

June 20, 2007

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

c/o John Stevenson
Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor
Suite 1903, Box 55
Toronto, Ontario M5H 3S8

- and -

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

Dear Sirs/Mesdames:

Re: Comments on Proposed National Instrument 31-103 *Registration Requirements* and Proposed Companion Policy 31-103 *Registration Requirements*

This letter is being written to provide our comments to you on the intended scope of proposed National Instrument No. 31-103 *Registration Requirements* and Proposed Companion Policy 31-103 *Registration Requirements* (collectively, "NI 31-103").

Aird & Berlis LLP is a law firm located in Toronto with approximately 120 lawyers. The firm has a diverse client base of both large multi-national clients and smaller entrepreneurial clients. The firm has large corporate, corporate finance, real estate and municipal and tax departments, with substantial transactional practices in each of those practice areas.

We are concerned about the application of NI 31-103 to real estate based business structures. Due to tax, liability and conveyancing issues, many real estate acquisitions and developments are structured as limited partnerships, with the investors holding interests in a limited partnership which either holds title to the real property or holds title to a nominee corporation which in turn holds title to the real property. Real estate developers frequently form a limited partnership for each real estate project and act as managers for each project.

The limited partnership interests issued to investors are clearly securities; however, it is unclear whether the Canadian Securities Administrators (the "CSA") intend the registration requirements in NI 31-103 to apply to these business structures. In many circumstances, the solicitation of investors (especially by the manager) and the issuance of limited partnership units to investors of these real estate ventures will constitute "being in the business of dealing in securities". In addition, given the current uncertainty surrounding the meaning of "investment fund" and "investment fund manager", it is possible that entities in the business of buying, developing and managing real estate may require registration as "investment fund manager". Further, in a real estate fund of fund structure, the manager may be "in the business of advising in securities". If registration as an exempt market dealer, adviser or investment fund manager were required, the proposed proficiency requirements in NI 31-103 would be very difficult to secure for most real estate industry participants and, in any event, largely irrelevant to their business operations.

In our view, the uncertainty surrounding the application of NI 31-103 to land development and real estate ventures creates an undesirable uncertainty in the market. As a result, we urge the CSA to revise NI 31-103 to provide clear guidance that it does not apply to such ventures.

We appreciate the opportunity to provide the CSA with our views on NI 31-103. Please do not hesitate to contact Jennifer A. Wainwright at 416-865-4632 with any comments or questions you might have with respect to this letter. We would appreciate the opportunity to meet with you in order to discuss our comments.

Yours truly,

AIRD & BERLIS LLP

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