

ATB Investor Services™**ATB Securities Inc.**

June 20, 2007

Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario
M5H 3S8

Attention: John Stevenson Secretary

And to:

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

Dear Sirs;

Re: Comments on Proposed NI 31-103

Upon review of the proposed instrument I offer the following comments:

- 1. Do not adopt a principles-based approach to any regulatory requirements.**

A principles-based approach requires each firm to construct its own detailed regulatory regime. This is great waste of time where each firm is creating what could easily be mandated.

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A principles-based approach places internal compliance staff at a significant disadvantage:

Without black letter law debates over the probity of internal rules become endless.

Without black letter law firms will engage in a race to the bottom. To attract or retain staff they will be less rigorous in designing and applying internal rules.

Without black letter law the prospect of firm action from the commissions is significantly reduced. In turn, compliance staff lose the significant leverage provided by enforcement precedents.

In short, principles-based regulation results in a wasteful multiplication of work amongst firms and emasculates the compliance and enforcement functions. The materials provided with the proposed instrument provide no indication that there are any advantages to offset these disadvantages.

2. Create a category or sub-category for the registration of Advising Representatives for Private Investment Management.

The current and proposed advising representative categories are designed to ensure competence in the management of fund type portfolios. There is nothing within the qualifications that acknowledges or deals with the very different skill set required by client facing private investment management representatives. For example, no consideration is given to the applicant's experience in dealing with clients in other registered capacities. In private investment management skill in working with clients to achieve their goals is far more important than the research skills needed to provide information to portfolio managers dealing with institutional clients.

3. Do not provide exemptions to niche portfolio managers.

Unregistered niche portfolio managers have been competing unfairly with registered portfolio managers for years. They have avoided the cost and inconvenience of registration and scrutiny of the regulators. They have provided advice to the public without the benefit of regulation. Indeed registered firms have been criticized for placing funds with unregistered portfolio managers. The commissions, unwilling to exert their jurisdiction over the unregistered firms, nonetheless expected their registrants to not deal with them. Any exemption will perpetuate this unfair situation to the continued detriment of registrants.

4. Provide explicitly for graduated supervision of Associate Advising Representatives.

The Companion Policy refers to the Associate Advising Representative position as an apprentice category. This is wholly appropriate. However experience has shown that regulators tend to treat progress from the associate position to senior position as a binary process. Today you are an associate bound by tight supervision requirements, tomorrow you are a senior and those tight requirements have been removed.

The regulators should state explicitly that in keeping with the concept of apprenticeship that the associate will over the period covered by their associate status experience a constant and appreciable loosening of the supervision requirements. In the end, the associate should pass from their junior to their senior status by only a small incremental change, just as a senior apprentice tradesman graduates to journeyman status.

5. The process for making comments on proposed instruments

The CSA clings to the formality of requiring parties providing comments to address their comments to thirteen securities authorities as I have done above. Why have you not adopted a system whereby parties can simply signify that they want their comments to be provided to all CSA jurisdictions? The needless formality in this

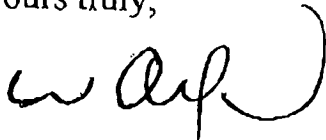
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process adds no value and further highlights the very low likelihood that the securities commissions could ever act seamlessly.

Thank you for your anticipated consideration of these comments. Please note that while these comments are provided on ATB Securities Inc. letterhead, they are also adopted by ATB Investment Services Inc. and ATB Investment Management Inc.

Yours truly;



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