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January 24, 2007

BY E-MAIL

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
L'Autorité des marchés financiers
New Brunswick Securities Commission
Nova Scotia Securities Commission

c/o Denise Duifhuis
British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2

- and -

c/o Madame Anne-Marie Beaudoin
Directrice du secrétariat
L'Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montreal, Quebec H4Z 1G3

Dear Sirs/Mesdames:

Re: Proposed Amendments to National Instrument 55-101 *Insider Reporting Exemptions* and Companion Policy 55-101 CP *Insider Reporting Exemptions*

The following comments are provided by McCarthy Tétrault LLP in response to the Canadian Securities Administrators' request for comment regarding proposed amendments (the "Proposed Amendments") to National Instrument 55-101 *Insider Reporting Exemptions* ("NI 55-101") and to Companion Policy 55-101 CP *Insider Reporting Exemptions* (the "Companion Policy").

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Insider Reporting by “True” Insiders

We are generally supportive of the proposed amendments to NI 55-101 and the Companion Policy to increase the relevant percentages from 10% to 20% with respect to the definition of a “major subsidiary”, to replace the record-keeping requirements with best practices policies in the Companion Policy and to expand the application of the automatic securities purchase plan (“ASPP”) exemption to grants of stock options in certain situations.

The CSA are especially to be commended for their stated intention to review, as part of their ongoing efforts to harmonize and streamline securities legislation, whether the insider reporting system could be more effective if focused on a smaller group of insiders. We would expect that any proposal to accelerate the time frames for filing insider reports would be more successful if the reporting obligation was limited to “true” insiders, directors, executive officers (as defined in National Instrument 51-102) and “10% holders”. It is our view that the public interest would be served by having higher quality information, the insider reports of “true” insiders, provided to the market in an accelerated period of time. We believe that these improvements could be achieved as part of the current amendments rather than proposed future amendments but understand that harmonizing various provincial legislation may complicate this otherwise desirable goal.

Specific Questions Identified for Comment

We have the following comments regarding the specific questions identified in the Request for Comment (using the same numerical sequence):

1. We believe that there is good reason to allow persons who own or control more than 10% of the voting securities of a reporting issuer to rely on the exemption in Part 5 of NI 55-101 to defer reporting acquisitions under ASPPs such as dividend re-investment plans, as the nature of such plans does not permit an insider to determine the timing of the relevant trade and therefore the rule should not distinguish between types of insiders. For the same reasons, any extension of Part 5 of NI 55-101 to “10% holders” should not be limited as to the number or percentage of securities that such an insider can acquire before being required to file an insider report.
2. We support your proposal to let insiders who are executive officers and directors of a reporting issuer rely on the ASPP exemption in Section 5.1 of NI 55-101 for the acquisition of stock options and similar securities where public disclosure of the material terms of the grant has been made. However, in our view such disclosure should be made by way of a SEDAR filing and not a press release. Requiring a reporting issuer to file a notice on SEDAR in these circumstances would support the utility of SEDAR in modernizing public company reporting obligations and reduce the regulatory clutter associated with any increased reliance on press releases as a reporting mechanism. In addition, a press release of that nature may cause confusion in the market as to its true purpose.

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Assuming the reporting process would be easy for reporting issuers and investors alike to use, we would support the enhancement of the System for Electronic Disclosure by Insiders to allow reporting issuers to disclose grants of options or other similar securities by way of issuer-initiated reports made on SEDI.

3. We believe that disclosure of stock options and issuer derivatives grants to executive officers (as defined in National Instrument 51-102) and directors of a reporting issuer provides a greater signalling function than disclosure of similar grants to other insiders.

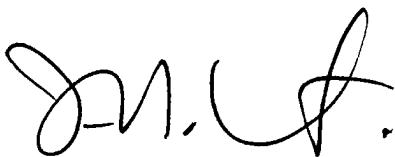
Other Comments

The Proposed Amendments delete the existing record-keeping requirements in Part 4 of NI 55-101. However, we note that, by describing those requirements as best practices, the proposed changes to the Companion Policy effectively add back those requirements and could cause confusion as to which policies and procedures are necessary to comply with applicable insider trading laws. We believe that, having removed the record-keeping requirements, the CSA should permit reporting issuers to determine which practices make sense in the circumstances to ensure proper regulatory compliance. Accordingly, we believe that the title of Part 4 of the Companion Policy be renamed "Insider Policies" and that the last paragraph of Part 4 of the Companion Policy be deleted in its entirety and replaced with the following:

"The disclosure standards described in National Policy 51-201 *Disclosure Standards* represent best practices recommended by the CSA. An issuer's policies and procedures need not be consistent with National Policy 51-201 in order for the exemptions in the Instrument to be available."

We appreciate the opportunity to comment on the proposed amendments to NI 55-101 and the Companion Policy. If you have any questions with respect to our comment, please feel free to contact Jonathan Grant at (416) 601-7604 or Ian Michael at (416) 601-8023.

Yours truly,



Jonathan Grant



Ian Michael

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