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Delivered

March 19, 2007

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

c/o Ms. Heidi Franken,
Co-Chair of the CSA's Prospectus Systems Committee
Ontario Securities Commission
20 Queen Street West, Suite 1903, Box 55
Toronto, Ontario M5H 3S8

Dear Sirs / Mesdames,

Re: Proposed Amendments to National Instrument 41-101,
CSA Notice and Request For Comments dated December 21, 2006

This letter is in response to the above request for comments in relation to the proposed amendments to National Instrument 41-101 (the "Proposed Amendments") and, in particular, Section 5.13 thereof.

These comments do not represent the views of any particular client of our organization, and are submitted on a "without prejudice" basis in relation to any position taken by our organization on its own behalf or on behalf of any of its clients in respect of any matter which our organization may be or hereafter become involved.

By Section 5.13, the Proposed Amendments include a new certificate requirement for "substantial beneficiaries of the offering". We would submit that as drafted, Section 5.13 goes beyond what is necessary to ensure the integrity of Canadian capital markets and in so doing will likely prejudice the efficiency and competitiveness of Canadian public capital markets and their participants, contrary to one of the fundamental purposes of Canadian securities regulation.

While a person or company (herein, a "vendor") that controls a "significant business" may have the best information about that particular business, we respectfully submit that it does not necessarily follow that such person or company:

- has sufficient information with respect to the issuer (pre or post-acquisition), as distinct from the significant business, to ensure that the prospectus contains "full, true and plain disclosure of all material facts relating to the securities offered thereby" and "contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed"; or

- ought to assume liability for the disclosure in such prospectus for the disclosure therein relative to the issuer on a consolidated basis, or the significant business acquired (or proposed to be acquired) by the issuer.

To require a vendor to sign the applicable issuer certificate generally will require that this person or company undertake significant due diligence investigations of the issuer, including with respect to certain forward-looking matters (such as expected synergies) in relation to which they may well have had no input, and to make judgments as to materiality in respect of matters that they may be wholly ill-equipped to do.

It is entirely possible, if not likely, that the significant internal resources and costs associated with such due diligence exercises of a vendor, in addition to the contingent liability for misrepresentations in the prospectus that is the subject of the certificate contemplated by Section 5.13, will put Canadian public enterprises at a material competitive disadvantage when seeking to make "significant acquisitions" and to finance those acquisitions in any significant part, whether directly or indirectly, by accessing Canadian public capital markets. Such costs and liabilities will be borne by the vendor or have to be effectively reimbursed/indemnified by the prospective issuer-purchaser; in either case, adversely affecting the competitiveness of the prospective issuer-purchaser.[1]

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[1] The foregoing assumes that the issuer-purchaser would be willing to permit a vendor to conduct extensive due diligence on the issuer-purchaser. We would submit that many issuer-purchasers would be loath to permitting a vendor to conduct such due diligence investigations, especially if the vendor or its affiliates were current or potential competitors of the issuer-purchaser (which is often the case). In such circumstances, issuer-purchasers may prefer not to pursue a transaction that is otherwise in its best interests as a result of these proposed requirements.

Moreover, Section 5.13 will likely (and in our view unfairly) have a more significant adverse effect upon junior issuers, who often rely on accessing Canadian public capital markets to finance significant acquisitions to a greater extent than more senior issuers, who have greater internal cash resources and access to debt financing.[2]

We respectfully submit that responsibility for ensuring that the prospectus contains "full, true and plain disclosure of all material facts relating to the securities offered thereby" and "contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed" ought properly to rest with the issuer-purchaser and its agents or underwriters (in the case of the agents or underwriters, to the best of their knowledge) as it has in Canada, the United States and elsewhere for decades.

We further respectfully submit that Section 5.13 will unnecessarily discourage issuers from financing acquisitions by accessing Canadian public capital markets, significantly mitigating one of the principal reasons issuers become reporting issuers.

We acknowledge that there may be circumstances in which a vendor should properly take responsibility, as it were, for information contained in a prospectus concerning its former business; but, in our view, these circumstances would generally be confined to situations where the vendor is effectively the "promoter" of the issuer-purchaser and is clearly accessing Canadian public markets in an indirect fashion. Accordingly, to the extent such concern is not already addressed by Canadian securities laws as they relate to promoters, we would favour the more flexible approach currently reflected by National Policy 41-201.

Yours respectfully,

TD SECURITIES INC.

Should you require further information, please contact:

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[2] We believe it is currently unclear whether Section 5.13 would apply in circumstances where the issuer-purchaser finances its acquisition of a significant business with external debt and within the following year decides to repay that debt by accessing Canadian public capital markets. If so, the potentially anti-competitive problems discussed herein are compounded, as either or both of the issuer-purchaser and the vendor may cautiously assume that such a refinancing will occur within this time frame and accordingly costs will be incurred (and/or opportunities lost) even when no such financing occurs.