argument that such information is "in the ordinary course". Adopting this interpretation seriously undermines section 12.2 and is not defensible, especially for an issuer in financial difficulty.

- *INVESTOR DILIGENCE*: Investors should be able to evaluate for themselves the material components of the business framework within which an issuer operates. Several public company debacles might have been discovered sooner, with less dramatic harm to investors, had material agreements been available on SEDAR. For example, Bennett Environmental experienced a significant share price decline in July 2004 following disclosure regarding the status of an apparently material New Jersey soil reclamation contract which was not publicly disclosed. Similarly, Coolbrands International announced in late July 2004 the termination of a licensing agreement (not filed on SEDAR) which also resulted in a dramatic share price decline. In both cases, disclosure of these agreements would have permitted investors to better assess the business risks facing these issuers and seek additional information from the issuer. More recently, Great Canadian Gaming Corporation was criticized on April 4, 2006 for poor disclosure by Highfields Capital Management in a public letter to the Toronto Stock Exchange.

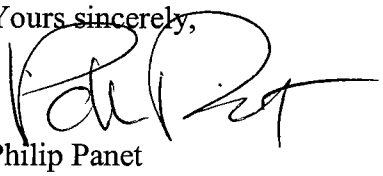
- *TIMELINESS AND AVAILABILITY*: Requiring material agreements to be publicly available on SEDAR also allows investors to easily access important information without the involvement of the issuer. Ease of access can be vital to an investor's ability to protect its rights. For example, if senior securityholders are concerned that an issuer is about to engage in a hasty transaction with junior securityholders that may be oppressive to the senior securityholders' interests, rapid and unrestricted access to the covenants in both indentures is crucial. Leaving access to information to the discretion of the issuer is inequitable and unreasonable.

While we do recognize that issuers have a valid interest keeping competitively sensitive information from competitors, our experience to date with the disclosure of material contracts under the Rule has been that compliance with the disclosure obligations in section 12.2 is inconsistent and frequently prejudicial to investors. In addition, issuers often rely inappropriately on the "ordinary course of business" exclusion. We also note that in contrast to Canada, compliance the comparable requirement in the United States appears to be materially greater.

We are concerned that any weakening of the material contract requirement will be prejudicial to investors. We also believe that compliance by reporting issuers with the material contract disclosure requirement needs improvement and that the application of the requirement needs clarification. For example, the companion policy to the Rule could be more detailed, by enumerating certain common material contracts that should be disclosed (such as credit facilities) and by limiting inappropriate reliance by issuers on the "ordinary course of business" exemption.

I look forward to having the opportunity to discuss the matter further with you. I can be reached at 416-642-7802.

Yours sincerely,



Philip Panet
Vice President, Secretary and General Counsel, Canada
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