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May 23, 2007

VIA E-MAIL

Ms. Anne-Marie Beaudoin
Autorité des marchés financiers
P.O. Box 246
Stock Exchange Tower, 22nd Floor
800 Victoria Square
Montreal, Quebec
H4Z 1G3

Dear Sirs/Mesdames:

Re: Request for Comments on Proposed Multilateral Instrument 61-101

This letter is in response to the Request for Comments published by the Autorité des marchés financiers and the Ontario Securities Commission on proposed Multilateral Instrument 61-101. I recognize that I am providing these comments later than the requested date of November 23, 2006. Nevertheless, I hope you will be able to take them into account in connection with your finalization of the Instrument.

1. I am very much in favour of the initiative to combine OSC Rule 61-501 and Quebec Regulation Q-27. Because of the different wording of these two documents, it is sometimes unclear whether they are entirely consistent. Having one uniform instrument will put this concern to rest.

2. Section 2.2(1)(d) of the draft Instrument requires the disclosure required by the issuer bid form "to the extent applicable and with necessary modifications". Although I acknowledge that similar wording is contained in Ontario Form 32, I have always found that requirement somewhat unclear. Although Section 4.1 of the Companion Policy lists the specific items of the issuer bid circular form that the insider bid circular should "generally disclose", this provision is of limited assistance. Does this mean that sometimes other provisions may be relevant or does it mean that sometimes some of the listed items may not be relevant?

   Furthermore, with respect to certain items, it is simply unclear how one is to interpret the requirement. For example, item 5 of the Ontario Form 32 (and item 7 of proposed Form 62-104F1) requires disclosure of the trading in securities of the offeree issuers by the insider (and certain related parties) during the previous six months. On the other hand, the Ontario Form 33, item 19 (and item 18 of

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proposed Form 62-104F2), requires disclosure of any purchases made by the issuer during the preceding 12 months. Since under an issuer bid the issuer is both the offeror and the offeree issuer, the question that arises then is whether the requirement for issuer bid disclosure in an insider bid circular requires disclosure of the issuer's purchases for the previous 12 months or the insiders' purchasers for the previous 12 months (an increase from the six months required in take-over bid circulars that are not insider bids).

It seems to me that the formulation set out in section 2.2(1)(d) of the proposed Instrument (and currently item 21 of Form 32) is a lazy way to set forth the requirement and one which makes compliance difficult. I suggest that subsection 2.2(1) of the proposed Instrument set out a specific description of the additional disclosure required of an insider bid circular without reference to a form that is used for a different purpose. This way, it will be clear what additional information will be required and whether the information pertains to the offeror or the offeree issuer.

The foregoing comments apply as well to the similar requirements for business combinations and related party transactions in Sections 4.2(3) and 5.3(3) of the proposed Instrument.

3. The provisions of clauses 4.1(c) and 5.1(c) of the proposed Instrument are unworkable. With the ability of beneficial owners to elect to be objecting beneficial owners (OBOs) under National Instrument 54-101, there is no way for an issuer to determine where those OBOs are located. Accordingly, an issuer cannot be certain whether or not the test of clauses 4.1(c) and 5.1(c) are satisfied. I understand that the reason for these clauses is that, because of the use of intermediaries, the location of registered owners may be misleading as to the location of shareholders. I would therefore suggest that a provision be added that would entitle an issuer to make the determination required by clauses 4.1(c) and 5.1(c) based upon the location of the NOBOs. In other words, if less than 2% of the shares held by NOBOs are held by NOBOs in the local jurisdiction, then the exemption in clauses 4.1(c) or 5.1(c) could be available. It may be that other beneficial owners that have filed early warning reports and/or insider reports should be included, although I am not sure that an issuer will always be able to tell whether such a beneficial owner is shown as a NOBO (and therefore could be double counted) when the shares have been held through an intermediary such as a custodian or a trustee.

I appreciate the opportunity to comment on the proposed Instrument. I would be happy to discuss these comments with you at your convenience.

Yours sincerely,

"Paul G. Findlay"

Paul G. Findlay

PGF/ck