

Monday, June 18, 2007

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, ON M5H 3S8
By email: jstevenson@osc.gov.on.ca

RE: Proposed National Investment 31-103

Dear Sir:

I am writing to you in response to the request for comments on the Proposed Instrument NI-31-103. As a mutual fund investor residing in Ontario, I am concerned by the excessive regulations that continue to be imposed, with more planned. Such regulations result in excessive Mutual Funds Fees, which I must pay. With no government or company pension plan I rely exclusively on my investments for my future retirement.

Canadian Mutual Fund Fees appear to be the highest in the world. May I assume that the highest regulations are imposed on Canadian Mutual Funds? I have to ask whether Canadian investors as well as the public at large are served well by these excessive regulations. I do not feel I need the additional protection of more regulations. The increasing of regulations is harmful to me as an investor, as it increases the cost of doing business and reduces competition by raising barriers to entry for new advisors, thus deterring new advisors and small firms.

Specifically:

Section 4.14

It appears that the working capital level requirement is sufficient for firms that do not hold investor money and use third party custodians. By increasing the required level of working capital, the boutique fund industry would be unfairly hindered in an unnecessary manner.

Section 4.18

Insuring assets of a fund that has a quality third party custodian does not provide any benefit whatsoever; it only increases the funds' cost that will eventually be passed on to me and reduce my returns. The text as proposed will require double insurance!!! Where is this in the investor's best interest???

The effect of the above two sections on my investment will be contrary to your stated intent to "create a flexible registration regime leading to administrative efficiencies, and reduce regulatory burden for registrants" will be contrary to this stated intent.

Therefore, I must therefore register my protest against the excessive regulations, existing and planned, imposed on Canadian Mutual Funds. I ask you to reconsider these points, or at least allow for the flexibility of informed opting-out.

My very talented mutual fund manager and his team may decide to discontinue their efforts on my and many other of their client's behalf if they are discouraged by the continuance of excessive regulation requirements. Currently they are successfully managing my portfolio: I wish for them to continue to do so in their own style, using their particular entrepreneurial skills, without a sense of restriction. I have a sense that excessive regulation stifles their mode of operations.

For the small investor, without access to offering memorandum exemptions, economic livelihood depends on avoiding useless costs. Your leadership in the representation of real investor interests would be much appreciated.

Regards,

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